

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 5, 2023**

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

Case No. 23787:

Tater Tot 2-35 Fed Com 334H Well

DEVON ENERGY PRODUCTION COMPANY, L.P.

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TAB 1

Reference for Case No. 23787
Application Case No. 23787:
NMOCD Checklist Case No. 23787

Tater Tot 2-35 Fed Com 334H Well

**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. 23787

APPLICATION

Devon Energy Production Company, L.P. (“Devon” or “Applicant”), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 279.62-acre, more or less, spacing and proration unit comprised of the SW/4 NE/4 and the W/2 SE/4 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico. Section 2 is an irregular section containing correction lots.

In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Devon proposes and dedicates to the HSU the **Tater Tot 2-35 Fed Com 334H Well** as the initial well to be drilled to a sufficient depth to test the Bone Spring formation.

3. Devon proposes the **Tater Tot 2-35 Fed Com 334H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 2-24S-29E to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 35-23S-29E.

4. The proposed well is orthodox in its location, and the take points and completed intervals comply with setback requirements under the statewide rules.

5. Devon has sought in good faith but has been unable to obtain a voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.

6. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Devon requests that all uncommitted interests in this HSU be pooled and that Devon be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on October 5, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 279.62-acre, more or less, spacing and proration unit comprised of the SW/4 NE/4 and the W/2 SE/4 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU.

C. Approving the **Tater Tot 2-35 Fed Com 334H Well** as the Well for the HSU.

- D. Designating Devon as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Devon to recover its costs of drilling, equipping, and completing the well;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Devon in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ *Darin C. Savage*

Darin C. Savage

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
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bill@abadieschill.com

**Attorneys for Devon Energy Production
Company, L.P.**

Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 279.62-acre, more or less, spacing and proration unit comprised of the SW/4 NE/4 and the W/2 SE/4 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico. Section 2 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Tater Tot 2-35 Fed Com 334H Well**, an oil well, to be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 2-24S-29E to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 35-23S-29E. The well will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 8.8 miles southeast of Loving, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23787	APPLICANT'S RESPONSE
Date	October 5, 2023
Applicant	DEVON ENERGY PRODUCTION COMPANY, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Tater Tot
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	See Exhibit A, Para 4-5; Exhibit B-2; Bone Spring
Pool Name and Pool Code:	Cedar Canyon; Bone Spring Pool [Code 11520]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	279.62-acre, more or less
Building Blocks:	Quarter-Quarter Sections (40 Acre Blocks)
Orientation:	South-North
Description: TRS/County	SW/4 NE/4 and the W/2 SE/4 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit A-2
Released to Imaging: 10/4/2023 8:47:17 AM	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Tater Tot 2-35 Fed Com 334H Well (API No. Pending), SHL: Unit P, 240' FSL, 845' FEL, Section 2, T24S-R29E; BHL: Unit G, 1351' FNL, 1740' FEL, Section 35, T23S-R29E, standup, standard location
Horizontal Well First and Last Take Points	Tater Tot 2-35 Fed Com 334H Well: FTP 100' FSL, 1740' FEL, Section 2; LTP 1431' FNL, 1740' FEL, Section 35
Completion Target (Formation, TVD and MD)	Tater Tot 2-35 Fed Com 334H Well: TVD approx. 10,057', TMD 20,000'; Bone Spring formation, See Exhibit A & B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
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 A-2, including Working Interest owners, Record Title Owners, and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A: Para 11
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3

Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Geologist believes Exhibits B-1 and B-2 suffice for accurate evaluation
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibit B-2
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-2
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	Darin C. Savage
Date:	10/3/23

TAB 2

Case No. 23787

Exhibit A: Self-Affirmed Statement of Aaron Young, Landman
Exhibit A-1: C-102 Form
Exhibit A-2: Ownership and Sectional Map
Exhibit A-3: Well Proposal Letter and AFE
Exhibit A-4: Chronology of Contacts with Uncommitted Owners

**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. 23787

SELF-AFFIRMED STATEMENT OF AARON YOUNG

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
2. I am employed as a Landman with Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the lands involved. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
3. This Self-Affirmed Statement is submitted in connection with the filing by Devon of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
4. Devon seeks an order pooling all uncommitted mineral interests in the Bone Spring formation (Cedar Canyon; Bone Spring [Pool Code (11520)]) designated as an oil pool, underlying a standard 279.62-acre, more or less, spacing and proration unit comprised of the SW/4 NE/4 and the W/2 SE/4 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico. Section 2 is an irregular section containing correction lots.

**EXHIBIT
A**

5. Under Case No. 23787, Devon proposes and dedicates to the HSU the **Tater Tot 2-35 Fed Com 334H Well**, (API-pending), an oil well, to be horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 2-24S-29E, to a bottom hole location in SW/4 NE/4 (Unit G) of Section 35-23S-29E; approximate TVD 10,117', approximate TMD 18,887', FTP in Section 2: 100' FSL, 1740' FEL; LTP in Section 35: 1431' FNL, 1740' FEL.

6. The proposed C-102 for the well is attached as **Exhibit A-1**.

7. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The well proposed herein is orthodox in its location, and the take points and completed intervals comply with setback requirements under the statewide rules.

8. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest owners, record title owners, and overriding royalty interest owner.

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

10. A review of records did not reveal any overlapping units.

11. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the well is located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. There were three unlocatable ORRI owners: Leslie Robert Honeyman Trust, LaNell Joy Honeyman, Trustee; LJA Charitable Investments, LLC and Strategic Energy Income Fund IV, LP. Devon published

notice in the Carlsbad Current Argus, a newspaper of general circulation in Eddy County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

12. Devon has made a good faith effort to negotiate with the interest owners, but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

13. The interest owners being pooled have been contacted regarding the proposed well but have failed or refused to voluntarily commit their interest in the well. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Devon and another interest owner or owners, Devon requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

14. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the well set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

15. Devon requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

16. Devon requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

17. Devon requests that it be designated operator of the unit and well.

18. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Devon's company business records under my direct supervision.

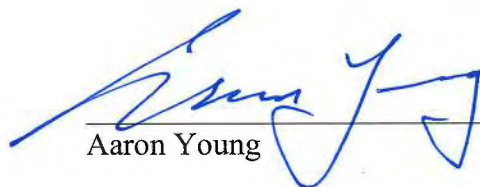
19. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

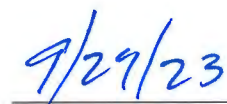
20. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Aaron Young:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23787 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Aaron Young

Date Signed

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 11520	³ Pool Name CEDAR CANYON; BONE SPRING
⁴ Property Code	⁵ Property Name TATER TOT 2-35 FED COM	⁶ Well Number 334H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3072.5

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	24 S	29 E		240	SOUTH	845	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	35	23 S	29 E		1351	NORTH	1740	EAST	EDDY

¹² Dedicated Acres 279.62	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.


	<p>TATER TOT 2-35 FED COM 334H EL. = 3072.5 GEODETIC COORDINATES NAD 83 NMSP EAST SURFACE LOCATION N. = 451294.18 E. = 660053.97 LAT. = 32.2401002°N LONG. = 103.9493595°W</p> <p>KICK OFF POINT CALLS _____ N. = _____ E. = _____ LAT. = _____ LONG. = _____</p> <p>FIRST TAKE POINT (PPP 1) 100' FSL, 1740' FEL N. = 451148.40 E. = 659160.89 LAT. = 32.2397082°N LONG. = 103.9522497°W</p> <p>LAST TAKE POINT 1431' FNL, 1740' FEL N. = 460227.70 E. = 659085.55 LAT. = 32.2646664°N LONG. = 103.9523892°W</p> <p>BOTTOM OF HOLE 1351' FNL, 1740' FEL N. = 460307.68 E. = 659085.11 LAT. = 32.2648863°N LONG. = 103.9523897°W</p> <p>PPP 2 0' FSL, 1731' FEL N. = 456337.82 E. = 659117.83 LAT. = 32.2539735°N LONG. = 103.9523294°W</p> <p>PPP 3 2660' FSL, 1737' FEL N. = 458997.04 E. = 659095.77 LAT. = 32.2612834°N LONG. = 103.9523702°W</p> <p>CORNER COORDINATES TABLE NAD 83 NMSP EAST</p> <table border="1"> <tr><td>A - N. = 461665.81</td><td>E. = 660817.24</td></tr> <tr><td>B - N. = 461654.17</td><td>E. = 658151.73</td></tr> <tr><td>C - N. = 461642.89</td><td>E. = 655486.69</td></tr> <tr><td>D - N. = 458986.32</td><td>E. = 655515.09</td></tr> <tr><td>E - N. = 456329.76</td><td>E. = 655543.48</td></tr> <tr><td>F - N. = 453684.45</td><td>E. = 655569.24</td></tr> <tr><td>G - N. = 451030.14</td><td>E. = 655595.01</td></tr> <tr><td>H - N. = 451042.47</td><td>E. = 658249.35</td></tr> <tr><td>I - N. = 451059.78</td><td>E. = 660901.66</td></tr> <tr><td>J - N. = 453693.03</td><td>E. = 660870.74</td></tr> <tr><td>K - N. = 456341.71</td><td>E. = 660848.02</td></tr> <tr><td>L - N. = 459002.24</td><td>E. = 660831.98</td></tr> <tr><td>M - N. = 456335.75</td><td>E. = 658196.75</td></tr> </table> <p>LEGEND --- SECTION LINE --- QUARTER LINE --- LEASE LINE --- WELL PATH</p>	A - N. = 461665.81	E. = 660817.24	B - N. = 461654.17	E. = 658151.73	C - N. = 461642.89	E. = 655486.69	D - N. = 458986.32	E. = 655515.09	E - N. = 456329.76	E. = 655543.48	F - N. = 453684.45	E. = 655569.24	G - N. = 451030.14	E. = 655595.01	H - N. = 451042.47	E. = 658249.35	I - N. = 451059.78	E. = 660901.66	J - N. = 453693.03	E. = 660870.74	K - N. = 456341.71	E. = 660848.02	L - N. = 459002.24	E. = 660831.98	M - N. = 456335.75	E. = 658196.75	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 9, 2023</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: L-12797 SURVEY NO. 6306G</p>
	A - N. = 461665.81	E. = 660817.24																										
	B - N. = 461654.17	E. = 658151.73																										
C - N. = 461642.89	E. = 655486.69																											
D - N. = 458986.32	E. = 655515.09																											
E - N. = 456329.76	E. = 655543.48																											
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J - N. = 453693.03	E. = 660870.74																											
K - N. = 456341.71	E. = 660848.02																											
L - N. = 459002.24	E. = 660831.98																											
M - N. = 456335.75	E. = 658196.75																											

EXHIBIT
A-1

Intent ☐ As Drilled ☐

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: TATER TOT 2-35 FED COM	Well Number 334H

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 O	Section 2	Township 24S	Range 29E	Lot	Feet 100	From N/S SOUTH	Feet 1740	From E/W EAST	County EDDY
Latitude 32.2397082					Longitude 103.9522497				NAD 83

Last Take Point (LTP)

UL G	Section 35	Township 23S	Range 29E	Lot	Feet 1431	From N/S NORTH	Feet 1740	From E/W EAST	County EDDY
Latitude 32.2646664					Longitude 103.9523892				NAD 83

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

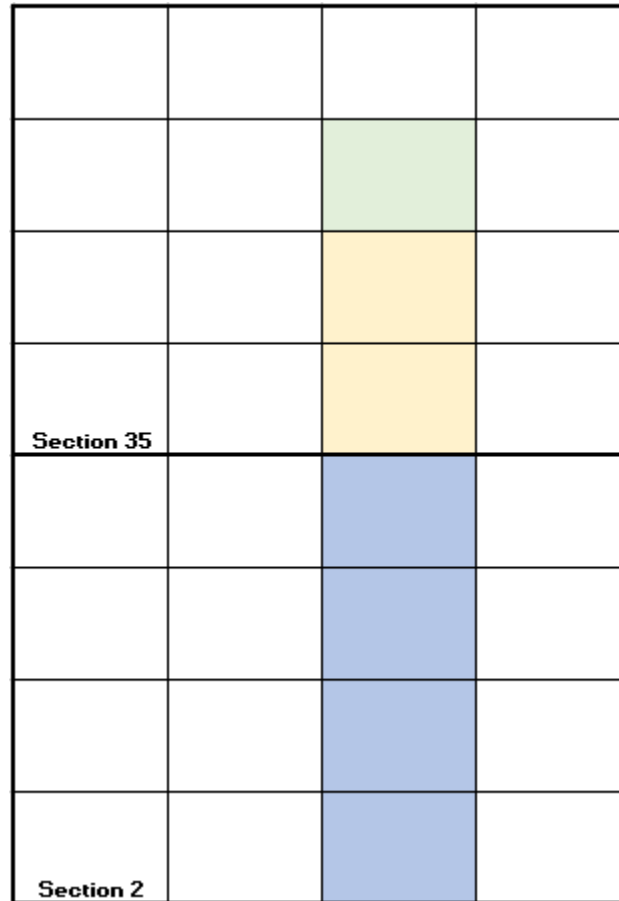
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

OWNERSHIP BREAKDOWN
Tater Tot 2-35 Fed Com 334H

W/2SE/4, SW/4NE/4 of Section 35, T23S-R29E &
Lot 2, SW/4NE/4, and W/2SE/4 of Section 2, T24S-R29E
Eddy County, New Mexico,
Bone Spring Formation



Tract 1:
V0-0440-3
(159.62 acres)



Tract 2:
NMNM 103604
(80 acres)



Tract 3:
NMNM 124616
(40 acres)



TRACT 1 OWNERSHIP (W/2E/2 of Section 2, being 159.62 acres):

Owner	Net Acres	Tract WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	126.32	.79136023	Committed
OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046	33.30	.20863977	Uncommitted
Total:	159.62	1.00	

TRACT 2 OWNERSHIP (W/2SE/4 of Section 35, being 80 acres):

Owner	Net Acres	Tract WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	70.48	.880975	Committed
Allar Development LLC P.O.Box 1567 Graham, TX 76450	9.20	.11500	Committed
Highland (Texas) Energy Company Inc. 11886 Greenville Ave., Suite 106 Dallas, TX 75243	0.32	.004025	Committed
Total:	80.00	1.00	

TRACT 3 OWNERSHIP (SW/4NE/4 of Section 35, being 40 acres):

Owner	Net Acres	Tract WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	40.00	1.00000	Committed
Total:	40.00	1.00	

Overriding Royalty Interest seeking to Compulsory Pool:

ORRI Owners (Tract 1)

Tap Rock Minerals, LP

ORRI Owners (Tract 2)

Cornerstone Family Trust
LJA Charitable Investments, LLC
The Allar Company
Strategic Energy Company Fund IV, LP
LaNell Joy Honeyman, SSP
Leslie Robert Honeyman Trust, Joy Honeyman, Trustee

ORRI Owners (Tract 3)

None

Record Title Owners

Devon Energy Production Company L.P.
Echo Production Inc.

Unit Recapitulation-Bone Spring-279.62 AC HSU
W/2SE/4, SW/4NE/4 of Section 35, T23S-R29E &
Lot 2, SW/4NE/4, and W/2SE/4 of Section 2, T24S-R29E
Eddy County, New Mexico, Bone Spring Formation

Owner	Interest
Devon Energy Production Company, L.P.	84.68454%
Allar Development LLC	3.29018%
Highland (Texas) Energy Company, Inc.	0.115156%
OXY USA Inc.	11.91012%
TOTAL	100.0000000%
Uncommitted Working Interest Owners seeking to Compulsory Pool	

Pooling List Recapitulation: Full List of Uncommitted Parties/Persons to be Pooled:

OXY U.S.A. Inc.	WI
Echo Production Inc.	RT
Tap Rock Minerals, LP	ORRI
Cornerstone Family Trust	ORRI
LJA Charitable Investments, LLC	ORRI
The Allar Company	ORRI
Strategic Energy Company Fund IV, LP	ORRI
LaNell Joy Honeyman, SSP	ORRI
Leslie Robert Honeyman Trust, Joy Honeyman, Trustee	ORRI



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

405 235 3611 Phone
www.devonenergy.com

June 13, 2023

Sent via Priority Mail

Working Interest Owners
Listed on Attached Exhibit "A"

RE: Tater Tot 2-35 State Fed Com 334H
Sections 2-24S-29E & 35-23S-29E
Eddy County, New Mexico

Dear Working Interest Owner,

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill, complete, and equip the following horizontal well in the Bone Spring formation:

- Tater Tot 2-35 State Fed Com 334H as a horizontal well to an approximate landing TVD of 10,117', bottom hole TVD of 10,087', and approximate TMD of 18,887' into the Bone Spring formation at an approximate SHL of 240' FSL & 845' FEL of Section 2-24S-29E, or at a legal location in Unit P, and an approximate BHL of 1340' FSL & 1740' FEL of Section 35-23S-29E, or at a legal location in Unit G, Eddy County, New Mexico. Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$4,497,675.65 and total completed well costs of \$10,359,265.95.

Devon reserves the right to modify the locations and drilling plans described above to address surface and subsurface concerns. Devon will advise of any such modifications.

Devon is proposing to drill the Well under the terms of the modified 2015 AAPL form of Operating Agreement ("JOA") which contains the following general provisions:

- Devon named as Operator
- Contract Area: All of Sections 2-24S-29E & 35-23S-29E
- 100% / 300% Non-Consenting Penalty
- \$8000/\$800 Drilling and Producing Overhead Rates

If you wish to participate in the operation, please indicate in the space provided below, along with a signed AFE, and deliver to my attention at the letterhead address or by email at aaron.young@dvn.com, and Devon will provide the completed JOA for your review. If your election is to participate, a cash call invoice will be sent following receipt of a timely election.

If you do not wish to participate in the proposed operation, Devon would like to negotiate a voluntary agreement that includes your interest.

EXHIBIT
A-3

Tater Tot 2-35 State Fed Com 334H

June 13, 2023

Page No. 2

If an agreement is not reached within 30 days of the date of this letter, Devon will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Aaron Young
Sr. Staff Landman

Tater Tot 2-35 State Fed Com 334H

_____ I/we elect to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com 334H well. A signed AFE is returned herewith.

_____ I/we elect not to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com 334H well.

Company / Individual: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit "A"
Working Interest Owners

OXY USA Inc.
Occidental Petroleum
5 Greenway Plaza, Suite 110
Houston, Texas 77046

THE ALLAR COMPANY
P.O. Box 1567
Graham, Texas 76450

ALLAR DEVELOPMENT LLC
P.O. Box 1567
Graham, Texas 76450

Highland (Texas) Energy Company
11886 Greenville Avenue, Suite 106
Dallas, Texas 75243



Authorization for Expenditure

AFE # XX-131490.01

Well Name: TATER TOT 2-35 STATE FED COM 334H

AFE Date: 5/30/2023

Cost Center Number: 1093995501

State: NM

Legal Description: SEC 2-24S-29E

County/Parish: EDDY

Revision: ☐

Explanation and Justification:

DRILL AND COMPLETE

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	142,710.00	0.00	142,710.00
6060100	DYED LIQUID FUELS	107,156.75	369,245.00	0.00	476,401.75
6060130	GASEOUS FUELS	0.00	131,437.00	0.00	131,437.00
6080100	DISPOSAL - SOLIDS	105,243.24	5,328.00	0.00	110,571.24
6080110	DISP-SALTWATER & OTH	0.00	13,587.00	0.00	13,587.00
6080115	DISP VIA PIPELINE SW	0.00	106,500.00	0.00	106,500.00
6090100	FLUIDS - WATER	22,164.86	15,794.00	0.00	37,958.86
6090120	RECYC TREAT&PROC-H2O	0.00	296,218.00	0.00	296,218.00
6100100	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
6100110	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
6110120	ROAD&SITE PREP M&S	26,166.67	0.00	0.00	26,166.67
6110130	ROAD&SITE PREP SVC	52,333.33	40,648.00	0.00	92,981.33
6120100	I & C SERVICES	0.00	88,588.75	0.00	88,588.75
6130170	COMM SVCS - WAN	3,189.19	0.00	0.00	3,189.19
6130360	ROTC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
6130370	ROTC - GEOSTEERING	8,770.27	0.00	0.00	8,770.27
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	289,190.00	0.00	289,190.00
6160100	MATERIALS & SUPPLIES	7,813.51	0.00	0.00	7,813.51
6170100	PULLING&SWABBING SVC	0.00	6,750.00	0.00	6,750.00
6170110	SNUBBG&COIL TUBG SVC	0.00	125,735.00	0.00	125,735.00
6190100	TRCKG&HL-SOLID&FLUID	79,251.35	0.00	0.00	79,251.35
6190110	TRUCKING&HAUL OF EQP	38,748.65	42,170.50	0.00	80,919.15
6200130	CONSLT & PROJECT SVC	104,924.32	86,403.00	0.00	191,327.32
6230120	SAFETY SERVICES	32,848.65	3,138.00	0.00	35,986.65
6300270	SOLIDS CONTROL SRVCS	61,551.35	0.00	0.00	61,551.35
6310120	STIMULATION SERVICES	0.00	1,218,952.00	0.00	1,218,952.00
6310190	PROPPANT PURCHASE	0.00	903,917.00	0.00	903,917.00
6310200	CASING & TUBULAR SVC	93,921.62	0.00	0.00	93,921.62
6310250	CEMENTING SERVICES	185,000.00	0.00	0.00	185,000.00
6310280	DAYWORK COSTS	560,875.00	0.00	0.00	560,875.00
6310300	DIRECTIONAL SERVICES	254,178.37	0.00	0.00	254,178.37
6310310	DRILL BITS	90,732.43	0.00	0.00	90,732.43
6310330	DRILL&COMP FLUID&SVC	276,183.77	16,836.00	0.00	293,019.77
6310370	MOB & DEMOBILIZATION	608,000.00	0.00	0.00	608,000.00
6310380	OPEN HOLE EVALUATION	20,729.73	0.00	0.00	20,729.73
6310480	TSNG-WELL, PL & OTH	0.00	134,557.00	0.00	134,557.00
6310600	MISC PUMPING SERVICE	0.00	52,108.00	0.00	52,108.00
6320100	EQPMNT SVC-SRF RNTL	134,743.24	227,272.00	0.00	362,015.24
6320110	EQUIP SVC - DOWNHOLE	75,583.78	35,043.00	0.00	110,626.78
6320160	WELDING SERVICES	2,232.43	0.00	0.00	2,232.43
6320190	WATER TRANSFER	0.00	49,883.00	0.00	49,883.00
6350100	CONSTRUCTION SVC	0.00	167,771.85	0.00	167,771.85
6520100	LEGAL FEES	1,000.00	0.00	0.00	1,000.00

Costs on this form are estimates only. Working Interest Owners should not consider these estimates



Authorization for Expenditure

AFE # XX-131490.01

Well Name: TATER TOT 2-35 STATE FED COM 334H

AFE Date: 5/30/2023

Cost Center Number: 1093995501

State: NM

Legal Description: SEC 2-24S-29E

County/Parish: EDDY

Revision: ☐

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550100	MISCS COSTS & SERVS	0.00	9,905.30	0.00	9,905.30
6550110	MISCELLANEOUS SVC	33,327.03	0.00	0.00	33,327.03
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	8,929.73	41,055.53	0.00	49,985.26
6740340	TAXES OTHER	0.00	32,088.36	0.00	32,088.36
	Total Intangibles	3,011,099.27	4,662,151.29	0.00	7,673,250.56

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	114,201.43	0.00	114,201.43
6120120	MEASUREMENT EQUIP	0.00	27,876.98	0.00	27,876.98
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	328,268.70	0.00	328,268.70
6300220	STORAGE VESSEL&TANKS	0.00	64,610.00	0.00	64,610.00
6300230	PUMPS - SURFACE	0.00	10,561.25	0.00	10,561.25
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	130,918.00	0.00	130,918.00
6310460	WELLHEAD EQUIPMENT	38,000.00	169,180.00	0.00	207,180.00
6310530	SURFACE CASING	26,735.00	0.00	0.00	26,735.00
6310540	INTERMEDIATE CASING	602,149.44	0.00	0.00	602,149.44
6310550	PRODUCTION CASING	766,946.00	0.00	0.00	766,946.00
6310580	CASING COMPONENTS	27,745.94	0.00	0.00	27,745.94
6330100	PIPE,FIT,FLANG,CPLNG	0.00	312,572.65	0.00	312,572.65
	Total Tangibles	1,486,576.38	1,199,439.01	0.00	2,686,015.39

TOTAL ESTIMATED COST	4,497,675.65	5,861,590.30	0.00	10,359,265.95
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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 the monies which will be required to perform the proposed operation.

Chronology of Contact with Uncommitted Working Interests
Tater Tot Fed Com 332H, 334H, 621H, 622H, 624H, 711H, 712H, & 713H

Week of 6/13/2023, Devon sent initial well proposal letter, AFEs and terms to the proposed Operating Agreement

Week of 7/13/2023, follow up correspondence with uncommitted working interest owner. Sent proposed Operating Agreement form.

Week of 8/23/2023, follow up correspondence with uncommitted working interest owner. Continue to discuss proposed Operating Agreement form.

Week of 9/5/2023, follow up correspondence with uncommitted working interest owner. Discussed estimated development timing. Informed Devon was targeting October 5th hearing date.

Week of 9/11/2023, follow up correspondence with uncommitted working interest owner. Answered questions as to development plans.

Week of 9/27/2023, follow up correspondence with uncommitted working interest owner



TAB 3

Case No. 23787

Exhibit B: Self-Affirmed Statement of Sarah Jancuska, Geologist
Exhibit B-1: Structure Map
Exhibit B-2: Stratigraphic Cross Section

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

**APPLICATIONS OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO**

Case Nos. 23786-23789

SELF-AFFIRMED STATEMENT OF SARAH JANCUSKA

Sarah Jancuska, of lawful age and being first duly sworn, declares as follows:

1. My name is Sarah Jancuska and I am employed by 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. My credentials as a petroleum geologist have NOT been accepted by the Division and made a matter of record. Attached is my resume showing my educational background and work experience, and I respectfully request that I be accepted as an expert witness in petroleum geology.

3. I am familiar with the application filed by Devon in this case, and I have conducted a geologic study of the lands in the subject area.

4. This self-affirmed statement is submitted in connection with the filing by Devon of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.

5. **Exhibit B-1** is a structure map of Wolfcamp top with contour interval of 50 ft. The unit being pooled is outlined by red rectangle, with the approximate location and orientation of the initial wells noted with red arrows. The structure map shows that there is

**EXHIBIT
B**

a regional down-dip to the East. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval. Existing offsetting Wolfcamp development in this area is also depicted.

6. **Exhibit B-2** is a stratigraphic cross-section flattened on the Wolfcamp top. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates reasonable continuity of the target zone. The well logs on the cross-section give a representative sample of the Upper Wolfcamp. I chose the logs from these wells to create the cross section because they penetrate the targeted intervals, are of good quality and are representative of the geology in the subject area.

7. The landing zone is highlighted by light, grey shading.

8. My geologic study indicates the Wolfcamp 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 more or less equally to production from the wells.

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

10. **Devon Exhibits B-1 through B-2** were either prepared by me or compiled under my direction and supervision.

[Signature page follows]

Signature page of Self-Affirmed Statement of Sarah Jancuska:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23786, 23787, 23788, and 23789, and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Sarah Jancuska
Sarah Jancuska

10/02/2023
Date Signed

Sarah N. Jancuska

Oklahoma City, OK 73104
703-851-1516; sarah.jancuska@dvn.com

Internal Experience**Devon Energy**, Oklahoma City, OK

Geologist II, Asset Geologist - Delaware Basin March 2022 – Present

- Performs asset geologist duties that include well log correlation, regional mapping, identification of resource in place, planning and execution, and reservoir characterization studies for entire stratigraphic column of Potato Asset

Geologist I, Subsurface August 2021 – March 2022

- Core description, facies analysis and reservoir characterization of the Middle Bakken member, Williston Basin ND
- Helped organized an ichnology (trace fossils) class with an outside instructor

WellCon Geologist II, III, Jan 2018 – August 2021

- Collaborate with BU Geologists and Engineers to land and geosteering wells using StarSteer in the Permian, Anadarko Powder River, and Eagle Ford basins using SES/Starsteer and Petra/Kingdom
- Contributed to the team exceeding our 95% in zone goal every year since joining the team

External Experience**TD Geosteering**, Denver, CO

Geologist, August 2017 – Jan 2018

- Remotely provide real-time reservoir navigation using in-house, physics based methods to accurately model the subsurface

Virginia Tech, Magallanes Basin, southern Chile

Research Assistant, January 2015 – March 2015; January 2016 – March 2016

- Measured sedimentologic sections, mapped stratigraphic and structural features, logged and documented field observations, used a Trimble GPS to collect high-resolution spatial data, and collected samples for laboratory analysis
- Contributed to construction of outcrop-based 3D geologic models (in Petrel) that are used by sponsoring companies to investigate and constrain reservoir heterogeneity in deep-water systems

ConocoPhillips Co., Houston, TX

Geoscience Intern, May 2015 – August 2015

- Identified 30 potential recompletable opportunities and new areas for development in the Granite Wash Play in the Anadarko Basin
- Utilized PETRA for well log correlations and creating structure, isopach and net pay maps
- Integrated geologic and well performance data to build a refined well inventory evaluation
- Collaborated with the team's petrophysicist, reservoir engineer, and geologists

Virginia Tech, Blacksburg, VA

Teaching Assistant, August 2014 – December 2014

- GEOS 3204 Sedimentology-Stratigraphy

Nomac Services Geo LLC / Chesapeake Operating Inc, Oklahoma City, OK

Geosteerer III, July 2014

Geosteerer – Team Lead, February 2014 – June 2014

Geosteerer, February 2012 – February 2014

- Mentored and advised team members on all aspects of the job
- Successfully steered 530 wells (Eagle Ford, Miss Lime, STACK, Marcellus, Utica, Niobrara, Permian, Hanyesville, Barnett)

Sarah Jancuska

- Analyzed real time MWD data, nearby wells, and seismic-reflection data to determine the wellbore's location in relation to the target zone and made adjustments as needed
- Communicated essential information to drilling engineers and operations geologists

Horizon Well Logging LLC, Multiple Field Sites in WV, PA, ND, MT

Field Geologist, January 2011 – February 2012

- Monitored gas onsite and maintained gas equipment; analyzed lithology samples and identified formations; prepared and edited mud logs for operations geologists
- Trained and mentored new hires on site
- Completed the yearlong Field Geologist Development Program (FGDP)

U.S. Bentonite Processing Inc, Casper, WY

Geologist, July 2010 – December 2011

- Tested and analyzed field samples against API spec 13A, sections 9, 10 and 11
- Worked with the exploration department sampling and mapping material drilled at potential sites

Education

Virginia Polytechnic Institute and State University (Virginia Tech), Blacksburg, VA

Master of Science, Geosciences: December 2016

LaSalle University, Philadelphia, PA

Bachelor of Science, Geology & Environmental Science: May 2010

Professional Societies

Society for Sedimentary Geology (SEPM), September 2014 – Present

American Association of Petroleum Geologists (AAPG), August 2014 – Present

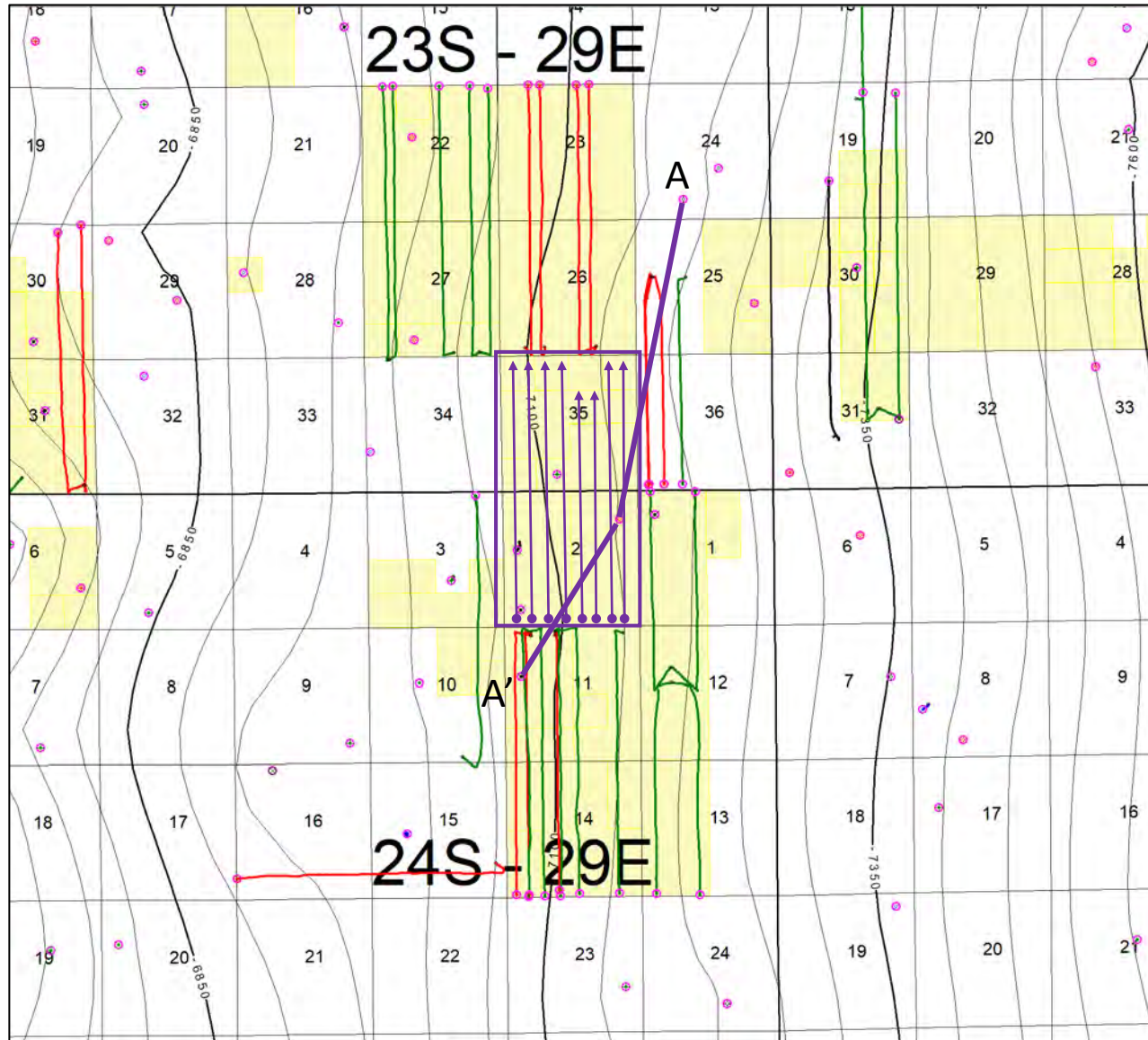
WFMP Cross Section A – A'



Structure Map WFMP (Top of WFMP) CI = 50 Feet

Horizontal Locations:

Tater Tot 2-35 Fed Com 711H
Tater Tot 2-35 Fed Com 621H
Tater Tot 2-35 Fed Com 332H
Tater Tot 2-35 Fed Com 712H
Tater Tot 2-35 Fed Com 622H
Tater Tot 2-35 Fed Com 334H
Tater Tot 2-35 Fed Com 713H
Tater Tot 2-35 Fed Com 624H



- Producing Horizontal Wells
- BHL
- FTP
- Control Points

EXHIBIT
B-1

Stratigraphic Cross Section A – A'

WFMP

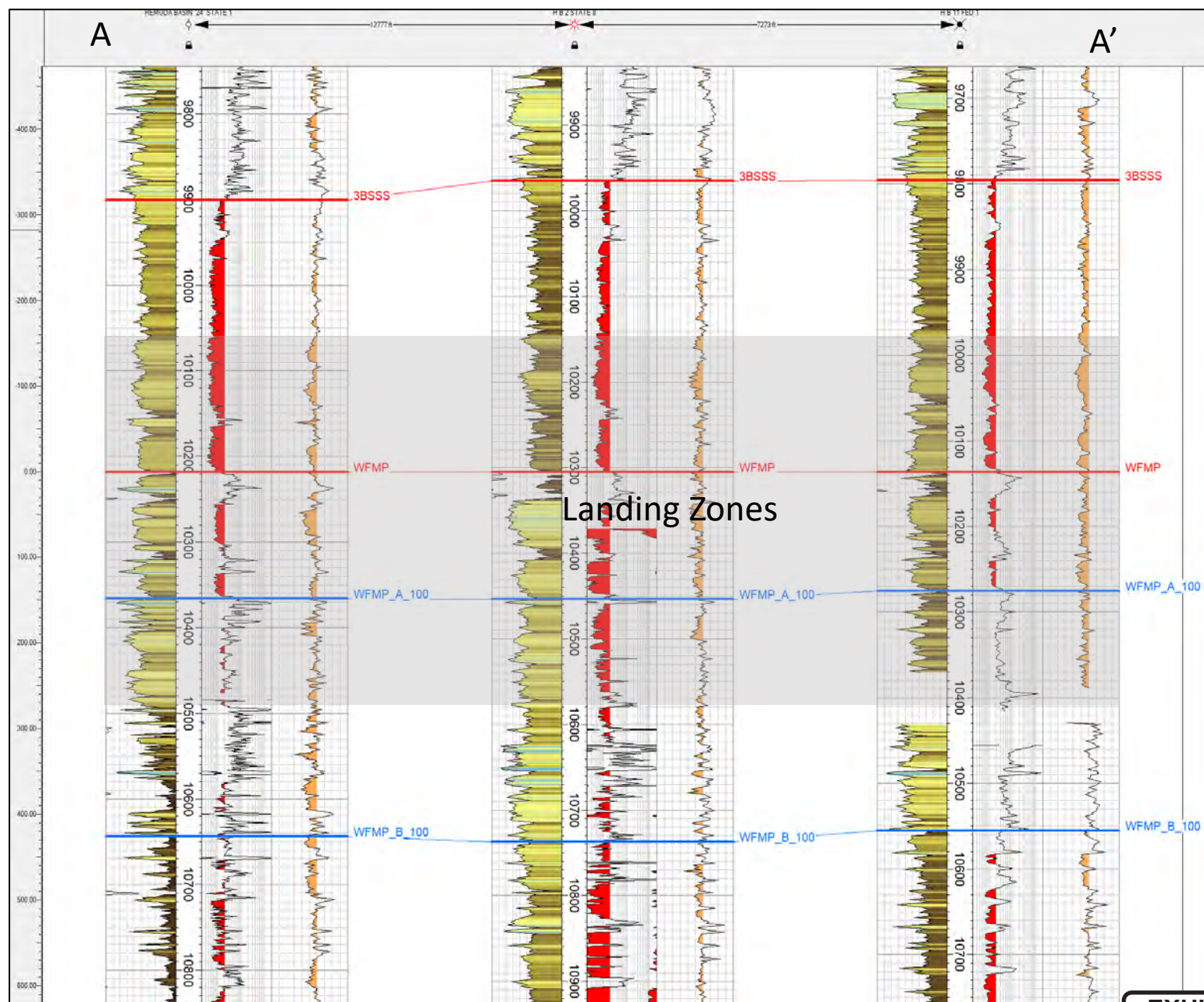


EXHIBIT
B-2

TAB 4

Case No. 23787

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage
Exhibit C-1: Notice Letter
Exhibit C-2: Mailing List
Exhibit C-3: Affidavit of Publication

**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. 23787

SELF-AFFIRMED STATEMENT OF NOTICE

I, Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P. ("Devon"), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on September 13, 2023, to all uncommitted mineral owners sought to be pooled in this proceeding. See Exhibit C-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice was sent to the Carlsbad Current Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on September 19, 2023. See Exhibit C-3.

[Signature page follows]



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23787 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Darin Savage

10/3/2023

Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

September 13, 2023

VIA CERTIFIED MAIL
RETURN 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
Tater Tot 2-35 Fed Com 334H Well (Case No. 23787)

Case No. 23787:

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P. ("Devon"), has filed the enclosed application, Case No. 23787, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of a standard horizontal spacing unit in the Bone Spring formation.

In Case No. 23787, Devon seeks to pool the Bone Spring formation, designated as an oil pool, underlying a standard 279.62-acre, more or less, spacing and proration unit comprised of the SW/4 NE/4 and the W/2 SE/4 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Tater Tot 2-35 Fed Com 334H Well**.

A hearing has been requested before a Division Examiner on October 5, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

**EXHIBIT
C-1**

For information about remote access and status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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 NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. 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 Aaron Young at (405) 228-2850 or at aaron.young@devon.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Mail Activity Report - CertifiedPro.net
Mailed from 9/10/2023 to 9/16/2023
User Name: abadieschill
Generated: 9/26/2023 10:15:26 AM

USPS Article Number	Ownership	Reference Number	Date Mailed	Name 1	Name 2	Address 1	Address 2	City	State	Zip	Mailing Status	Service Options
9314869904300112028880	WI	4188.51	9/13/23	Highland (Texas) Energy Company Inc.		11886 Greenville Ave.	Suite 106	Dallas	TX	75243	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028897	WI	4188.51	9/13/23	OXY USA Inc.		5 Greenway Plaza	Suite 110	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028903	ORRI	4188.51	9/13/23	LeNell Joy Honeyman, SSP		406 Skywood Circle		Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028910	ORRI	4188.51	9/13/23	Leslie Robert Honeyman Trust,	LaNell Joy Honeyman, Trustee	406 Skywood Circle		Midland	TX	79705	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300112028927	ORRI	4188.51	9/13/23	Tap Rock Minerals, LP		523 Park Point Drive	Suite 200	Golden	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028934	ORRI	4188.51	9/13/23	Cornerstone Family Trust		P.O. Box 558		Peyton	CO	80831	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028941	ORRI	4188.51	9/13/23	LJA Charitable Investments, LLC		P.O. Box 331363		Houston	TX	77233	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300112028958	WI / ORRI	4188.51	9/13/23	The Allar Company		P.O. Box 1567		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028965	ORRI	4188.51	9/13/23	Strategic Energy Income Fund IV, LP		2350 North Forest Road		Getzville	NY	14063	To be Returned	Return Receipt - Electronic, Certified Mail
9314869904300112028972	RT	4188.51	9/13/23	Echo Production, Inc.		P.O. Box 1210		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028989	RI	4188.51	9/13/23	Bureau of Land Management		620 E. Greene St		Carlsbad	NM	88220	Delivered	Return Receipt - Electronic, Certified Mail

EXHIBIT
C-2



September 19, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0112 0289 89.

Item Details

Status:	Delivered to Agent for Final Delivery
Status Date / Time:	September 18, 2023, 12:38 p.m.
Location:	CARLSBAD, NM 88220
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Bureau of Land Management

Shipment Details

Weight:	5.0oz
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Recipient Signature

Signature of Recipient:
(Authorized Agent)

BL m

Address of Recipient:

620 6.1 m

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.51



September 19, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0112 0289 72.

Item Details

Status: Delivered, Individual Picked Up at Post Office
Status Date / Time: September 18, 2023, 09:56 a.m.
Location: GRAHAM, TX 76450
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: Echo Production Inc

Shipment Details

Weight: 5.0oz

Destination Delivery Address

Street Address: PO BOX 1210
City, State ZIP Code: GRAHAM, TX 76450-1210

Recipient Signature

Signature of Recipient:

PO BOX 1210

Address of Recipient:

GRAHAM, TX 76450-1210

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Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.51



September 19, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0112 0289 58.

Item Details

Status: Delivered, Individual Picked Up at Post Office
Status Date / Time: September 18, 2023, 10:39 a.m.
Location: GRAHAM, TX 76450
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: The Allar Company

Shipment Details

Weight: 5.0oz

Destination Delivery Address

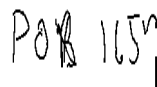
Street Address: PO BOX 1567
City, State ZIP Code: GRAHAM, TX 76450-7567

Recipient Signature

Signature of Recipient:



Address of Recipient:



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Sincerely,
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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.51



September 18, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0112 0289 34.

Item Details

Status: Delivered
Status Date / Time: September 16, 2023, 11:05 a.m.
Location: PEYTON, CO 80831
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: Cornerstone Family Trust


Shipment Details

Weight: 5.0oz

Destination Delivery Address

Street Address: PO BOX 558
City, State ZIP Code: PEYTON, CO 80831-0558

Recipient Signature

Signature of Recipient:	Signature X	
	Printed Name	John K. Thomas
Address of Recipient:	Delivery Address	P.O. Box 558

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.51



September 20, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0112 0288 97.

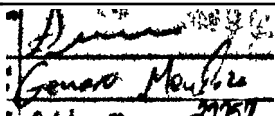

Item Details

Status: Delivered to Agent for Final Delivery
Status Date / Time: September 19, 2023, 12:07 p.m.
Location: HOUSTON, TX 77046
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: OXY USA Inc

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient: (Authorized Agent)	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.51



September 19, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0112 0288 80.


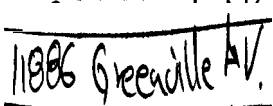
Item Details

Status: Delivered to Agent for Final Delivery
Status Date / Time: September 18, 2023, 10:39 a.m.
Location: DALLAS, TX 75243
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: Highland Texas Energy Company Inc

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient: (Authorized Agent)	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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United States Postal Service®
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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.51

Carlsbad Current Argus.

Affidavit of Publication

Ad # 0005827544

This is not an invoice

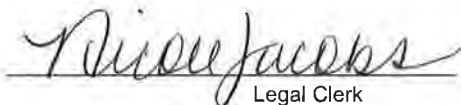
ABADIE SCHILL P.C.

555 RIVERGATE # B 4-180

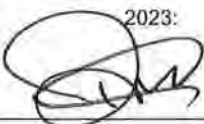
DURANGO, CO 81301-7485

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 in editions dated as follows:

09/19/2023


Legal Clerk

Subscribed and sworn before me this September 29,
2023:



State of WI, County of Brown

NOTARY PUBLIC

10-25-26

My commission expires

CASE No. 23786: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include HIGHLAND (TEXAS) ENERGY COMPANY INC.; OXY USA INC.; LENELL JOY HONEYMAN, SSP; LESLIE ROBERT HONEYMAN TRUST; LANELL JOY HONEYMAN, TRUSTEE; TAP ROCK MINERALS, LP; CORNERSTONE FAMILY TRUST; LJA CHARITABLE INVESTMENTS, LLC; THE ALLAR COMPANY; STRATEGIC ENERGY INCOME FUND IV, LP; AND ECHO PRODUCTION, INC. -- of Devon Energy Production Company, L.P.'s application for approval of compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on October 5, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 319.66-acre, more or less, spacing unit comprised of the E/2 W/2 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico. Section 2 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Tater Tot 2-35 Fed Com 332H Well, an oil well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 2-24S-29E to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35-23S-29E. The well will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 8.8 miles southeast of Loving, New Mexico #5827544, Current Argus, September 19, 2023

RYAN SPELLER
Notary Public
State of Wisconsin

Ad # 0005827544

PO #:

of Affidavits: 1

This is not an invoice

EXHIBIT
C-3