

**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. 16346

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name SPUD MUFFIN 31-30 FED COM		⁶ Well Number 331H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 2959.7

¹⁰ Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	23 S	29 E		270	SOUTH	1275	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	30	23 S	29 E		20	NORTH	990	WEST	EDDY

¹² Dedicated Acres	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.

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 an undivided 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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

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.

AUGUST 30, 2018
Date of Survey _____

Signature and Seal of Professional Surveyor _____
Certificate Number FILLION E. JARAMILLO, PLS 12797
SURVEY NO. 6274B

Exhibit _____

POOLING LIST:

T23S-R29E

W/2W/2 Section 31 and the W/2W/2 Section 30

312.39 Acre Standard Horizontal Spacing Unit

Eddy County, New Mexico

Spud Muffin 31-30 Fed Com 331H, Cedar Canyon; Bone Spring (11520)

WI Owners Within Horizontal Spacing Unit In The Bone Spring Formation:

Oxy USA, Inc. Attn: Jeremy D. Murphrey 5 Greenway Plaza, Suite 110 Houston, TX 77046	22.27% WI
Chevron North America Exploration and Production Co., A Division of Chevron U.S.A. Inc. Attn: Irvin Gutierrez 1400 Smith Street Houston, TX 77002	8.97% WI
RKI Exploration & Production, LLC C/O WPX Energy, Inc. 3500 One Williams Center, Ste. 2600 Tulsa, OK 74172	6.67% WI
MRC Permian Company 5400 LBJ Freeway, Ste 1500 Dallas, TX 75240	2.32% WI
Robert Mitchell Raindl P.O. Box 853 Tahoka, TX 79373	0.55% WI
Debra Kay Primera P.O. Box 28504 Austin, TX 78755	0.55% WI
Ricky D. Raindl P.O. Box 142454 Irving, TX 75014	0.55% WI

Unleased Mineral Owners Within Horizontal Spacing Unit In The Bone Spring Formation:

Robert Mitchell Raindl P.O. Box 853 Tahoka, TX 79373	0.04% umi
Debra Kay Primera P.O. Box 28504 Austin, TX 78755	0.04% umi
Ricky D. Raindl P.O. Box 142454 Irving, TX 75014	0.04% umi
Lois Hastings P.O. Box 501 Newton, KS 67114	0.25% umi
J. Crawford Lewis No known address	2.06% umi
Estate of Ned R. Arthur No known address	0.25% umi
Estate of Edwin Ralph Arthur No known address	0.25% umi

END OF POOLING LIST FOR W/2W/2 SECTION 31 AND W/2W/2 SECTION 30.

Devon Energy	55.74% WI
Amount Pooled	44.26% WI

Exhibit _____

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T23S-R29E

W/2W/2 Section 31 and the W/2W/2 Section 30

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Devon Energy	55.74% WI
Amount Pooled	44.26% WI



Devon Energy Production Company LP 405 235 3611 Phone
333 West Sheridan Avenue
Oklahoma City, OK 73102 www.devonenergy.com

May 24, 2018

Oxy USA, Inc.
Attn: Jeremy D. Murphrey
5 Greenway Plaza, Suite 110
Houston, TX 77046

RE: Proposed: Spud Muffin 31-30 Fed Com 331H Well
270' FSL and 1245' FWL Section 31-T23S-R29E (SL)
230' FNL and 330' FWL Section 30-T23S-R29E (BHL)
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill the Spud Muffin 31-30 Fed Com 331H Well at the above referenced surface location ("SL") to the above referenced bottom hole location ("BHL"). The proposed well will be drilled to a true vertical depth ("TVD") of approximately 9,630' subsurface with a horizontal measured depth ("MD") of approximately 19,730'. The well will test the 3rd Bone Spring formation with a 320 acre project area consisting of the W/2W/2 Section 31-T23S-R29E and the W/2W/2 Section 30-T23S-R29E.

Included herewith is Devon's Authority for Expenditure ("AFE") reflecting \$8,184,067 as being the total estimated cost to drill and complete. In the event your company elects to participate in the proposed well, please execute and return one signed copy of the AFE to the undersigned within thirty (30) days. Also, please furnish your company's geologic well requirements including all contact information. A Joint Operating Agreement will then be sent for your review and execution.

Within 30 days of receipt of this letter, Devon will apply to the New Mexico Oil Conservation Division seeking an Order for Compulsory Pooling. If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-8102 or email me at joe.hammond@devn.com.

Very truly yours,

Devon Energy Production Company, L.P.

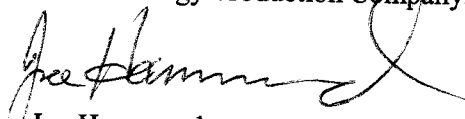

Joe Hammond
Land Advisor

Exhibit 4



Devon Energy Production Company LP 405 235 3611 Phone
333 West Sheridan Avenue
Oklahoma City, OK 73102
www.devonenergy.com

May 24, 2018

Chevron North America Exploration and Production Co.,
A Division of Chevron U.S.A. Inc.
Attn: Greg Truax 41086
1400 Smith Street
Houston, TX 77002

RE: Proposed: Spud Muffin 31-30 Fed Com 331H Well
270' FSL and 1245' FWL Section 31-T23S-R29E (SL)
230' FNL and 330' FWL Section 30-T23S-R29E (BHL)
Eddy County, New Mexico

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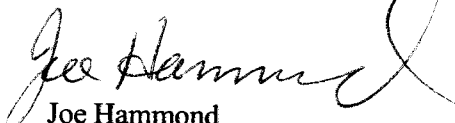
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Very truly yours,

Devon Energy Production Company, L.P.


Joe Hammond
Land Advisor



Devon Energy Production Company LP 405 235 3611 Phone
333 West Sheridan Avenue www.devonenergy.com
Oklahoma City, OK 73102

May 24, 2018

RKI Exploration & Production, LLC
C/O WPX Energy, Inc.
Attn: Justin Hall
3500 One Williams Center, Ste. 2600
Tulsa, OK 74172

RE: Proposed: Spud Muffin 31-30 Fed Com 331H Well
270' FSL and 1245' FWL Section 31-T23S-R29E (SL)
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Very truly yours,

Devon Energy Production Company, L.P.

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Joe Hammond
Land Advisor



Devon Energy Production Company LP 405 235 3611 Phone
333 West Sheridan Avenue www.devonenergy.com
Oklahoma City, OK 73102

May 24, 2018

AllDale Minerals II, LP
2100 Ross Ave., Suite 1870
Dallas, TX 75201

RE: Proposed: Spud Muffin 31-30 Fed Com 331H Well
270' FSL and 1245' FWL Section 31-T23S-R29E (SL)
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Joe Hammond
Land Advisor



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333 West Sheridan Avenue
Oklahoma City, OK 73102 www.devonenergy.com

May 24, 2018

Lois Hastings
P.O. Box 501
Newton, KS 67114

RE: Proposed: Spud Muffin 31-30 Fed Com 331H Well
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Joe Hammond
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Oklahoma City, OK 73102
www.devonenergy.com

May 24, 2018

Debra Kay Primera
P.O. Box 28504
Austin, TX 78755

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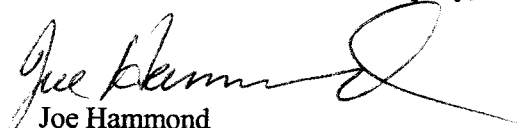
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May 24, 2018

Robert Mitchell Raindl
P.O. Box 853
Tahoka, TX 79373

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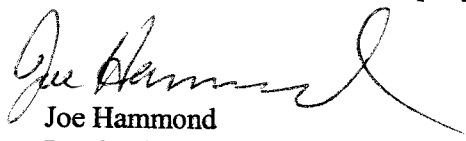
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Joe Hammond
Land Advisor



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333 West Sheridan Avenue
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May 24, 2018

Ricky Don Raindl
P.O. Box 142454
Irving, TX 75014

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Joe Hammond
Land Advisor



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333 West Sheridan Avenue
Oklahoma City, OK 73102
www.devonenergy.com

May 24, 2018

MRC Permian Company
Attn: Nick Weeks
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

RE: Proposed: Spud Muffin 31-30 Fed Com 331H Well
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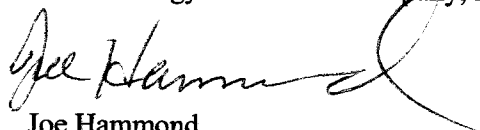
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Devon Energy Production Company, L.P.



Joe Hammond
Land Advisor



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333 West Sheridan Avenue
Oklahoma City, OK 73102 www.devonenergy.com

May 24, 2018

Kaiser Francis Oil Company
Attn: Michael D. Maxey
P. O. Box 21468
Tulsa, OK 74121-1468

RE: Proposed: Spud Muffin 31-30 Fed Com 331H Well
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Joe Hammond
Land Advisor



Authorization for Expenditure

AFE # XX-129479.01

Well Name: SPUD MUFFIN 31-30 FED COM 331H

Cost Center Number: 1093927101

Legal Description: SEC 31-23S-29E & 30-23S-29E

Revision: ☐

AFE Date: 05/24/2018

State: NM

County/Parish: EDDY

Explanation and Justification:

DRILL & COMPLETE THE SPUD MUFFIN 31-30 FED COM 331H AS A 3RD BONE SPRING WELL.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6000100	DYED LIQUID FUELS	93,625.00	0.00	0.00	93,625.00
6000130	GASEOUS FUELS	32,700.00	0.00	0.00	32,700.00
6000100	DISPOSAL - SOLIDS	51,230.00	0.00	0.00	51,230.00
6000100	FLUIDS - WATER	48,675.00	0.00	0.00	48,675.00
6100100	PERMIT SURVEY&TITLE	40,000.00	1,050.00	0.00	41,050.00
6100110	RIGHT OF WAY	5,000.00	149,625.00	0.00	154,625.00
6110130	ROAD&SITE PREP SVC	100,000.00	518,441.28	0.00	618,441.28
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6130170	COMM SVCS - WAN	4,769.00	0.00	0.00	4,769.00
6130370	RTOC - GEOSTEERING	28,273.00	0.00	0.00	28,273.00
6160100	MATERIALS & SUPPLIES	545.00	0.00	0.00	545.00
6190100	TRCK&HAUL-SOLID&FLUID	80,250.00	278,302.50	0.00	358,552.50
6190110	TRUCKING&HAUL OF EQP	62,400.00	0.00	0.00	62,400.00
6200130	CONSLT & PROJECT SVC	95,375.00	0.00	0.00	95,375.00
6230120	SAFETY SERVICES	44,963.00	0.00	0.00	44,963.00
6300270	SOLIDS CONTROL SRVCS	107,000.00	0.00	0.00	107,000.00
6310200	CASING & TUBULAR SVC	79,400.00	0.00	0.00	79,400.00
6310230	CORROSION PROTCT SVC	0.00	2,005,850.24	0.00	2,005,850.24
6310250	CEMENTING SERVICES	157,000.00	0.00	0.00	157,000.00
6310280	DAYWORK COSTS	567,400.00	0.00	0.00	567,400.00
6310300	DIRECTIONAL SERVICES	329,000.00	0.00	0.00	329,000.00
6310310	DRILL BITS	94,100.00	0.00	0.00	94,100.00
6310330	DRILL&COMP FLUID&SVC	219,000.00	0.00	0.00	219,000.00
6310380	OPEN HOLE EVALUATION	24,750.00	0.00	0.00	24,750.00
6320100	EQPMNT SVC-SRF RNTL	59,527.00	0.00	0.00	59,527.00
6320110	EQUIP SVC - DOWNHOLE	180,450.00	0.00	0.00	180,450.00
6320160	WELDING SERVICES	2,000.00	0.00	0.00	2,000.00
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.00
6550110	MISCELLANEOUS SVC	33,650.00	0.00	0.00	33,650.00
6630110	CAPITAL OVERHEAD	8,175.00	0.00	0.00	8,175.00
6710120	NON-OP - INTANGIBLE	0.00	950,000.00	0.00	950,000.00
6740340	TAXES OTHER	272.00	0.00	0.00	272.00
	Total Intangibles	2,579,529.00	3,903,269.02	0.00	6,482,798.02

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	12,600.00	0.00	12,600.00
6150110	LOG PERFORATG&WL EQP	0.00	10,500.00	0.00	10,500.00
6230100	SECURITY EQUIPMENT	0.00	242,809.59	0.00	242,809.59
6300130	HEATER&EXCHANGE EQPT	0.00	15,750.00	0.00	15,750.00
6300220	STORAGE VESSEL&TANKS	0.00	94,853.84	0.00	94,853.84
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310400	STANDBY EQUIPMENT	0.00	2,100.00	0.00	2,100.00
6310460	WELLHEAD EQUIPMENT	65,000.00	0.00	0.00	65,000.00

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.

Exhibit 4A



Authorization for Expenditure

AFE # XX-129470.01

Well Name: SPUD MUFFIN 31-30 FED COM 331H

Cost Center Number: 1003927101

Legal Description: SEC 31-23S-29E & 30-23S-29E

Revision: ☐

AFE Date: 05/24/2018

State: NM

County/Parish: EDDY

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6310530	SURFACE CASING	22,638.00	0.00	0.00	22,638.00
6310540	INTERMEDIATE CASING	350,799.00	0.00	0.00	350,799.00
6310550	PRODUCTION CASING	407,400.00	36,750.00	0.00	444,150.00
6310560	PROD LINERS&TIEBACKS	0.00	79,887.24	0.00	79,887.24
6310580	CASING COMPONENTS	50,500.00	0.00	0.00	50,500.00
6320180	EQUIPMENT OTHER	0.00	58,302.05	0.00	58,302.05
6330100	PIPE,FIT,FLANG,CPLNG	0.00	201,379.26	0.00	201,379.26
	Total Tangibles	946,337.00	754,931.98	0.00	1,701,268.98

TOTAL ESTIMATED COST	3,525,866.00	4,658,201.00	0.00	8,184,067.00
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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.

Case No: 16346

Exhibit _____

Spud Muffin 331H

T23S- R29E

W/2W/2 Section 31 and W/2W/2 Section 30

Eddy County, New Mexico

Documentation of Communications:

MRC Permian Company:

Multiple contacts by phone and email with Nic Weeks including a conference call with geo-scientists.

OXY USA, Inc.:

Multiple emails and phone conversations (10 +/-) with Jeremy Murphrey and/or India Isbell

RKI Exp & Prod, LLC:

Multiple emails and phone conversations with Justin Hall, Chrissy Watkins and Aaron Young

Chevron USA, Inc.:

Multiple emails and phone conversations (10 +/-) with Irvin Gutierrez and Kristen Hunter

AllDale Minerals:

Phone conversation May 2018, AllDale advised recently leased to Tap Rock. Devon currently in discussions with Tap Rock to acquire.

R.M. Raindl, D.K. Primera, R.D. Raindl:

5-8-18 & 5-22-18 email correspondence, multiple brokerage contacts by Continental Land on behalf of Devon.

Lois Hasting:

All correspondence returned "Not Deliverable". (currently working to locate)

J. Crawford Lewis:

No known address (currently working to locate)

Est. of Ned R. Arthur:

No known address (currently working to locate)

Est. of Edwin R. Arthur:

No known address (currently working to locate)