

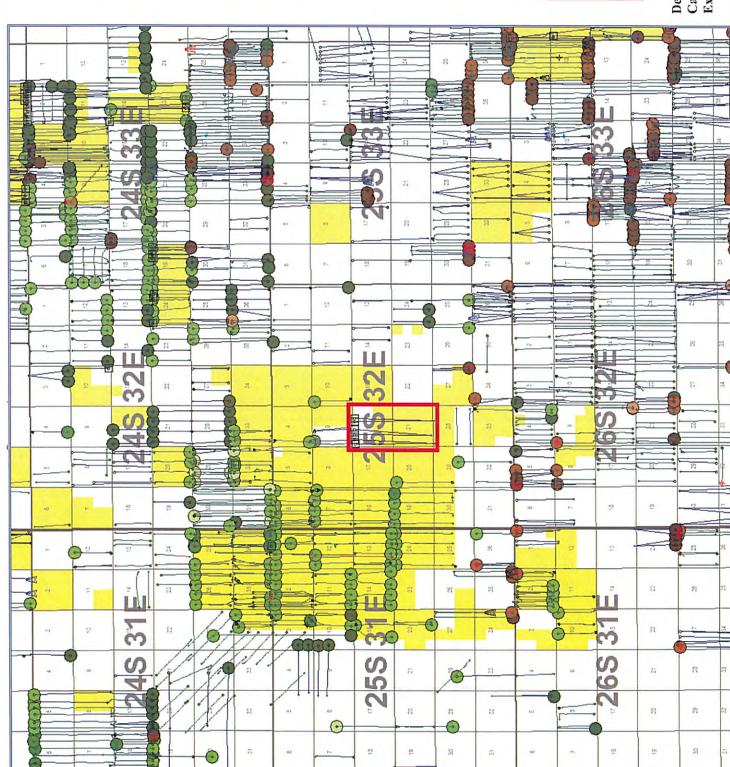


devon

Area Map of Hz Wells Cotton Draw Unit Eddy and Lea Cos NM

Production Code:

Case Nos. 16099 - 16101 Case Nos. 16012 - 16014 Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 1



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

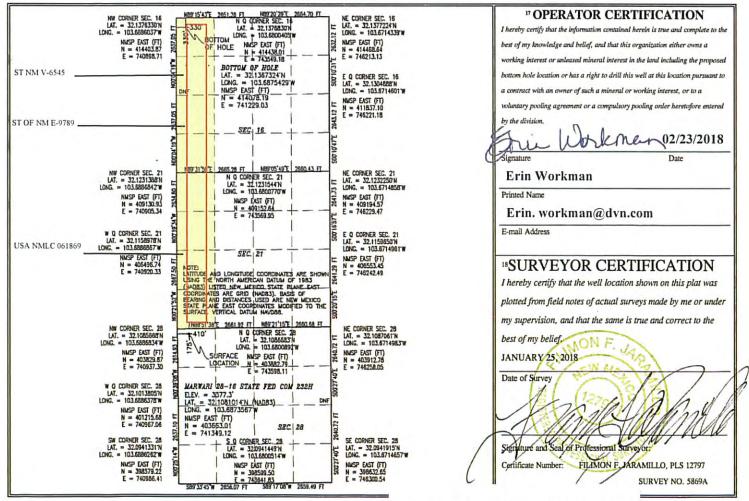
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96715		
⁴ Property Code	MARWARI 28-	⁶ Well Number 232H	
⁷ OGRID No. 6137	¹o¡ DEVON ENERGY PRO	⁹ Elevation 3377.3	

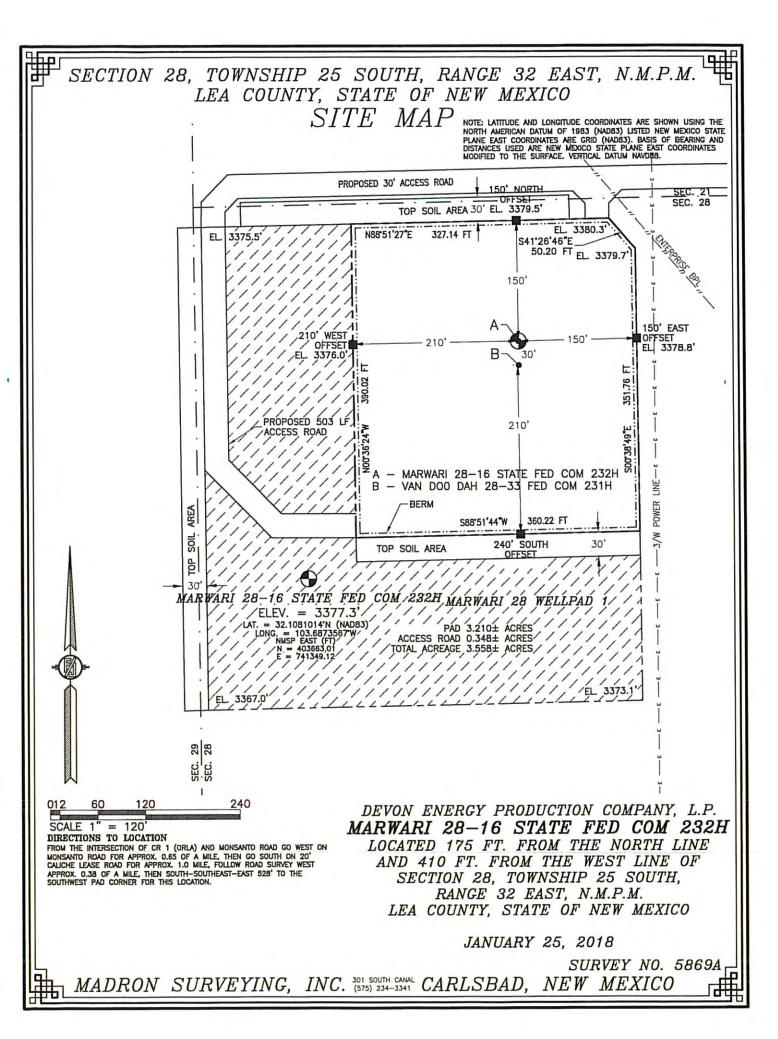
Surface Location

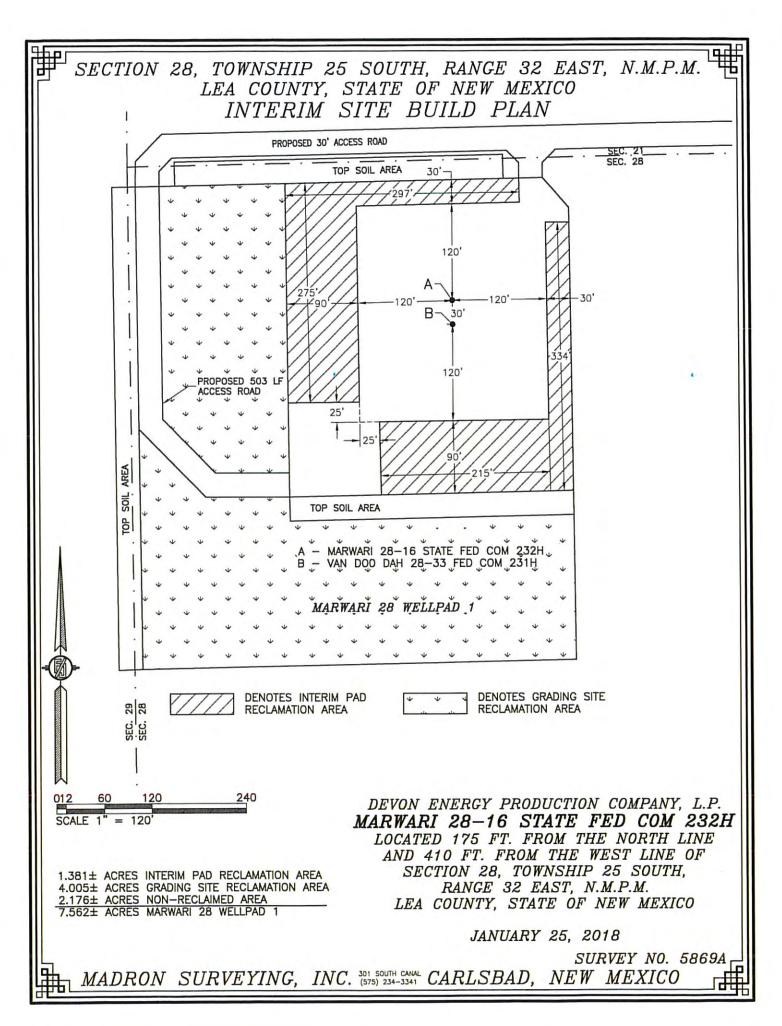
UL or lot no. D	Section 28	Township 25 S	Range 32 E	Lot Idn	Feet from the 175	North/South line NORTH	Feet from the 410	East/West line WEST	County LEA
			" B	ottom Ho	ole Location	If Different Fr	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	25 S	32 E		330	NORTH	330	WEST	LEA
Dedicated Acre	s ¹³ Joint	or Infill 14	Consolidation	Code			15 Order No.		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

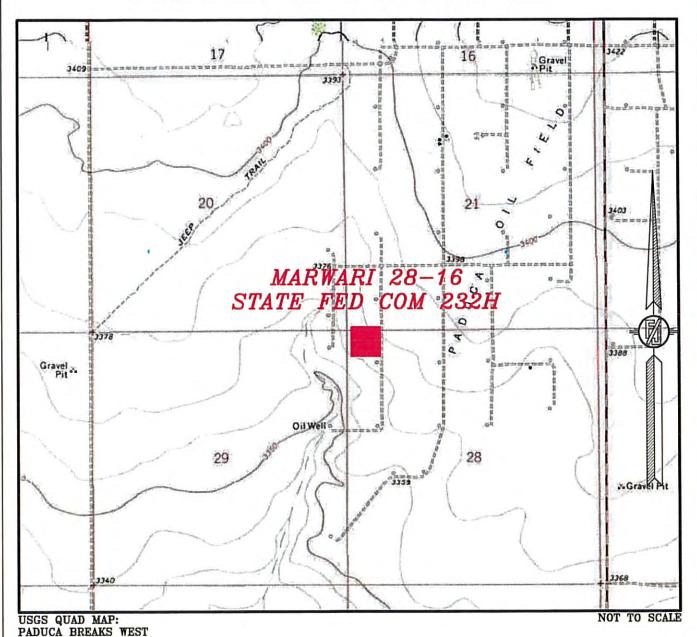


Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 2





SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 232H

LOCATED 175 FT. FROM THE NORTH LINE

AND 410 FT. FROM THE WEST LINE OF

SECTION 28, TOWNSHIP 25 SOUTH,

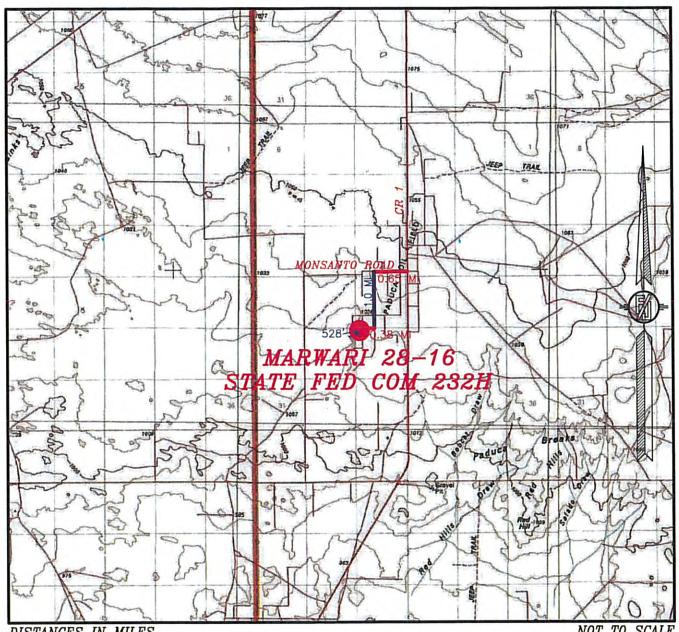
RANGE 32 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5869A

SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO VICINITY MAP



DISTANCES IN MILES

PROM THE INTERSECTION OF CR 1 (ORLA) AND MONSANTO ROAD GO WEST ON MONSANTO ROAD FOR APPROX. 0.65 OF A MILE, THEN GO SOUTH ON 20' CALICHE LEASE ROAD FOR APPROX. 1.0 MILE, FOLLOW ROAD SURVEY WEST

APPROX. 0.38 OF A MILE, THEN SOUTH-SOUTHEAST-EAST 528' TO THE SOUTHWEST PAD CORNER FOR THIS LOCATION.

DIRECTIONS TO LOCATION

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P. MARWARI 28-16 STATE FED COM 232H

LOCATED 175 FT. FROM THE NORTH LINE AND 410 FT. FROM THE WEST LINE OF SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5869A

SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH NOVEMBER 2015

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 232H

LOCATED 175 FT. FROM THE NORTH LINE

AND 410 FT. FROM THE WEST LINE OF

SECTION 28, TOWNSHIP 25 SOUTH,

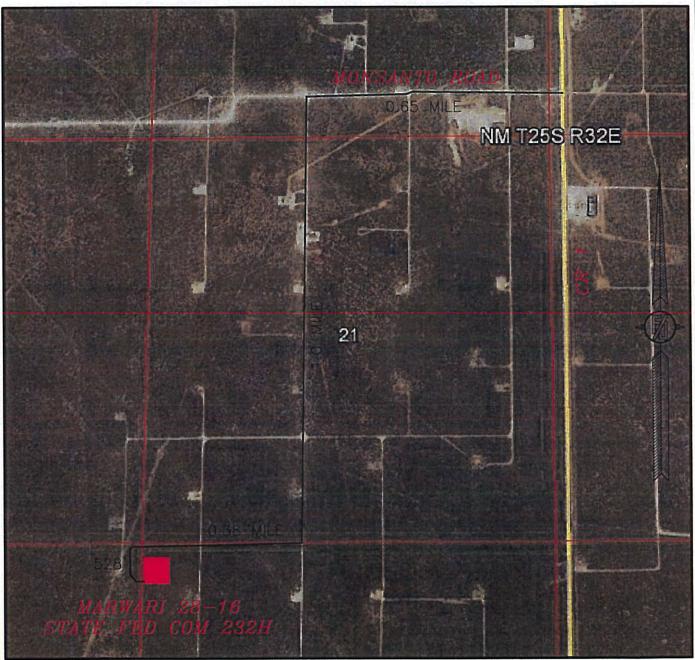
RANGE 32 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5869A

SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO ACCESS AERIAL ROUTE MAP



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH NOVEMBER 2015

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 232H

LOCATED 175 FT. FROM THE NORTH LINE

AND 410 FT. FROM THE WEST LINE OF

SECTION 28, TOWNSHIP 25 SOUTH,

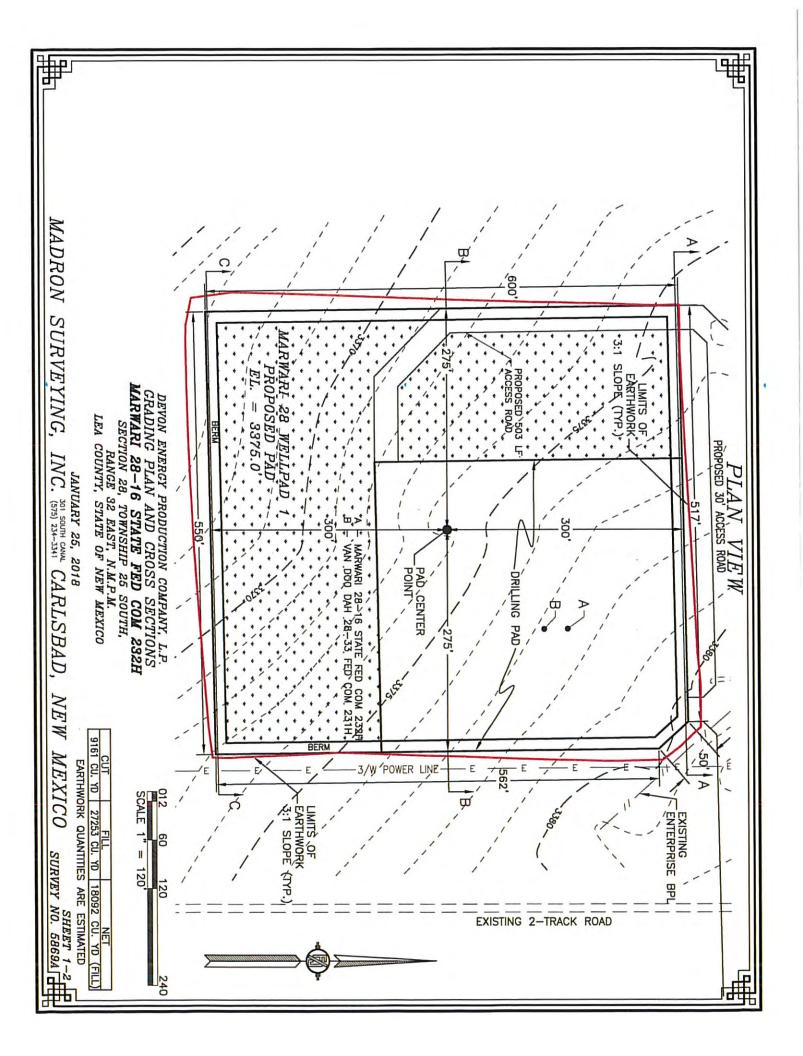
RANGE 32 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

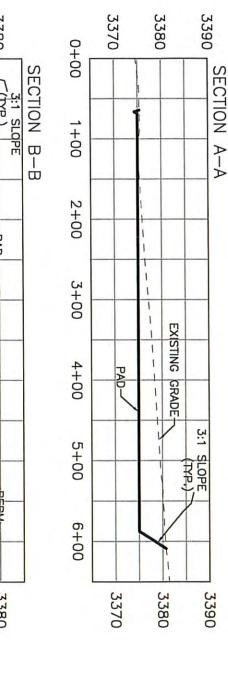
JANUARY 25, 2018

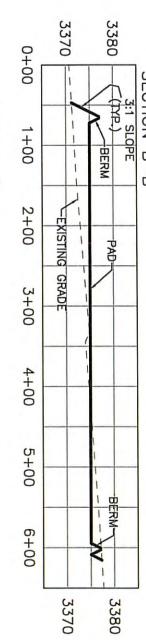
SURVEY NO. 5869A

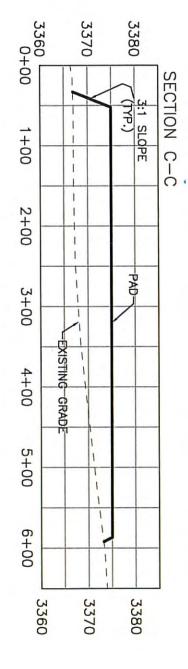
MADRON SURVEYING, INC. (575) 234-3341 CARLSBAD, NEW MEXICO



CROSSSECTIONS







DEVON ENERGY PRODUCTION COMPANY, L.P. GRADING PIAN AND CROSS SECTIONS MARWARI 28-16 STATE FED COM 232H SECTION 28, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

NEWMEXICO



9161 CU. YD 27253 CU. YD 18092 CU. YD (FILL) EARTHWORK QUANTITIES ARE ESTIMATED

SHEET 2-2 SURVEY NO. 5869A

INC. 301 SOUTH CANAL CARLSBAD,

MADRON SURVEYING,

F

JANUARY 25, 2018

ACCESS ROAD PLAT ACCESS ROAD TO THE MARWARI 28 WELLPAD 1 (MARWARI 28-16 STATE FED COM 232H & VAN DOO DAH 28-33 FED COM 231H) DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JANUARY 25, 2018 N46'06'38"W 35.32 FT 2660.68 FT N89°21'15"E 20 2661.92 FT . N88'51'38"E BC 1939 28 27 STA |0+00 B.O.R. 29 S00'39'08 296.05 FI STA |2+96.1 PI LEFT STA |4+02.8 PI LEFT STA |5+02.8 E.O.R. N27'17'29"W 445.61 FT L MARWARI 28 WELLPAD 1 N90°00'00"E 100.00 FT S45°00'00"E 106.77 FT SEC 28 T.25S., R.32E BLMBC 1939 28 | 27 29 1 28 34 REBAR BC 1939 32 S89'17'08"W 2659.49 FT S89°33'45"W 2656.07 FT 33 SEE NEXT SHEET (2-2) FOR DESCRIPTION 1000 SURVEYOR CERTIFICATE Scale: 1" = 1000 I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND GENERAL NOTES BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO. 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT. IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, 2.) BASIS OF BEARING AND DISTANCE IS NMSP NEW MEXICO, THIS EAST (NAD83) MODIFIED TO SURFACE MADRON SURVEYING, INC. COORDINATES. NAD 83 (FEET) AND NAVD 88 301 SOUTH CANAL (FEET) COORDINATE SYSTEMS USED IN THE CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 SURVEY. FILMON F JANAHALO PLS. 1279 SURVEY NO. 5869A SHEET: 1-2301 SOUTH CANAL CARLSBAD, (575) 234-3341 CARLSBAD, NEW MEXICO *MADRON SURVEYING*

ACCESS ROAD PLAT

ACCESS ROAD TO THE MARWARI 28 WELLPAD 1 (MARWARI 28-16 STATE FED COM 232H & VAN DOO DAH 28-33 FED COM 231H)

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JANUARY 25, 2018

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NW/4 NW/4 OF SAID SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., WHENCE THE NORTHWEST CORNER OF SAID SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS N46'06'38"W, A DISTANCE OF 35.32 FEET:

THENCE S00'39'08"E A DISTANCE OF 296.05 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$45'00'00"E A DISTANCE OF 106.77 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N90'00'00"E A DISTANCE OF 100.00 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHWEST CORNER OF SAID SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS N27*17'29"W, A DISTANCE OF 445.61 FEET;

SAID STRIP OF LAND BEING 502.82 FEET OR 30.47 RODS IN LENGTH, CONTAINING 0.346 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NW/4 NW/4 502.82 L.F. 30.47 RODS 0.346 ACRES

SURVEYOR CERTIFICATE

MOM

GENERAL NOTES

1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 2-2

MADRON SURVEYING

I, FILIMON F, JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

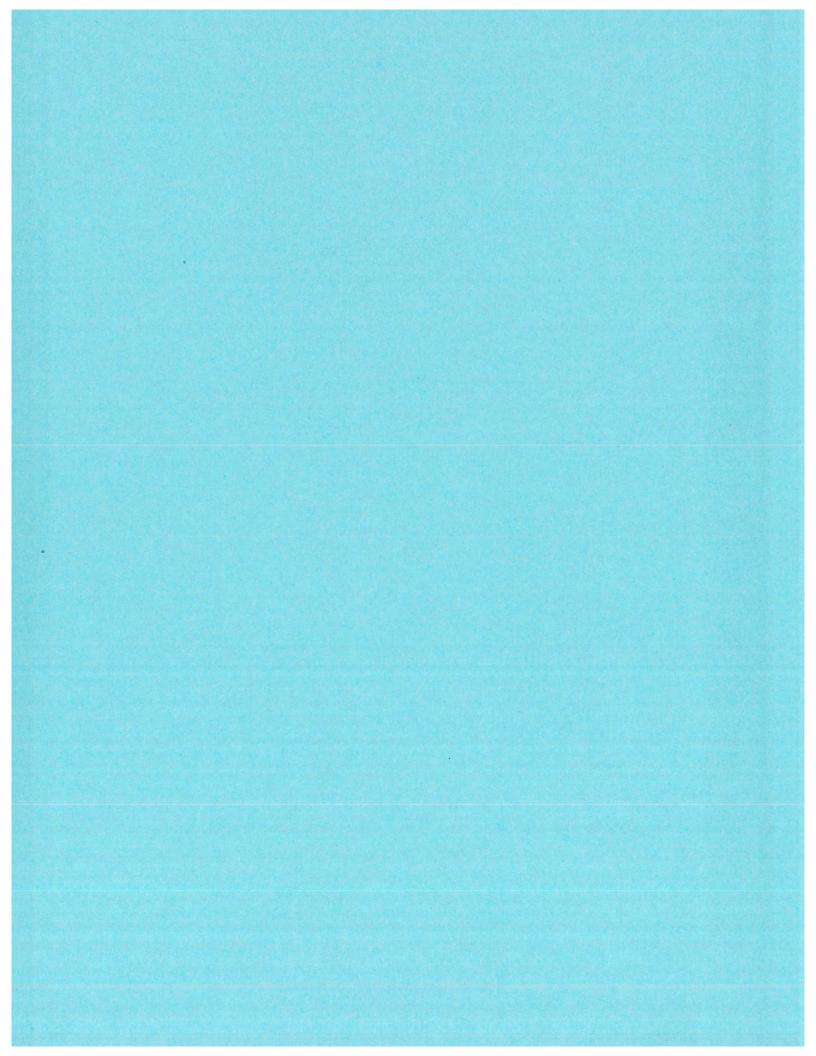
IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS OF JANUARY 2018

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

SURVEY NO. 5869A

INPURED VOLS! 301 SOUTH CANAL 301 SOUTH CARLSBAD, (575) 234-3341 CARLSBAD, NEW MEXICO



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
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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

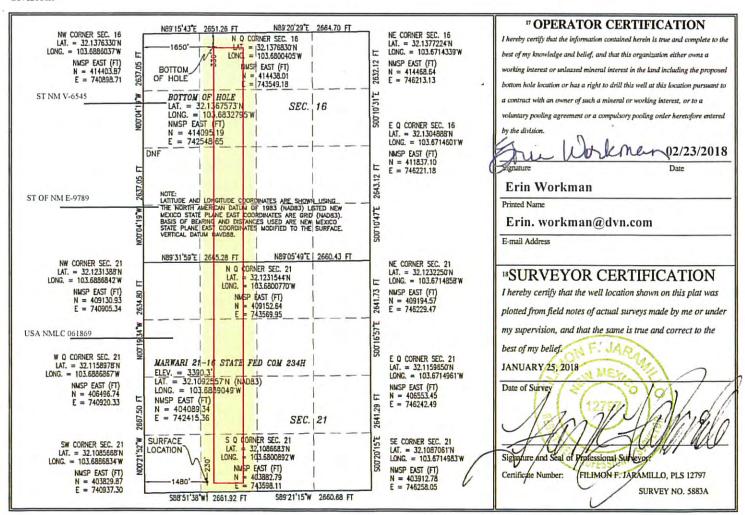
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96715	³ Pool Name WC-025 G-07 S253206M:	³ Pool Name 25 G-07 S253206M: BONE SPRING		
⁴ Property Code	⁵ Propert MARWARI 21-16 S		⁶ Well Number 234H		
⁷ OGRID No. 6137	Operate DEVON ENERGY PRODU	⁹ Elevation 3390.3			
	0.6				

Surface Location

UL or lot no.	Section 21	Township 25 S	Range 32 E	Lot Idn	Feet from the 230	North/South line SOUTH	Feet from the 1480	East/West line WEST	County LEA
			" B	ottom He	ole Location	If Different Fr	om Surface		
UL or lot no.	Section 16	Township 25 S	Range 32 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 1650	East/West line WEST	County LEA
Dedicated Acre 320	s ¹³ Joint	or Infill 14	Consolidation	Code			15 Order No.		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

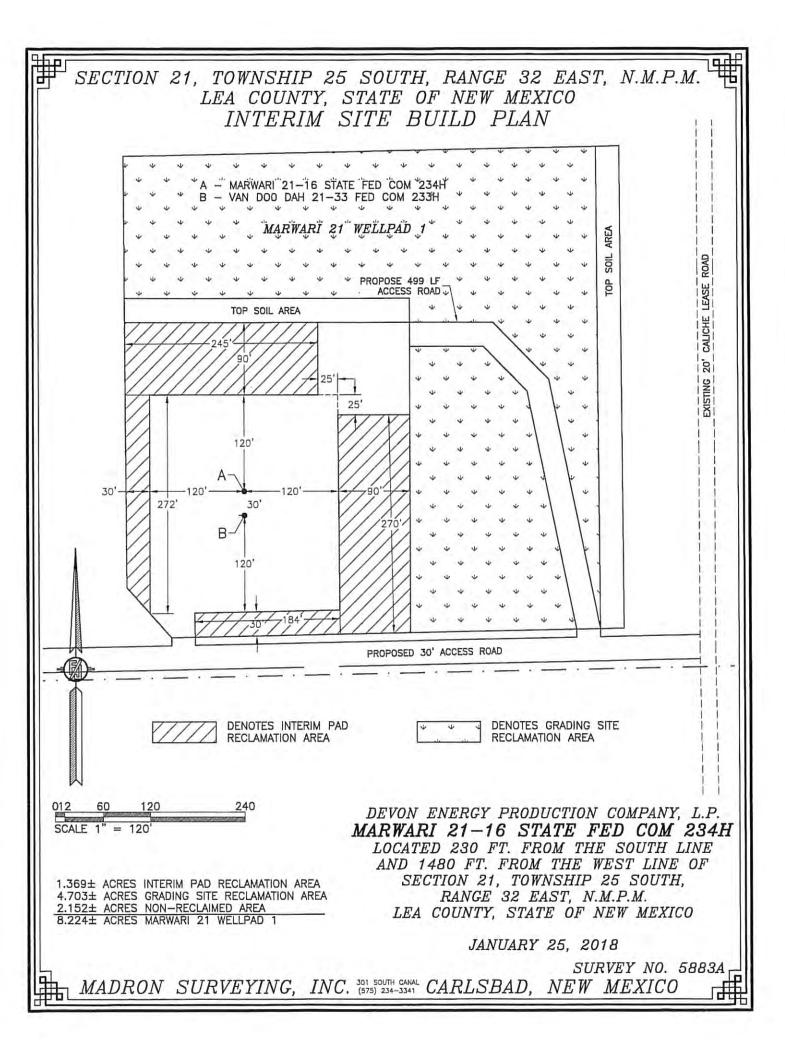


SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO SITE MAP NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES | MODIFIED TO THE SURFACE. VERTICAL DATUM NAVD88. -16 STATE FED ELEV. = 3390.330 8.224± ACRES = 32.1092557N (NAD83 LONG. = 103.6839049° NMSP EAST (FT) N = 404089.34 E = 742415.36 MARWARI 21-16 STATE FED COM 234H SOIL VAN DOO DAH 21-33 FED COM 233H ROAD PROPOSE 499 210' NORTH CALICHE LEASE TOP SOIL AREA S90'00'00"E 361.32 FT L 329.82 PAD 3.179± ACRES ACCESS ROAD 0.342± ACRES TOTAL ACREAGE 3.521± ACRES 20. EXISTING 210' 150' WEST OFFSET 150 210 B BERM EL. 3388.6' N42°13'54"W 84.03 FT S88'51'05"W 302.74 FT 180° SOUTH OFFSET PROPOSED 30' ACCESS ROAD 3389.1 SEC. SEC. 28 DEVON ENERGY PRODUCTION COMPANY, L.P. = 120 MARWARI 21-16 STATE FED COM 234H DIRECTIONS TO LOCATION FROM THE INTERSECTION OF CR 1 (ORLA) & MONSANTO ROAD GO WEST APPROX. 0.65 MILE, GO SOUTH ON 20' CALICHE LEASE ROAD FOR APPROX. 1.09 MILES, FOLLOW ROAD SURVEY WEST FOR 152', THEN GO NORTH-NORTH-WEST-WEST 524' TO NORTH-AST PAD CORNER FOR THIS LOCATION. LOCATED 230 FT. FROM THE SOUTH LINE

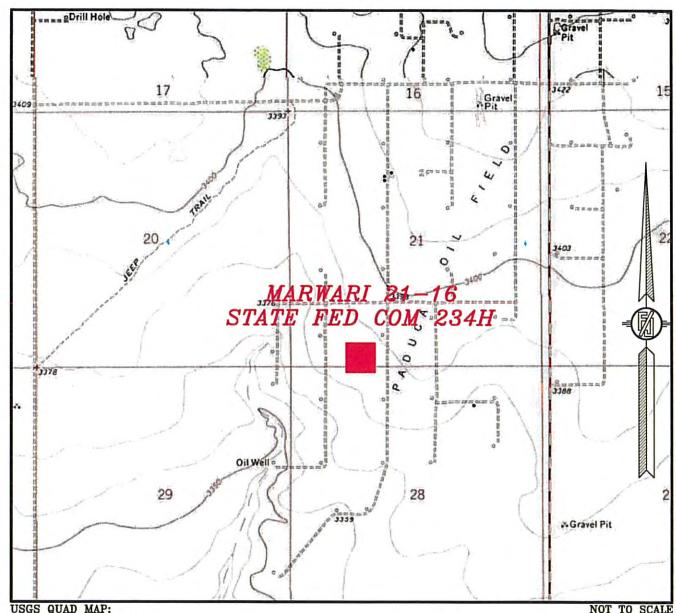
AND 1480 FT. FROM THE WEST LINE OF SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5883A



SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



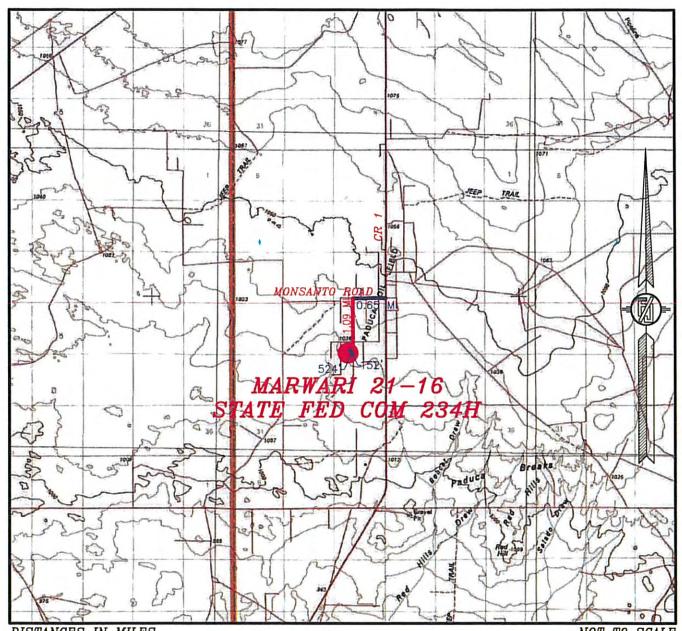
USGS QUAD MAP: PADUCA BREAKS WEST

DEVON ENERGY PRODUCTION COMPANY, L.P. MARWARI 21-16 STATE FED COM 234H LOCATED 230 FT. FROM THE SOUTH LINE AND 1480 FT. FROM THE WEST LINE OF SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5883A

SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO VICINITY MAP



DISTANCES IN MILES

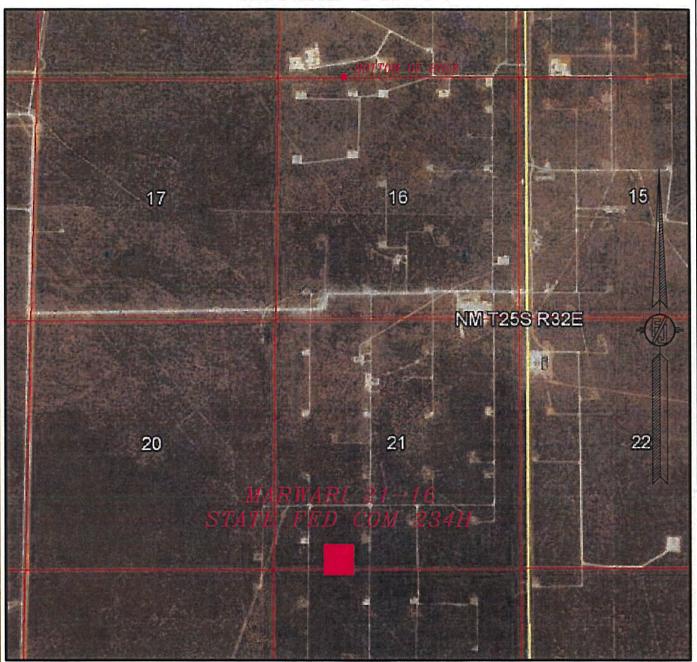
FROM THE INTERSECTION OF CR 1 (ORLA) & MONSANTO ROAD GO WEST APPROX. 0.65 MILE, GO SOUTH ON 20' CALICHE LEASE ROAD FOR APPROX. 1.09 MILES, FOLLOW ROAD SURVEY WEST FOR 152', THEN GO NORTH-MORTHWEST—WEST 524' TO NORTHEAST PAD CORNER FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P. MARWARI 21-16 STATE FED COM 234H LOCATED 230 FT. FROM THE SOUTH LINE AND 1480 FT. FROM THE WEST LINE OF SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5883A

SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH NOVEMBER 2015

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 21-16 STATE FED COM 234H

LOCATED 230 FT. FROM THE SOUTH LINE

AND 1480 FT. FROM THE WEST LINE OF

SECTION 21, TOWNSHIP 25 SOUTH,

RANGE 32 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5883A

SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO ACCESS AERIAL ROUTE MAP



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH NOVEMBER 2015

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 21-16 STATE FED COM 234H

LOCATED 230 FT. FROM THE SOUTH LINE

AND 1480 FT. FROM THE WEST LINE OF

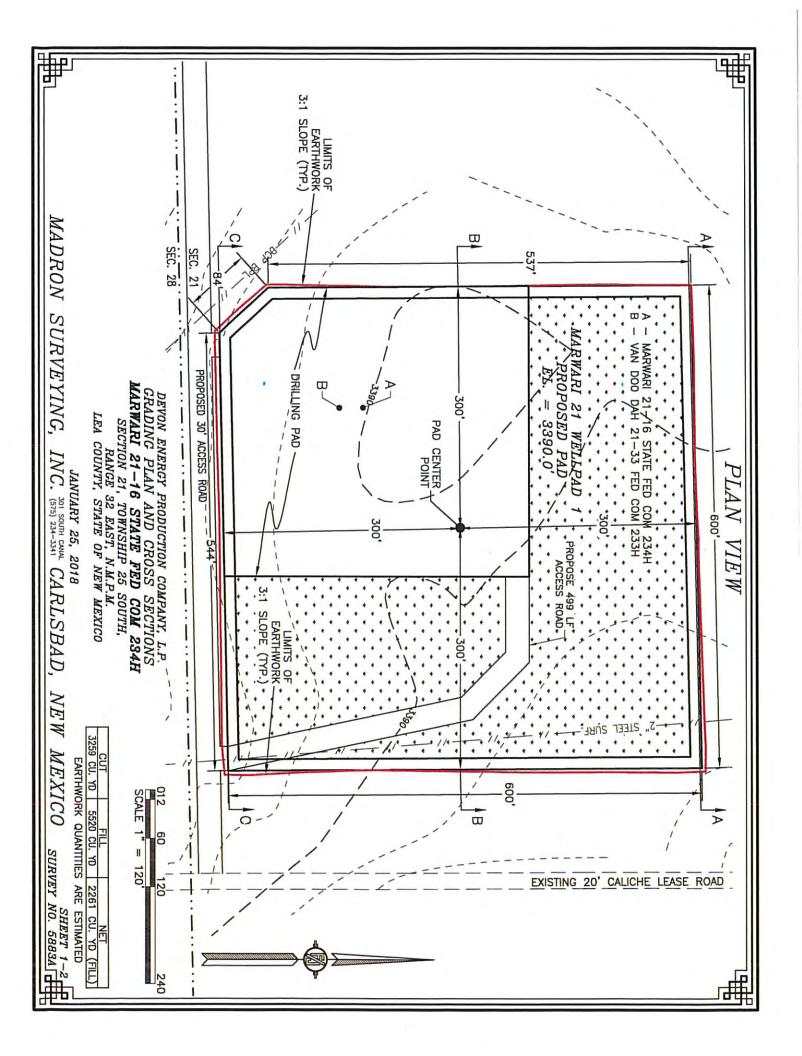
SECTION 21, TOWNSHIP 25 SOUTH,

RANGE 32 EAST, N.M.P.M.

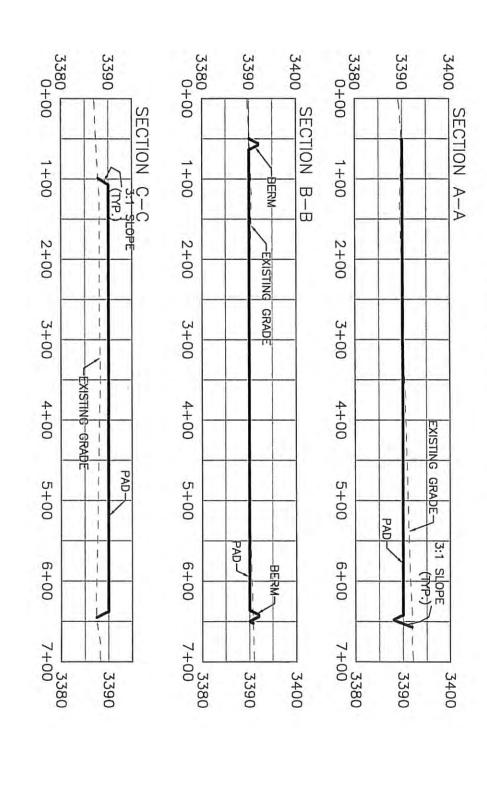
LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5883A



CROSS SECTIONS



DEVON ENERGY PRODUCTION COMPANY, L.P. GRADING PLAN AND CROSS SECTIONS MARWARI 21-16 STATE FED COM 234H SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SCALE 1" = 120' 1 = 20' VER

CUT FILL NET 7259 CU. YD 5520 CU. YD 2261 CU. YD (FILL) EARTHWORK QUANTITIES ARE ESTIMATED

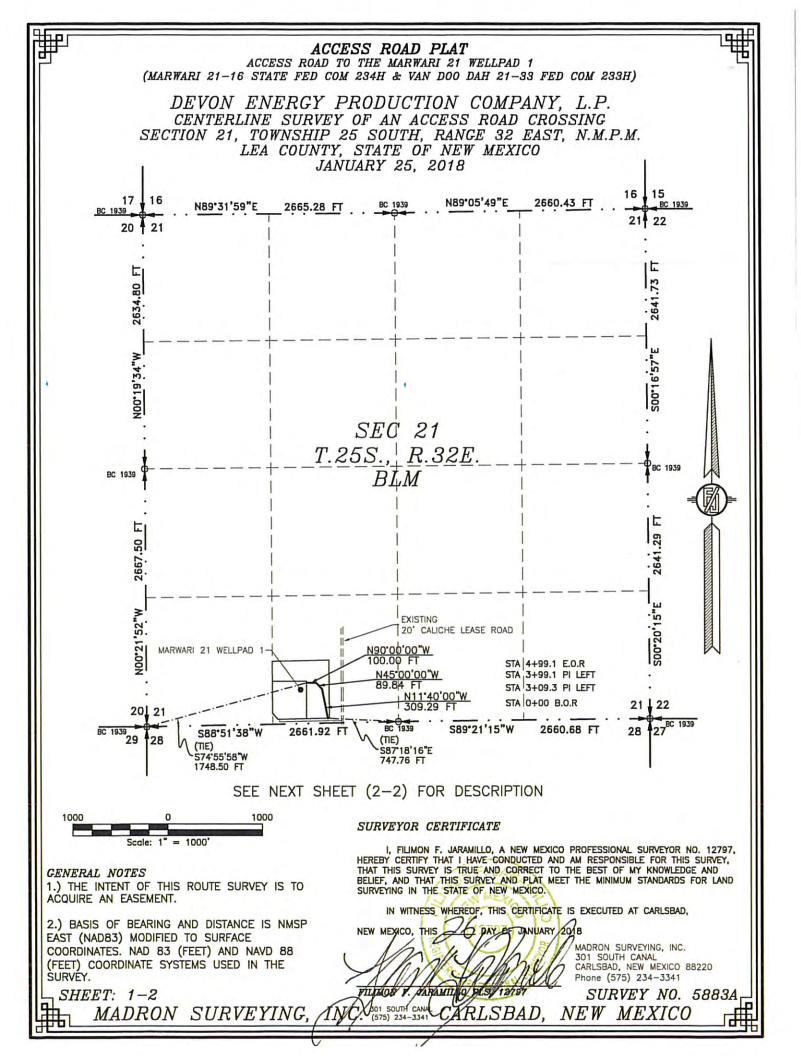
SURVEY NO. 5883A

MEXICO

MADRON SURVEYING,

INC. (575) 234-3341 CARLSBAD,

NEW



ACCESS ROAD PLAT

ACCESS ROAD TO THE MARWARI 21 WELLPAD 1 (MARWARI 21-16 STATE FED COM 234H & VAN DOO DAH 21-33 FED COM 233H)

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JANUARY 25, 2018

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE

BEGINNING AT A POINT WITHIN THE SE/4 SW/4 OF SAID SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS S87'18'16"E, A DISTANCE OF 747.76 FEET;

THENCE N11'40'00"W A DISTANCE OF 309.29 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N45'00'00"W A DISTANCE OF 89.84 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N90'00'00"W A DISTANCE OF 100.00 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHWEST CORNER OF SAID SECTION 21, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS S74'55'58"W, A DISTANCE OF 1748.50 FEET;

SAID STRIP OF LAND BEING 499.13 FEET OR 30.25 RODS IN LENGTH, CONTAINING 0.344 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SW/4 499.13 L.F. 30.25 RODS 0.344 ACRES

SURVEYOR CERTIFICATE

101 SOUTH CANAL

(575) 234-3341

INC

GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 2-2

MADRON SURVEYING,

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

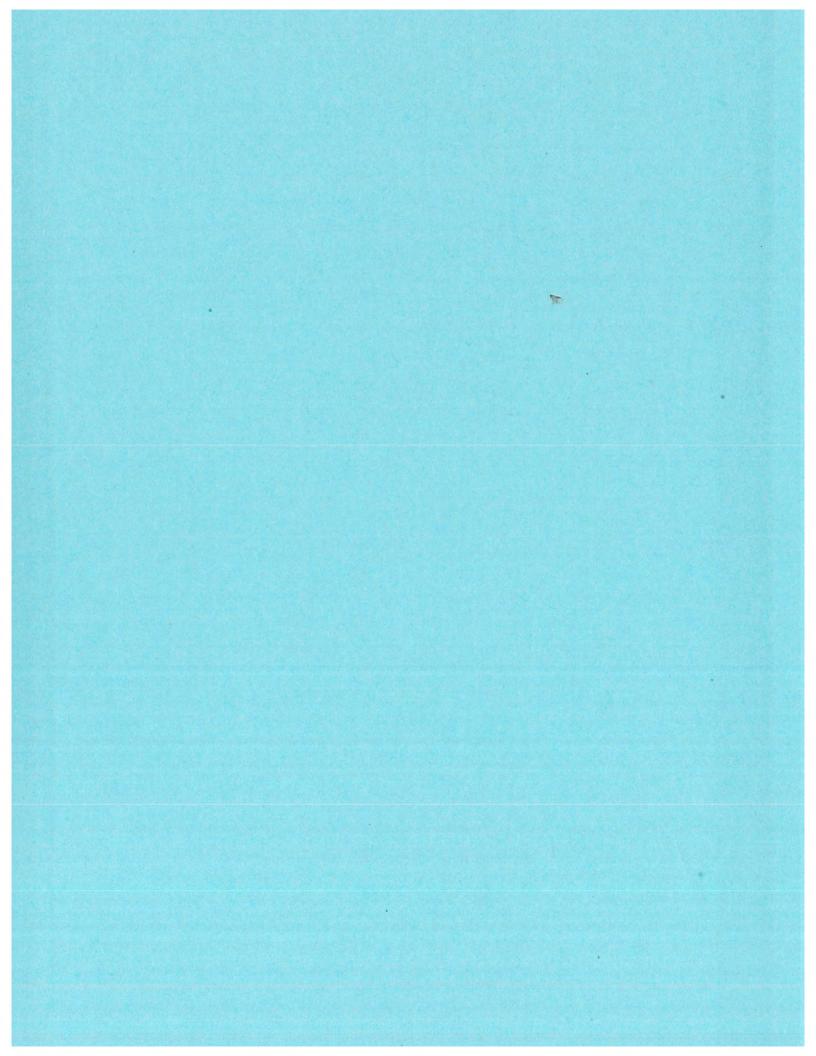
IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

JANUARY 2018 NEW MEXICO, TH

> MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

SURVEY NO. 5883A

PARTOHILLO PLS. CARLSBAD *NEW MEXICO*



District I
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District II
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Phone: (505) 334-6178 Fax: (505) 334-6170
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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

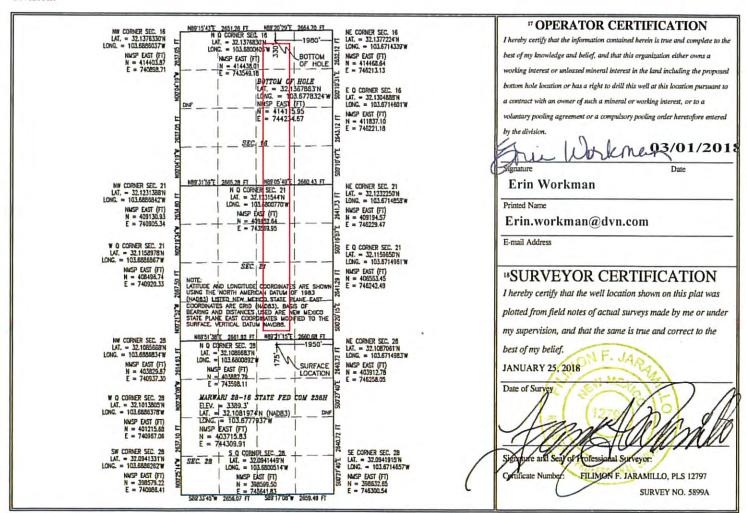
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96715		
⁴ Property Code	⁵ Proj MARWARI 28-1	⁶ Well Number 236H	
⁷ OGRID №. 6137		rator Name DUCTION COMPANY, L.P.	'Elevation 3389.3

Surface Location

UL or lot no. B	Section 28	Township 25 S	Range 32 E	Lot Idn	Feet from the 175	North/South line NORTH	Feet from the 1950	East/West line EAST	County LEA
			п В	ottom H	ole Location	If Different Fr	om Surface		
UL or lot no.	Section 16	Township 25 S	Range 32 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 1980	East/West line EAST	County LEA
¹² Dedicated Acre 320	Joint 13	or Infill	⁴ Consolidation	Code			15 Order No.		

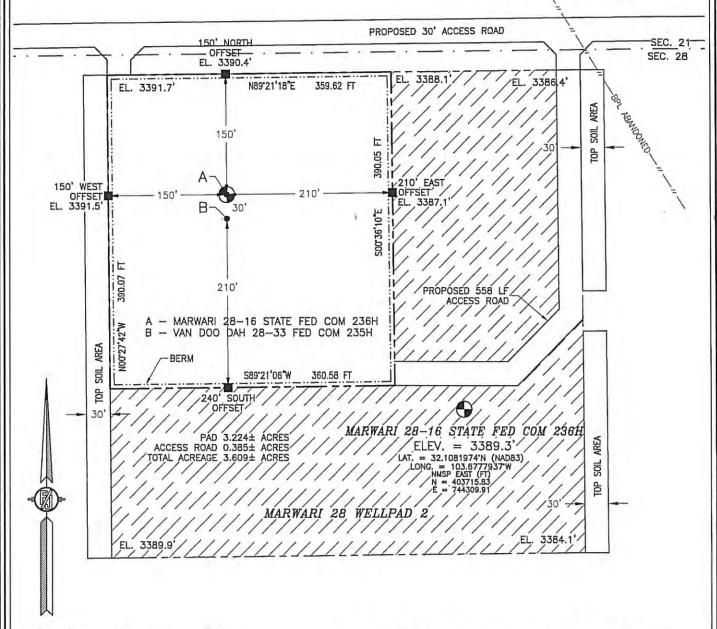
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO SITE MAD

SITE MAP NOTE: LATITUDE

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. VERTICAL DATUM NAVD88.



012 60 120 2
SCALE 1" = 120'
DIRECTIONS TO LOCATION

DIRECTIONS TO LOCATION
FROM THE INTERSECTION OF CR 1 (ORLA) & MONSANTO ROAD GO
WEST APPROX. 0.65 MILE, GO SOUTH ON 20' CALICHE LEASE ROAD
FOR APPROX. 1.09 MILES, FOLLOW ROAD SURVEY EAST APPROX.
0.33 OF A MILE, THEN SOUTH—SOUTHWEST—WEST 583' TO
SOUTHEAST PAD CORNER FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 236H

LOCATED 175 FT. FROM THE NORTH LINE

AND 1950 FT. FROM THE EAST LINE OF

SECTION 28, TOWNSHIP 25 SOUTH,

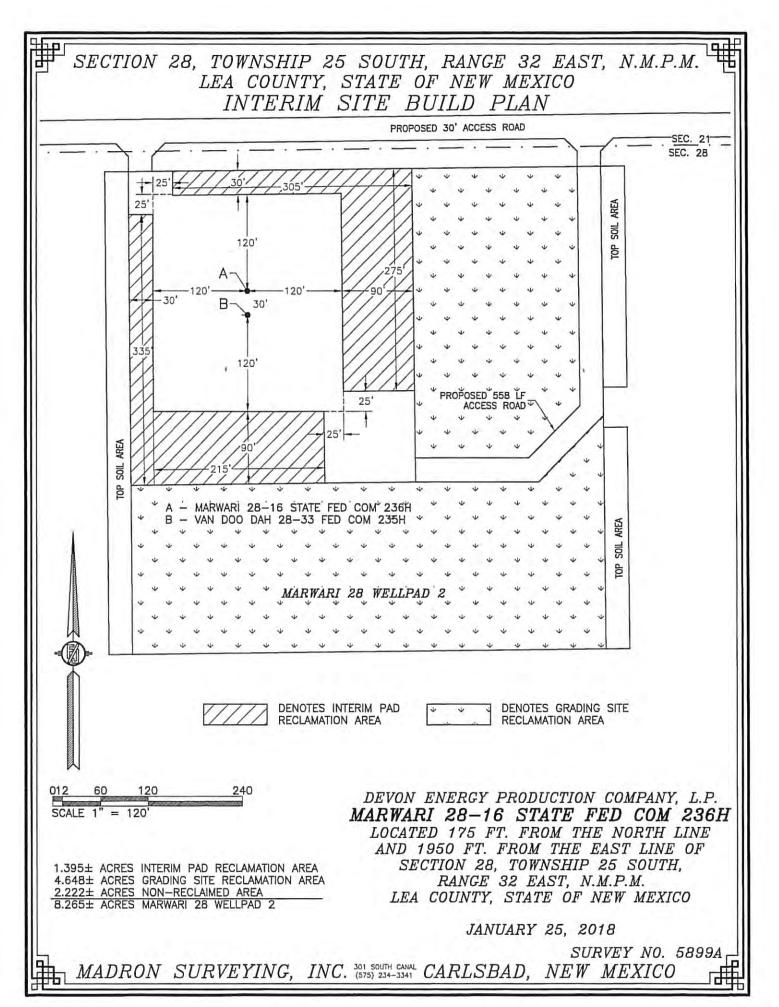
RANGE 32 EAST, N.M.P.M.

JANUARY 25, 2018

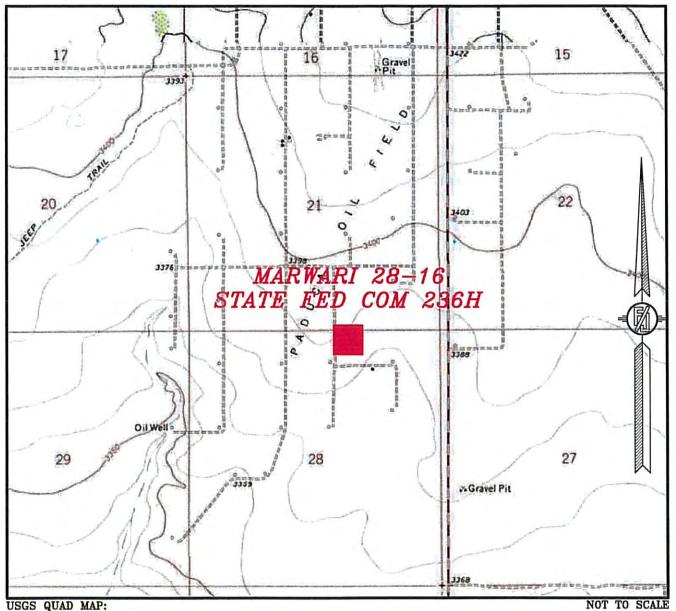
LEA COUNTY, STATE OF NEW MEXICO

SURVEY NO. 5899A

MADRON SURVEYING, INC. (575) 234-3341 CARLSBAD, NEW MEXICO



SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



USGS QUAD MAP: PADUCA BREAKS WEST

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 236H

LOCATED 175 FT. FROM THE NORTH LINE

AND 1950 FT. FROM THE EAST LINE OF

SECTION 28, TOWNSHIP 25 SOUTH,

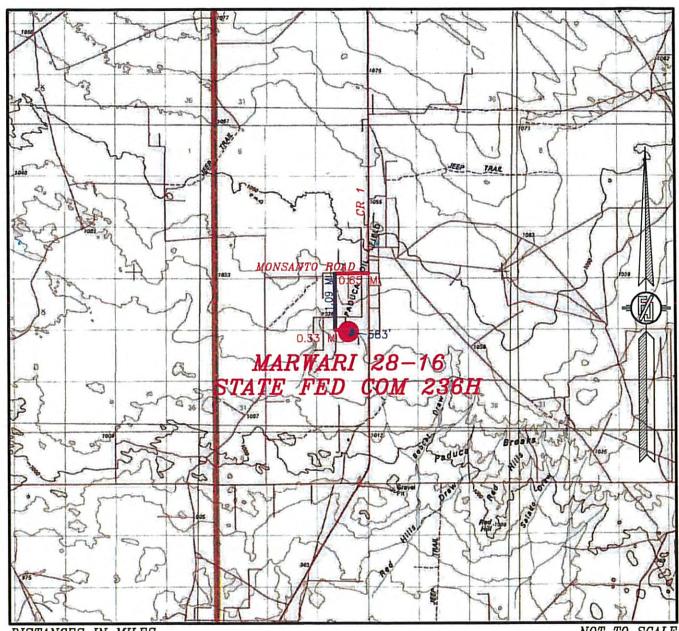
RANGE 32 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5899A

SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO VICINITY MAP



DISTANCES IN MILES

FROM THE INTERSECTION OF CR 1 (ORLA) & MONSANTO ROAD GO WEST APPROX. 0.65 MILE, GO SOUTH ON 20' CALICHE LEASE ROAD FOR APPROX. 1.09 MILES, FOLLOW ROAD SURVEY EAST APPROX. 0.33 OF A MILE, THEN SOUTH—SOUTHWEST—WEST 583' TO SOUTHEAST PAD CORNER FOR THIS LOCATION.

DIRECTIONS TO LOCATION

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 236H

LOCATED 175 FT. FROM THE NORTH LINE AND 1950 FT. FROM THE EAST LINE OF SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5899A

SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH NOVEMBER 2015

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 236H

LOCATED 175 FT. FROM THE NORTH LINE

AND 1950 FT. FROM THE EAST LINE OF

SECTION 28, TOWNSHIP 25 SOUTH,

RANGE 32 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5899A

SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO ACCESS AERIAL ROUTE MAP



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH NOVEMBER 2015

DEVON ENERGY PRODUCTION COMPANY, L.P.

MARWARI 28-16 STATE FED COM 236H

LOCATED 175 FT. FROM THE NORTH LINE

AND 1950 FT. FROM THE EAST LINE OF

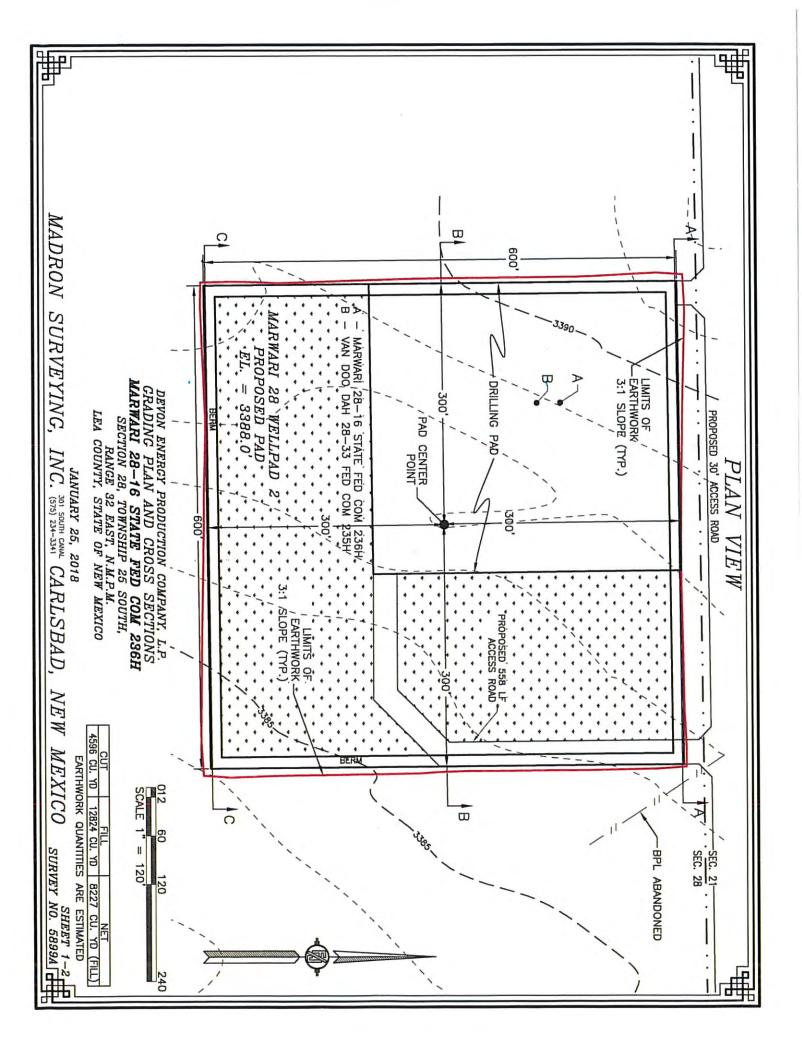
SECTION 28, TOWNSHIP 25 SOUTH,

RANGE 32 EAST, N.M.P.M.

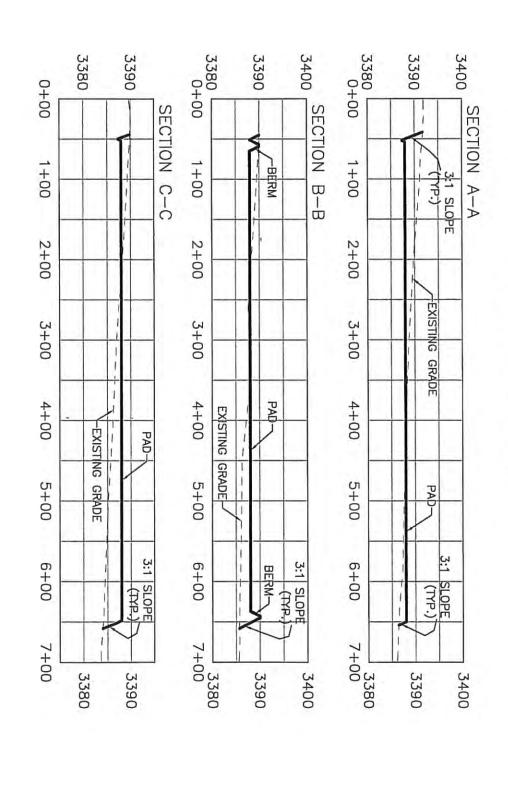
LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

SURVEY NO. 5899A



CROSS SECTIONS



DEVON ENERGY PRODUCTION COMPANY, L.P. GRADING PLAN AND CROSS SECTIONS MARWARI 28-16 STATE FED COM 236H SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

JANUARY 25, 2018

012 60 120 SCALE 1" = 120' 1 240 " = 20' VER

CUT FILL NET 4596 CU. YD | 12824 CU. YD | 8227 CU. YD (FILL)

EARTHWORK QUANTITIES ARE ESTIMATED

SURVEY NO. 5899A

MADRON SURVEYING, INC. (575) 234-3341 CARLSBAD,

NEW MEXICO

ACCESS ROAD PLAT ACCESS ROAD TO THE MARWARI 28 WELLPAD 2 (MARWARI 28-16 STATE FED COM 236H & VAN DOO DAH 28-33 FED COM 235H) DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JANUARY 25, 2018 (TIE) 1145.69 FT N88'24'36"É 1515.51 FT 21 22 20 1 21 N89°21'15"E 2660.68 FT BC 1939 N88'51'38"E_ 2661.92 FT BC 1939 28 27 STA 0+00 B.O.R. 29128 S00°30'00"E 303.67 FT (TIE) N67'08'30 W 1003.08 FT STA 3+03.7 PI RIGHT STA 4+08.2 PI RIGHT STA 5+58.2 E.O.R. S45*00'00"W 104.55 FT E E 590°00'00"W 150.00 FT **EXISTING** MARWARI 28 WELLPAD 2 20' CALICHE LEASE ROAD SEC 28 T.25S., R.32EBC 1939 28 1 27 29 1 28 34 REBAR BC 1939 BC 1939 S89°17'08"W 2659.49 FT S89°33'45"W 2656.07 FT 33 32 SEE NEXT SHEET (2-2) FOR DESCRIPTION 1000 SURVEYOR CERTIFICATE Scale: 1" = 1000" I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO SURVEYING IN THE STATE OF NEW MEXICO. ACQUIRE AN EASEMENT. IN WITNESS WHEREOF! THIS CERTIFICATE IS EXECUTED AT CARLSBAD, 2.) BASIS OF BEARING AND DISTANCE IS NMSP NEW MEXICO, THIS EAST (NAD83) MODIFIED TO SURFACE MADRON SURVEYING, INC. COORDINATES. NAD 83 (FEET) AND NAVD 88 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY. Phone (575) 234-3341 SHEET: 1-2 FILINGN W/ JARMATLO HIS SURVEY NO. 5899A 501 SOUTH CANAL (575) 234-3341 INC CARKSBAD *MADRON SURVEYING*. NEW MEXICO

ACCESS ROAD PLAT

ACCESS ROAD TO THE MARWARI 28 WELLPAD 2 (MARWARI 28-16 STATE FED COM 236H & VAN DOO DAH 28-33 FED COM 235H)

DEVON ENERGY PRODUCTION COMPANY, L.P.
CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING
SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
JANUARY 25, 2018

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NW/4 NE/4 OF SAID SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., WHENCE THE NORTHEAST CORNER OF SAID SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS NB8'24'36"E, A DISTANCE OF 1515.51 FEET:

THENCE S00'30'00"E A DISTANCE OF 303.67 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE S45'00'00"W A DISTANCE OF 104.55 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE S90'00'00"W A DISTANCE OF 150.00 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTH QUARTER
CORNER OF SAID SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS N67'08'30"W, A DISTANCE OF 1003.08 FEET;

SAID STRIP OF LAND BEING 558.22 FEET OR 33.83 RODS IN LENGTH, CONTAINING 0.384 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NW/4 NE/4 558.22 L.F. 33.83 RODS 0.384 ACRES

SURVEYOR CERTIFICATE

GENERAL NOTES

1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 2-2

MADRON SURVEYING,

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

MEXICO, THIS ADAY OF JANUARY 2018

JARAMILLO PLS.

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

SURVEY NO. 5899A

301 SOUTH CARLSBAD, NEW MEXICO

Marwari 28-16 State Fed Com 232H W/2 W/2 Section 16 and W/2 W/2 Section 21, Township 25 South, Range 32 East

Tract 1	Section 16
Tract 2	
Tract 3	Section 21

Tract 1	W/2 NW/4 Section 16, Township 25 South, Range 32 East
100.00%	Pride Energy Company
100.00%	Total Committed Interest 0.00% Total Uncommitted Interest 100.00%
Tract 2	W/2 SW/4 Section 16, Township 25 South, Range 32 East
100.00%	Devon Energy Production Company, L.P.
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%
Tract 3	W/2 W/2 Section 21, Township 25 South, Range 32 East
100.00%	Devon Energy Production Company, L.P.
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%
	Uncommitted Interest
Unit 75.00%	W/2 W/2 Section 16 and W/2 W/2 Section 21, Township 25 South, Range 32 East Devon Energy Production Company, L.P.
25.00%	Pride Energy Company
100.00%	Total Committed Interests 75.00% Total Uncommitted Interests 25.00%
	Uncommitted Interests

Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 3

Marwari 21-16 State Fed Com 234H E/2 W/2 Section 16 and E/2 W/2 Section 21, Township 25 South, Range 32 East

	Tract 1	Section 16
	Tract 2	
·	Tract 3	Section 21

Tract 1	E/2 NW/4 Section 16, Township 25 South, Range 32 East					
100.00%	Pride Energy Company					
100.00%	Total Committed Interest 0.00% Total Uncommitted Interest 100.00%					
Tract 2	E/2 SW/4 Section 16, Township 25 South, Range 32 East					
100.00%	Devon Energy Production Company, L.P.					
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%					
Tract 3	E/2 W/2 Section 21, Township 25 South, Range 32 East					
100.00%	Devon Energy Production Company, L.P.					
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%					
	Uncommitted Interest					
Unit	E/2 W/2 Section 16 and E/2 W/2 Section 21, Township 25 South, Range 32 East					
75.00%	Devon Energy Production Company, L.P.					
25.00%	Pride Energy Company					
100.00%	Total Committed Interests 75.00% Total Uncommitted Interests 25.00%					
	Uncommitted Interests					

Marwari 28-16 State Fed Com 236H W/2 E/2 Section 16 and W/2 E/2 Section 21, Township 25 South, Range 32 East

Tract 1
Tract 2
Tract 3

Tract 1	W/2 NE/4 Section 16, Township 25 South, Range 32 East
100.00%	Pride Energy Company
100.00%	Total Committed Interest 0.00% Total Uncommitted Interest 100.00%
Tract 2	W/2 SE/4 Section 16, Township 25 South, Range 32 East
100.00%	Devon Energy Production Company, L.P.
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%
Tract 3	W/2 E/2 Section 21, Township 25 South, Range 32 East
100.00%	Devon Energy Production Company, L.P.
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%
	Uncommitted Interest
Unit	W/2 E/2 Section 16 and W/2 E/2 Section 21, Township 25 South, Range 32 East
75.00%	Devon Energy Production Company, L.P.
25.00%	Pride Energy Company
100.00%	Total Committed Interests 75.00% Total Uncommitted Interests 25.00%
	Uncommitted Interests

. .



Tim Prout Landman Devon Energy Production Co., L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-8260 Office: (405) 552-6113 Fax: (405) 234-2612

February 28, 2018

VIA FED EX

Pride Energy Company 4641 East 91st Street Tulsa, OK 74137

Re:

Marwari 28-16 State Fed Com 232H SHL 175' FNL & 410' FWL Section 28-T25S-R32E BHL 330' FNL & 330' FWL Section 16-T25S-R32E Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Marwari 28-16 State Fed Com 232H well to an approximate TVD of 10,000' in order to test the 2nd Bone Spring formation. The proposed surface hole location is approximately 175' FNL & 410' FWL Section 28-T25S-R32E. The proposed bottom hole is approximately 330' FNL & 330' FWL Section 16-T25S-R32E.

To accommodate the 2-mile well Devon proposes forming a 960-acre working interest unit made up of W/2, W/2 E/2 Section 16 and W/2, W/2 E/2 of Section 21, Township 25 South, Range 32 East, Lea County, New Mexico, insofar and only insofar as leases cover depths from below the base of the Delaware formation to the base of the Wolfcamp formation. As a result, Pride Energy Company will have a 25.00% interest in the proposed working interest unit and well.

Devon is proposing to drill this well subject to the terms of a 2015 AAPL model form Operating Agreement with the following general provisions:

- Operator: Devon Energy Production Company, L.P.
- 100% /300% Non-consenting penalty
- \$11,000/\$1,100 Drilling and Producing Overhead Rates

Enclosed you will find Devon's proposed AFE for the procedure reflecting our estimated completed well cost of \$4,935,402.15. Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 4 If you elect to participate in this well, please return to my attention via mail, email, or fax @ 405-552-6113 a signed AFE and your most updated well requirement sheet including email addresses. If returned by email or fax, the signature will be deemed an original response.

If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-6113 or email me at <u>Tim.Prout@dvn.com</u>.

Yours truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout Landman

/rf Enclosures



AFE # XX-127218.01

Well Name: Marwari 28-16 State Fed Com 232H

Cost Center Number: 1093846401 Legal Description: SEC 28-25S-32E

Revision:

AFE Date:

02/28/2018

State: County/Parish: NM LEA

Explanation and Justification:

DRILL AND COMPLETION

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	52,500.00	0.00	0.00	52,500.00
6060130	GASEOUS FUELS	21,600.00	0.00	0.00	21,600.0
6080100	DISPOSAL - SOLIDS	72,980.00	3,500.00	0.00	76,480.0
6080110	DISP-SALTWATER & OTH	0.00	61,700.00	0.00	61,700.0
6090100	FLUIDS - WATER	32,313.00	216,000.00	• 0.00	248,313.0
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.0
6110100	ROAD & LOCN RECOVERY	25,000.00	0.00	0.00	25,000.0
6110130	ROAD&SITE PREP SVC	80,000.00	8,000.00	0.00	88,000.0
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.0
6130170	COMM SVCS - WAN	4,463.00	0.00	0.00	4,463.0
6130360	RTOC - ENGINEERING	0.00	5,760.00	0.00	5,760.0
	RTOC - GEOSTEERING	7,890.00	0.00	0.00	7,890.0
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.0
6150100	CH LOG PERFRTG&WL SV	0.00	148,227.50	0.00	148,227.5
6160100	MATERIALS & SUPPLIES	510.00	0.00	0.00	510.00
6170100	PULLING&SWABBING SVC	0.00	19,000.00	0.00	19,000.0
	SNUBBG&COIL TUBG SVC	0.00	182,000.00	0.00	182,000.0
6190100	TRCKG&HL-SOLID&FLUID	42,928.00	8,000.00	0.00	50,928.0
6190110	TRUCKING&HAUL OF EQP	44,400.00	8,000.00	0.00	52,400.0
6200130	CONSLT & PROJECT SVC	108,675.00	59,400.00	0.00	168,075.0
6230120	SAFETY SERVICES	42,075.00	6,500.00	0.00	48,575.0
6300270	SOLIDS CONTROL SRVCS	51,000.00	0.00	0.00	51,000.0
6310120	STIMULATION SERVICES	0.00	1,342,835.65	0.00	1,342,835.
6310140	ARTIFICIAL LIFT SVC	0.00	5,200.00	0.00	5,200.0
6310200	CASING & TUBULAR SVC	82,400.00	0.00	0.00	82,400.0
ARRIVE	CEMENTING SERVICES	130,000.00	0.00	0.00	130,000.0
6310280	DAYWORK COSTS	455,280.00	0.00	0.00	455,280.0
6310300	DIRECTIONAL SERVICES	138,825.00	0.00	0.00	138,825.0
6310310	DRILL BITS	64,600.00	0.00	0.00	64,600.0
6310330	DRILL&COMP FLUID&SVC	63,300.00	5,000.00	0.00	68,300.0
6310370	MOB & DEMOBILIZATION	203,897.00	0.00	0.00	203,897.0
6310380	OPEN HOLE EVALUATION	85,940.00	0.00	0.00	85,940.0
6310480	TSTNG-WELL, PL & OTH	0.00	44,100.00	0.00	44,100.0
6310600	MISC PUMPING SERVICE	0.00	12,250.00	0.00	12,250.0
6320100	EQPMNT SVC-SRF RNTL	51,102.00	130,811.00	0.00	181,913.0
6320110	EQUIP SVC - DOWNHOLE	55,610.00	0.00	0.00	55,610.0
1-11-17-2	WELDING SERVICES	2,000.00	0.00	0.00	2,000.0
	LEGAL FEES	10,000.00	0.00	0.00	10,000.0
	MISCELLANEOUS SVC	29,450.00	0.00	0.00	29,450.0
	OTHER ROUSTABOUT SER	0.00	7,500.00	0.00	7,500.0
	CAPITAL OVERHEAD	7,650.00	11,000.00	0.00	18,650.0
	TAXES OTHER	152.00	0.00	0.00	152.0
	Total Intangibles	2,002,540.00	2,284,784.15	0.00	4,287,324.1



AFE # XX-127218.01

Well Name: Marwari 28-16 State Fed Com 232H

Cost Center Number: 1093846401 Legal Description: SEC 28-25S-32E

Revision:

AFE Date:

02/28/2018

State:

County/Parish: LE

NM LEA

17,000.00 30,000.00	0.00	47.000.00			Code
30,000.00		17,000.00	0.00	ARTIFICIAL LIFT EQP	6310130
	0.00	0.00	30,000.00	CASG-COND&DRIVE PIPE	6310150
70,000.00	0.00	70,000.00	0.00	TUBING & COMPONENTS	6310420
71,500.00	0.00	39,000.00	32,500.00	WELLHEAD EQUIPMENT	6310460
40,180.00	0.00	0.00	40,180.00	SURFACE CASING	6310530
123,123.00	0.00	0.00	123,123.00	NTERMEDIATE CASING	6310540
219,675.00	0.00	0.00	219,675.00	PRODUCTION CASING	6310550
72,600.00	0.00	0.00	72,600.00	CASING COMPONENTS	6310580
4,000.00	0.00	4,000.00	0.00	EQUIPMENT OTHER	6320180
648,078.00	0.00	130,000.00	518,078.00	Total Tangibles	
		•			
4,935,402.15	0.00	2,414,784.15	2,520,618.00	TAL ESTIMATED COST	то
	0.00	130,000.00	518,078.00	Total Tangibles	

Company Name:

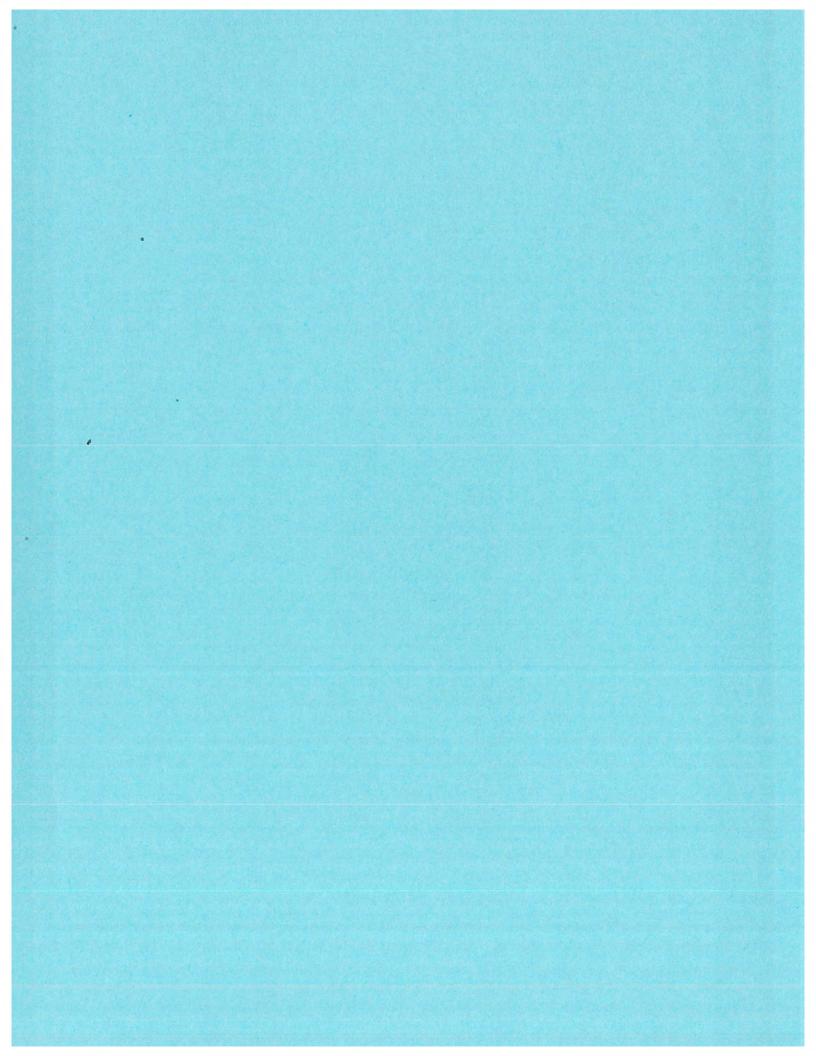
Signature: Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.





Tim Prout Landman Devon Energy Production Co., L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-8260 Office: (405) 552-6113 Fax: (405) 234-2612

February 28, 2018

VIA FED EX

Pride Energy 4641 East 91st Street Tulsa, OK 74137

Re: Marwari 21-16 State Fed Com 234H

SHL 230' FSL & 1480' FWL Section 21-T25S-R32E BHL 330' FNL & 1650' FWL Section 16-T25S-R32E Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Marwari 21-16 State Fed Com 234H well to an approximate TVD of 10,000' in order to test the 2nd Bone Spring formation. The proposed surface hole location is approximately 230' FSL & 1480' FWL Section 21-T25S-R32E. The proposed bottom hole is approximately 330' FNL & 1650' FWL Section 16-T25S-R32E.

To accommodate the 2-mile well Devon proposes forming a 960-acre working interest unit made up of W/2, W/2 E/2 Section 16 and W/2, W/2 E/2 of Section 21, Township 25 South, Range 32 East, Lea County, New Mexico, insofar and only insofar as leases cover depths from below the base of the Delaware formation to the base of the Wolfcamp formation. As a result, Pride Energy Company will have a 25.00% interest in the proposed working interest unit and well.

Devon is proposing to drill this well subject to the terms of a 2015 AAPL model form Operating Agreement with the following general provisions:

- Operator: Devon Energy Production Company, L.P.
- 100% /300% Non-consenting penalty
- \$11,000/\$1,100 Drilling and Producing Overhead Rates

Enclosed you will find Devon's proposed AFE for the procedure reflecting our estimated completed well cost of \$4,935,402.15. Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

If you elect to participate in this well, please return to my attention via mail, email, or fax @ 405-552-6113 a signed AFE and your most updated well requirement sheet including email addresses. If returned by email or fax, the signature will be deemed an original response.

If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-6113 or email me at Tim.Prout@dvn.com.

Yours truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout Landman

/rf

Enclosures



AFE # XX-127219.01

Well Name: Marwari 21-16 State Fed Com 234H

Cost Center Number: 1093846501 Legal Description: SEC 21-25S-32E

Revision:

AFE Date:

02/28/2018

State: County/Parish: NM LEA

Explanation and Justification:

DRILL AND COMPLETION

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	52,500.00	0.00	0.00	52,500.00
	GASEOUS FUELS	21,600.00	0.00	0.00	21,600.00
	DISPOSAL - SOLIDS	72,980.00	3,500.00	0.00	76,480.00
	DISP-SALTWATER & OTH	0.00	61,700.00	0.00	61,700.00
	FLUIDS - WATER	32,313.00	216,000.00	0.00	248,313.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6110100	ROAD & LOCN RECOVERY	25,000.00	0.00	0.00	25,000.00
	ROAD&SITE PREP SVC	80,000.00	8,000.00	0.00	88,000.00
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6130170	COMM SVCS - WAN	4,463.00	0.00	0.00	4,463.00
6130360	RTOC - ENGINEERING	0.00	5,760.00	0.00	5,760.00
	RTOC - GEOSTEERING	7,890.00	0.00	0.00	7,890.00
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	148,227,50	0.00	148,227,50
	MATERIALS & SUPPLIES	510.00	0.00	0.00	510.00
6170100	PULLING&SWABBING SVC	0.00	19,000.00	0.00	19,000.00
	SNUBBG&COIL TUBG SVC	0.00	182,000.00	0.00	182,000.00
	TRCKG&HL-SOLID&FLUID	42,928.00	8,000.00	0.00	50,928.00
6190110	TRUCKING&HAUL OF EQP	44,400.00	8,000.00	0.00	52,400.00
	CONSLT & PROJECT SVC	108,675.00	59,400.00	0.00	168,075.00
	SAFETY SERVICES	42,075.00	6,500.00	0.00	48,575.00
	SOLIDS CONTROL SRVCS	51,000.00	0.00	0.00	51,000.00
	STIMULATION SERVICES	0.00	1,342,835.65	0.00	1,342,835.65
	ARTIFICIAL LIFT SVC	0.00	5,200.00	0.00	5,200.00
6310200	CASING & TUBULAR SVC	82,400.00	0.00	0.00	82,400.00
	CEMENTING SERVICES	130,000.00	0.00	0.00	130,000.00
	DAYWORK COSTS	455,280.00	0.00	0.00	455,280.00
	DIRECTIONAL SERVICES	138,825.00	0.00	0.00	138,825.00
	DRILL BITS	64,600.00	0.00	0.00	64,600.00
	DRILL&COMP FLUID&SVC	63,300.00	5,000.00	0.00	68,300.00
	MOB & DEMOBILIZATION	203,897.00	0.00	0.00	203,897.00
	OPEN HOLE EVALUATION	85,940.00	0.00	0.00	85,940.00
	TSTNG-WELL, PL & OTH	0.00	44,100.00	0.00	44,100.00
	MISC PUMPING SERVICE	0.00	12,250.00	0.00	12,250.00
	EQPMNT SVC-SRF RNTL	51,102.00	130,811.00	0.00	181,913.00
	EQUIP SVC - DOWNHOLE	55,610.00	0.00	0.00	55,610.00
	WELDING SERVICES	2,000.00	0.00	0.00	2,000.00
	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
	MISCELLANEOUS SVC	29,450.00	0.00	0.00	29,450.00
	OTHER ROUSTABOUT SER	0.00	7,500.00	0.00	7,500.00
	CAPITAL OVERHEAD	7,650,00	11,000.00	0.00	18,650.00
	TAXES OTHER	152.00	0.00	0.00	152.00
	Total Intangibles	2,002,540.00	2,284,784.15	0.00	4,287,324.15



AFE # XX-127218.01

Well Name: Marwari 21-16 State Fed Com 234H

Cost Center Number: 1093846501 Legal Description: SEC 21-25S-32E

Revision:

AFE Date:

02/28/2018

State:

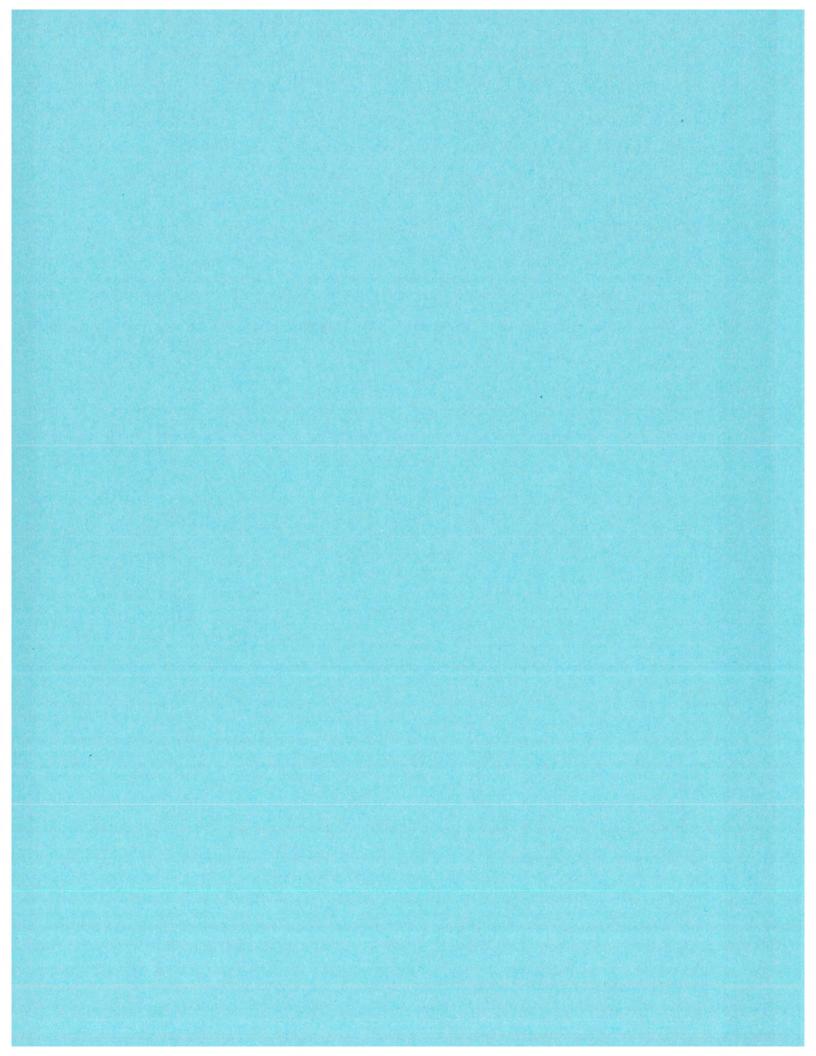
County/Parish:

NM LEA

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6310130	ARTIFICIAL LIFT EQP	0.00	17,000.00	0.00	17,000.00
6310150	CASG-COND&DRIVE PIPE	30,000.00	0.00	0.00	30,000.00
6310420	TUBING & COMPONENTS	0.00	70,000.00	0.00	70,000.00
6310460	WELLHEAD EQUIPMENT	32,500.00	39,000.00	0.00	71,500.00
6310530	SURFACE CASING	40,180.00	0.00	0.00	40,180.00
6310540	NTERMEDIATE CASING	123,123.00	0.00	0.00	123,123.00
6310550	PRODUCTION CASING	219,675.00	0.00	0.00	219,675.00
6310580	CASING COMPONENTS	72,600.00	0.00	0.00	72,600.00
6320180	EQUIPMENT OTHER	0.00	4,000.00	0.00	4,000.00
	Total Tangibles	518,078.00	130,000.00	0.00	648,078.00

2,520,618.00	2,414,784.15	0.00	4,935,402.15
OVAL			
P	rint Name:		
	OVAL		OVAL

Note: Please include/attach well requirement data with ballot.





Tim Prout Landman Devon Energy Production Co., L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-8260 Office: (405) 552-6113 Fax: (405) 234-2612

February 28, 2018

VIA FED EX

Pride Energy 4641 East 91st Street Tulsa, OK 74137

Re: Marwari 28-16 State Fed Com 236H SHL 175' FNL & 1950' FEL Section 28-T28S-R32E BHL 330' FNL & 1980' FEL Section 16-T25S-R32E

Section 16-T25S-R32E Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Marwari 28-16 State Fed Com 236H well to an approximate TVD of 10,000' in order to test the 2nd Bone Spring formation. The proposed surface hole location is approximately 175' FNL & 1950' FEL Section 28-T25S-R32E. The proposed bottom hole is approximately 330' FNL & 1980' FEL Section 16-T25S-R32E.

To accommodate the 2-mile well Devon proposes forming a 960-acre working interest unit made up of W/2, W/2 E/2 Section 16 and W/2, W/2 E/2 of Section 21, Township 25 South, Range 32 East, Lea County, New Mexico, insofar and only insofar as leases cover depths from below the base of the Delaware formation to the base of the Wolfcamp formation. As a result, Pride Energy Company will have a 25.00% interest in the proposed working interest unit and well.

Devon is proposing to drill this well subject to the terms of a 2015 AAPL model form Operating Agreement with the following general provisions:

- Operator: Devon Energy Production Company, L.P.
- 100% /300% Non-consenting penalty
- \$11,000/\$1,100 Drilling and Producing Overhead Rates

Enclosed you will find Devon's proposed AFE for the procedure reflecting our estimated completed well cost of \$4,935,402.15. Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

If you elect to participate in this well, please return to my attention via mail, email, or fax @ 405-552-6113 a signed AFE and your most updated well requirement sheet including email addresses. If returned by email or fax, the signature will be deemed an original response.

If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-6113 or email me at Tim.Prout@dvn.com.

Yours truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout Landman

/rf

Enclosures



AFE # XX-127255.01

Well Name: Marwari 28-16 State Fed Com 236H

Cost Center Number: 1093848401 Legal Description: SEC 28-25S-32E

Revision:

AFE Date: State: 02/28/2018

County/Parish:

NM LEA

Explanation and Justification:

DRILL AND COMPLETION

	Intangible	Drilling	Completion	Dry Hole	Total
Code	Description	Costs	Costs	Costs	Costs
	DYED LIQUID FUELS	52,500.00	0.00	0.00	52,500.00
	GASEOUS FUELS	21,600.00	0.00	0.00	21,600.00
6080100	DISPOSAL - SOLIDS	72,980.00	3,500.00	0.00	76,480.00
6080110	DISP-SALTWATER & OTH	0.00	61,700.00	0.00	61,700.00
6090100	FLUIDS - WATER	32,313.00	216,000.00	0.00	248,313.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6110100	ROAD & LOCN RECOVERY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	80,000.00	8,000.00	0.00	88,000.00
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6130170	COMM SVCS - WAN	4,463.00	0.00	0.00	4,463.00
6130360	RTOC - ENGINEERING	0.00	5,760.00	0.00	5,760.00
6130370	RTOC - GEOSTEERING	7,890.00	0.00	0.00	7,890.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	148,227.50	0.00	148,227.50
6160100	MATERIALS & SUPPLIES	510.00	0.00	0.00	510.00
6170100	PULLING&SWABBING SVC	0.00	19,000.00	0.00	19,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	182,000.00	0.00	182,000.00
6190100	TRCKG&HL-SOLID&FLUID	42,928.00	8,000.00	0.00	50,928.00
6190110	TRUCKING&HAUL OF EQP	44,400.00	8,000.00	0.00	52,400.00
6200130	CONSLT & PROJECT SVC	108,675.00	59,400.00	0.00	168,075.00
6230120	SAFETY SERVICES	42,075.00	6,500.00	0.00	48,575.00
6300270	SOLIDS CONTROL SRVCS	51,000.00	0.00	0.00	51,000.00
6310120	STIMULATION SERVICES	0.00	1,342,835.65	0.00	1,342,835.68
6310140	ARTIFICIAL LIFT SVC	0.00	5,200.00	0.00	5,200.00
6310200	CASING & TUBULAR SVC	82,400.00	0.00	0.00	82,400.00
	CEMENTING SERVICES	130,000.00	0.00	0.00	130,000.00
6310280	DAYWORK COSTS	455,280.00	0.00	0.00	455,280.00
6310300	DIRECTIONAL SERVICES	138,825.00	0.00	0.00	138,825.00
6310310	DRILL BITS	64,600.00	0.00	0.00	64,600.00
	DRILL&COMP FLUID&SVC	63,300.00	5,000.00	0.00	68,300.00
6310370	MOB & DEMOBILIZATION	203,897.00	0.00	0.00	203,897.00
6310380	OPEN HOLE EVALUATION	85,940.00	0.00	0.00	85,940.00
5310480	TSTNG-WELL, PL & OTH	0.00	44,100,00	0.00	44,100.00
	MISC PUMPING SERVICE	0.00	12,250.00	0.00	12,250.00
5320100	EQPMNT SVC-SRF RNTL	51,102.00	130,811.00	0.00	181,913.00
5320110	EQUIP SVC - DOWNHOLE	55,610.00	0.00	0.00	55,610.00
5320160	WELDING SERVICES	2,000.00	0.00	0.00	2,000.00
	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
	MISCELLANEOUS SVC	29,450.00	0.00	0.00	29,450.00
	OTHER ROUSTABOUT SER	0.00	7,500.00	0.00	7,500.00
-	CAPITAL OVERHEAD	7,650.00	11,000.00	0.00	18,650.00
	TAXES OTHER	152.00	0.00	0.00	152.00
	Total Intangibles	2,002,540.00	2,284,784.15	0.00	4,287,324.15



AFE # XX-127255.01

Well Name: Marwari 28-16 State Fed Com 236H

Cost Center Number: 1093848401 Legal Description: SEC 21-25S-32E

Revision:

AFE Date:

02/28/2018

State:

County/Parish:

NM LEA

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6310130	ARTIFICIAL LIFT EQP	0.00	17,000.00	0.00	17,000.00
6310150	CASG-COND&DRIVE PIPE	30,000.00	0.00	0.00	30,000.00
6310420	TUBING & COMPONENTS	0.00	70,000.00	0.00	70,000.00
6310460	WELLHEAD EQUIPMENT	32,500.00	39,000.00	0.00	71,500.00
6310530	SURFACE CASING	40,180.00	0.00	0.00	40,180.00
6310540	INTERMEDIATE CASING	123,123.00	0.00	0.00	123,123.00
6310550	PRODUCTION CASING	219,675.00	0.00	0.00	219,675.00
6310580	CASING COMPONENTS	72,600.00	0.00	0.00	72,600.00
6320180	EQUIPMENT OTHER	0.00	4,000.00	0.00	4,000.00
	Total Tangibles	518,078.00	130,000.00	0.00	648,078.00

TOTAL ESTIMATED COST	2,520,618.00	2,414,784.15	0.00	4,935,402.15
WORKING INTEREST OWNER APPI	ROVAL			
Company Name:				
Signature:	F	Print Name:		
Title:				
Date:				
Email:				

Note: Please include/attach well requirement data with ballot.

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

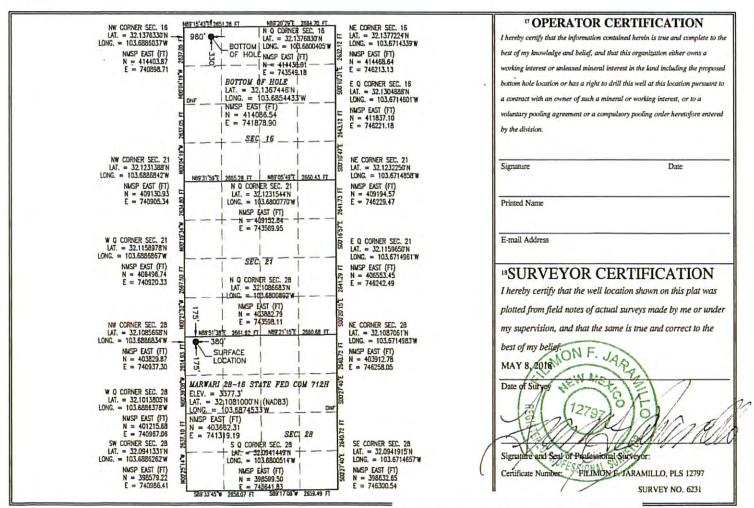
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

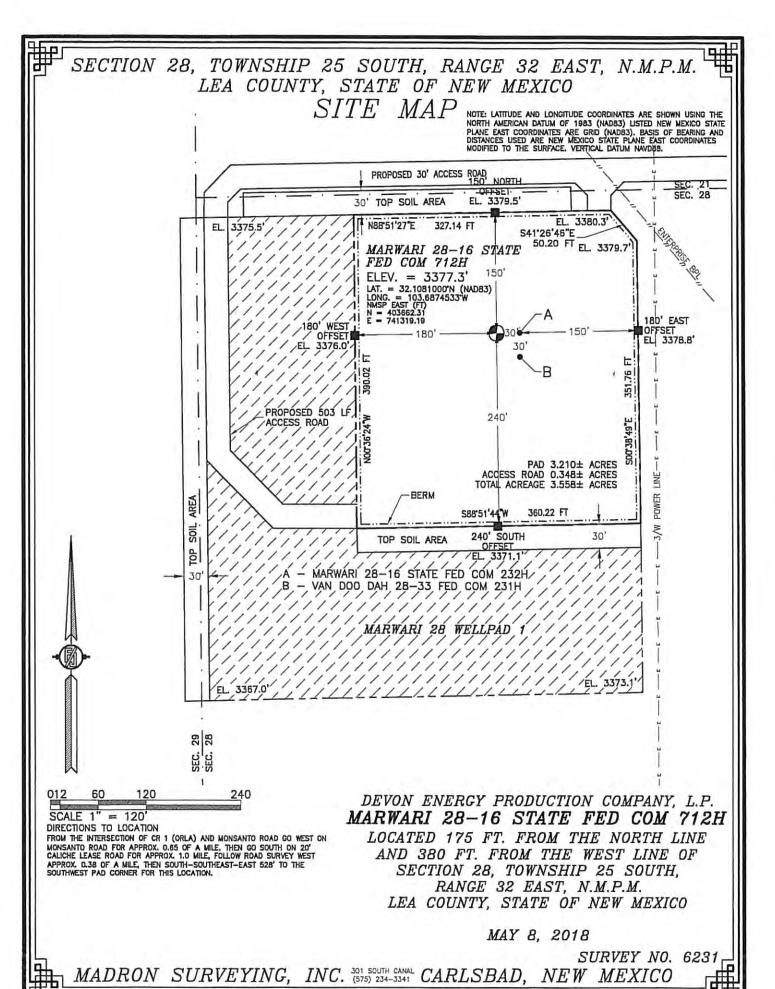
WELL LOCATION AND ACREAGE DEDICATION PLAT

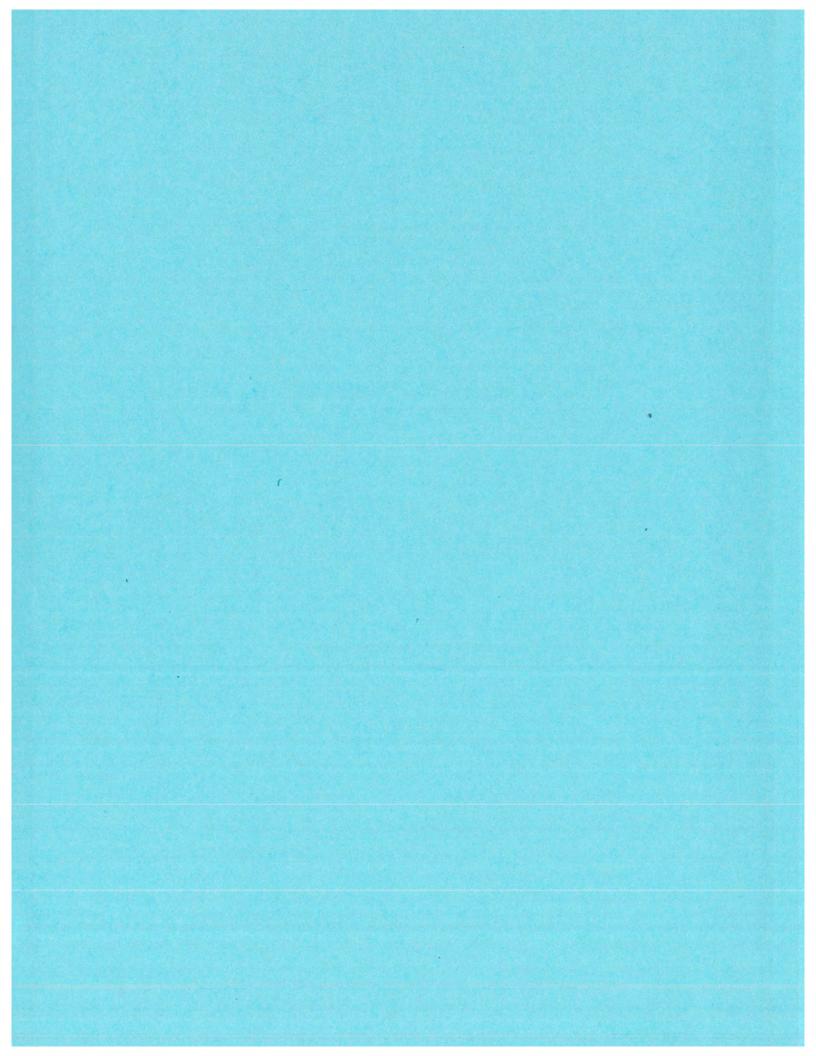
⁴ Property	Code			MAR	⁵ Propert WARI 28-16 S	y Name STATE FED CO	M		⁶ Well Number 712H
⁷ OGRID 613			DEV	ON ENE	Operate	or Name JCTION COMPA	ANY, L.P.		⁹ Elevation 3377.3
					» Surface	Location			
UL or lot no. D	Section 28	Township 25 S	Range 32 E	Lot Idn	Feet from the 175	North/South line NORTH	Feet from the 380	East/West line WEST	County LEA
,			" B	ottom Ho	ole Location	If Different Fr	om Surface		
UL or lot no. D	Section 16	Township 25 S	Range 32 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 980	East/West line WEST	County
2 Dedicated Acr	es ¹³ Joint	or Infill 14 (Consolidation	Code			15 Order No.		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 5





District I
1625 N. French Dr., Hobbs, NM 88240
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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

12 Dedicated Acres

13 Joint or Infill

14 Consolidation Code

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

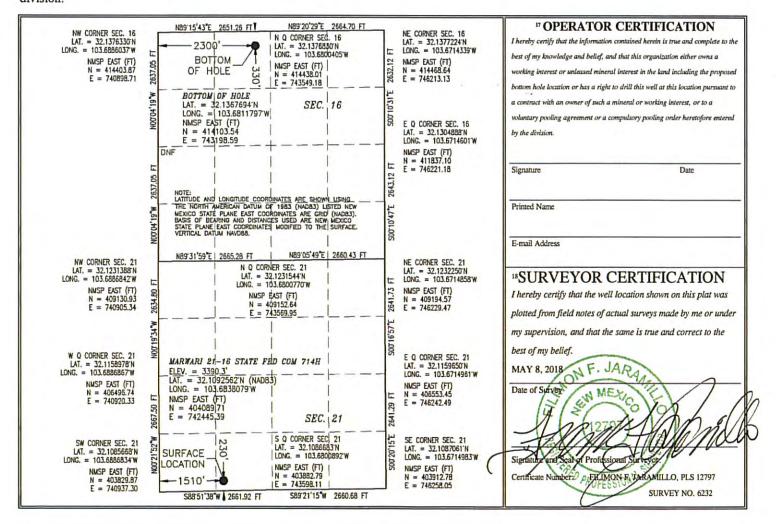
AMENDED REPORT

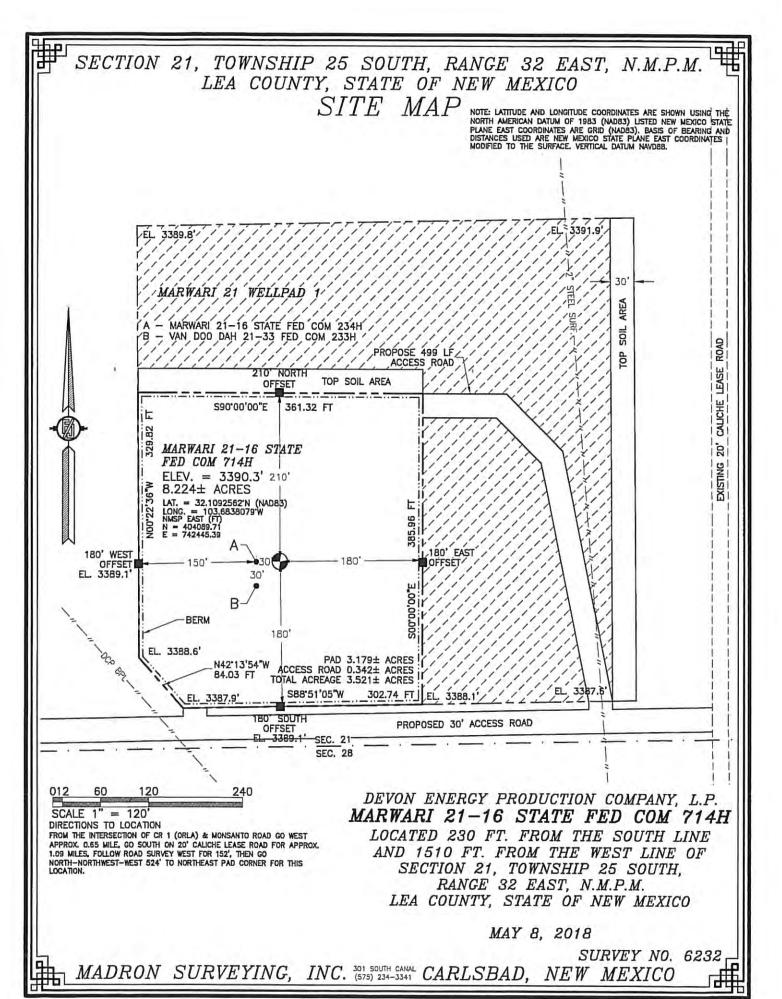
WELL LOCATION AND ACREAGE DEDICATION PLAT

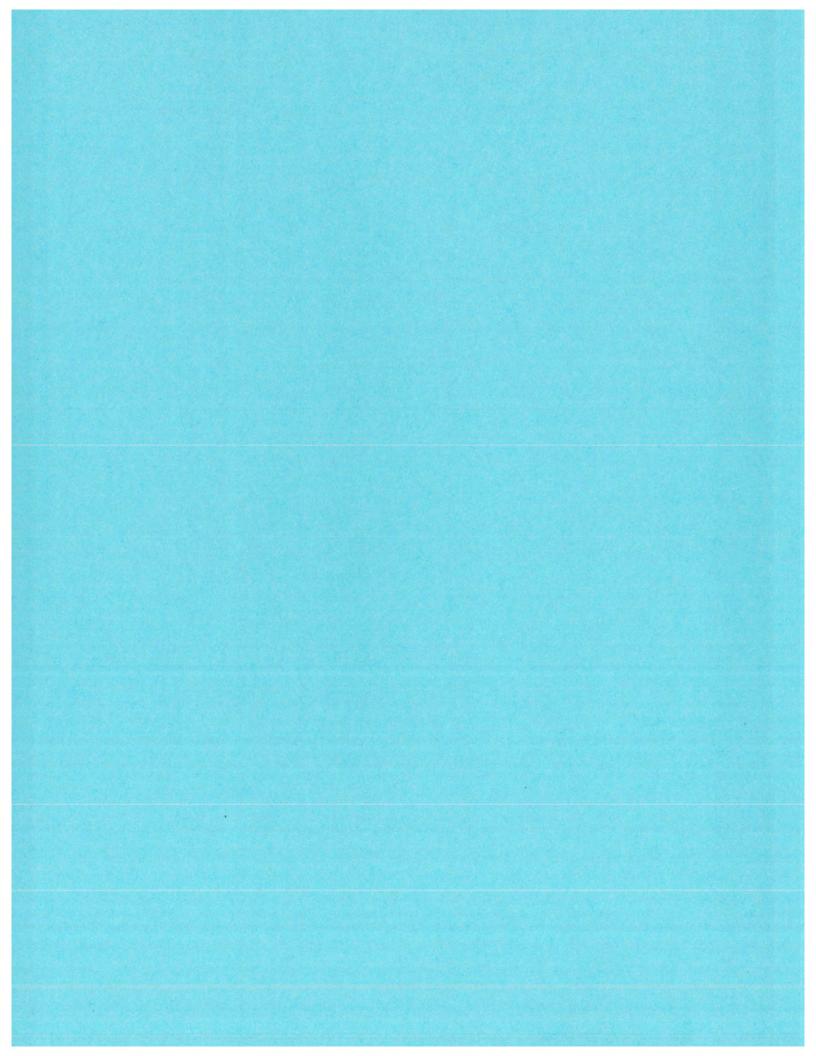
¹ API Number			² Pool Code			³ Pool Na	me			
⁴ Property	⁴ Property Code MARWARI 21-16 STATE FED COM								⁶ Well Number 714H	
⁷ OGRID 613'		DEVON ENERGY PRODUCTION COMPANY, L.P.							Selevation 3390.3	
					¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
N	21	25 S	32 E		230	SOUTH	1510	WEST	LEA	
			uВ	ottom Ho	ole Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
C	16	25 S	32 E	11.6.1	330	NORTH	2300	WEST	LEA	

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.

15 Order No.







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

Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

1 API Number

District IV

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

2 Pool Code

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

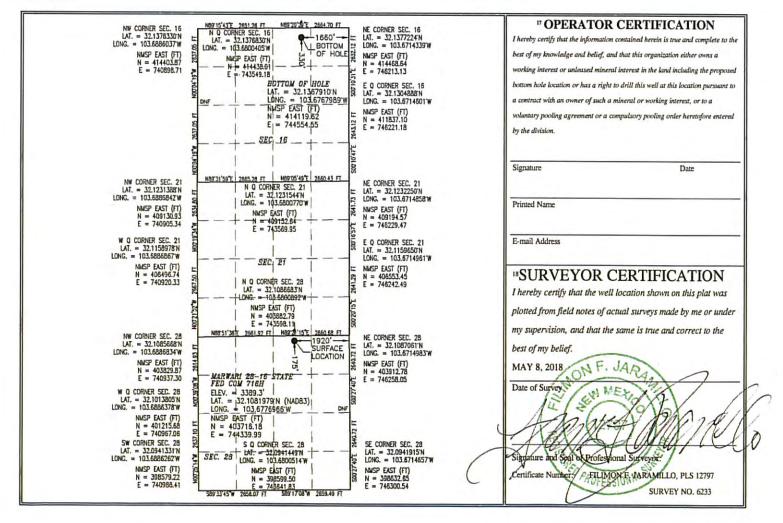
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

⁴ Propert			MA		erty Name STATE FED C	ОМ		⁶ Well Number 716H	
⁷ OGRID No. 6137			DI	EVON EN	Operator Name ENERGY PRODUCTION COMPANY, L.P.				⁹ Elevation 3389.3
					Surface :	Location			
UL or lot no.	Section 28	Township 25 S	Range 32 E	Lot Idn	Feet from the 175	North/South line NORTH	Feet from the 1920	East/West line EAST	County

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County R 16 25 S 32 E 330 NORTH 1660 EAST LEA 12 Dedicated Acres ¹³ Joint or Infill 14 Consolidation Code 15 Order No.

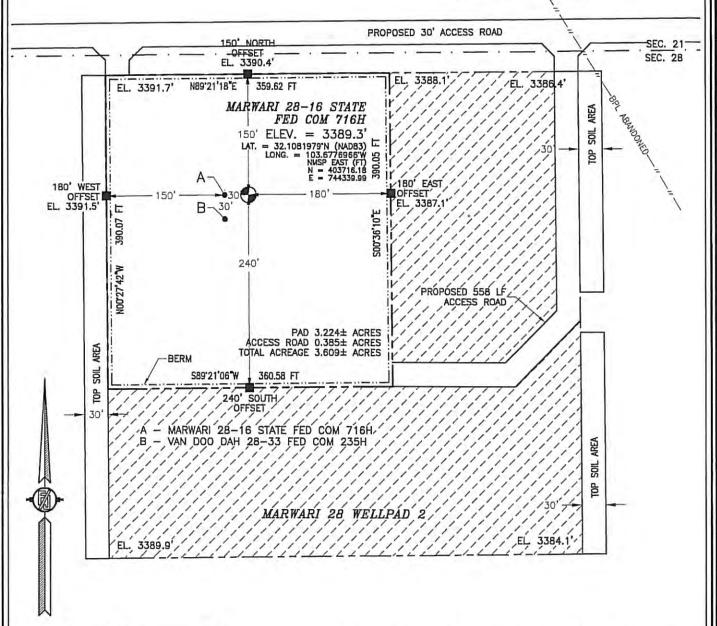
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

SITE MAP

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. YERTICAL DATUM NAVD88.



012 60 120 240 SCALE 1" = 120'

DIRECTIONS TO LOCATION
FROM THE INTERSECTION OF CR 1 (ORLA) & MONSANTO ROAD GO
WEST APPROX. 0.65 MILE, GO SOUTH ON 20' CALICHE LEASE ROAD
FOR APPROX. 1.09 MILES, FOLLOW ROAD SURVEY EAST APPROX.
0.33 OF A MILE, THEN SOUTH—SOUTHWEST—WEST 583' TO
SOUTHEAST PAD CORNER FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P. MARWARI 28-16 STATE FED COM 716H

LOCATED 175 FT. FROM THE NORTH LINE AND 1920 FT. FROM THE EAST LINE OF SECTION 28, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

MAY 8, 2018

SURVEY NO. 6233

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO

Marwari 28-16 State Fed Com 712H W/2 W/2 Section 16 and W/2 W/2 Section 21, Township 25 South, Range 32 East

Tract 1	Section 16
Tract 2	
Tract 3	Section 21

Tract 1	W/2 NW/4 Section 16, Township 25 South, Range 32 East
100.00%	Pride Energy Company
100.00%	Total Committed Interest 0.00% Total Uncommitted Interest 100.00%
Tract 2	W/2 SW/4 Section 16, Township 25 South, Range 32 East
100.00%	Devon Energy Production Company, L.P.
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%
Tract 3	W/2 W/2 Section 21, Township 25 South, Range 32 East
100.00%	Devon Energy Production Company, L.P.
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%
	Uncommitted Interest
Unit	W/2 W/2 Section 16 and W/2 W/2 Section 21, Township 25 South, Range 32 East
75.00%	Devon Energy Production Company, L.P.
25.00%	Pride Energy Company
100.00%	Total Committed Interests 75.00% Total Uncommitted Interests 25.00%
	Uncommitted Interests

Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 6

Marwari 21-16 State Fed Com 714H E/2 W/2 Section 16 and E/2 W/2 Section 21, Township 25 South, Range 32 East

Tract 1	Section 16
Tract 2	
Tract 3	Section 21
	_

Tract 1	E/2 NW/4 Section 16, Township 25 South, Range 32 East	
100.00%	Pride Energy Company	
100.00%	Total Committed Interest 0.00% Total Uncommitted Interest 100.00%	
Tract 2	E/2 SW/4 Section 16, Township 25 South, Range 32 East	
100.00%	Devon Energy Production Company, L.P.	
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%	
Tract 3	E/2 W/2 Section 21, Township 25 South, Range 32 East	
100.00%	Devon Energy Production Company, L.P.	
100.00%	Total Committed Interest 100.00% Total Uncommitted Interest 0.00%	
	Uncommitted Interest	
Unit	E/2 W/2 Section 16 and E/2 W/2 Section 21, Township 25 South, Range 32 East	
75.00%	Devon Energy Production Company, L.P.	
25.00%	Pride Energy Company	
100.00%	Total Committed Interests 75.00% Total Uncommitted Interests 25.00%	
	Uncommitted Interests	

Marwari 28-16 State Fed Com 716H W/2 E/2 Section 16 and W/2 E/2 Section 21, Township 25 South, Range 32 East

Section 16	Tract 1	
	Tract 2	
Section 21	Tract 3	

Tract 1	W/2 NE/4 Section 16, Town	nship 25 So	outh, Range 32 East	
100.00%	Pride Energy Company			
100.00%	Total Committed Interest	0.00%	Total Uncommitted Interest	100.00%
Tract 2	W/2 SE/4 Section 16, Towr	ship 25 So	uth, Range 32 East	
100.00%	Devon Energy Production C	ompany, L.	P.	
100.00%	Total Committed Interest	100.00%	Total Uncommitted Interest	0.00%
Tract 3	W/2 E/2 Section 21, Towns	hip 25 Sou	th, Range 32 East	
100.00%	Devon Energy Production C	ompany, L.	P.	
100.00%	Total Committed Interest	100.00%	Total Uncommitted Interest	0.00%
		Jncommitt	ed Interest	
Unit	W/2 E/2 Section 16 and W	//2 E/2 Sec	tion 21, Township 25 South, Ra	inge 32 East
75.00%	Devon Energy Production	Company, L	P.	=
25.00%	Pride Energy Company			
100.00%	Total Committed Interests	75.00%	Total Uncommitted Interests	25.00%
	l	Incommitte	ed Interests	



Tim Prout Landman Devon Energy Production Co., L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-8260 Office: (405) 552-6113 Fax: (405) 234-2612

February 28, 2018

VIA FED EX

Pride Energy Company 4641 East 91st Street Tulsa, OK 74137

Re: Marwari 28-16 State Fed Com 712H

SHL 850' FNL & 290' FWL Section 28-T25S-R32E BHL 330' FNL & 980' FWL Section 16-T25S-R32E Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Marwari 28-16 State Fed Com 712H well to an approximate TVD of 10,000' in order to test the Wolfcamp formation. The proposed surface hole location is approximately 850' FNL & 290' FWL Section 28-T25S-R32E. The proposed bottom hole is approximately 330' FNL & 980' FWL Section 16-T25S-R32E.

To accommodate the 2-mile well Devon proposes forming a 960-acre working interest unit made up of W/2, W/2 E/2 Section 16 and W/2, W/2 E/2 of Section 21, Township 25 South, Range 32 East, Lea County, New Mexico, insofar and only insofar as leases cover depths from below the base of the Delaware formation to the base of the Wolfcamp formation. As a result, Pride Energy Company will have a 25.00% interest in the proposed working interest unit and well.

Devon is proposing to drill this well subject to the terms of a 2015 AAPL model form Operating Agreement with the following general provisions:

- Operator: Devon Energy Production Company, L.P.
- 100% /300% Non-consenting penalty
- \$11,000/\$1,100 Drilling and Producing Overhead Rates

Enclosed you will find Devon's proposed AFE for the procedure reflecting our estimated completed well cost of \$10,758,166.26. Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

If you elect to participate in this well, please return to my attention via mail, email, or fax @ 405-552-6113 a signed AFE and your most updated well requirement sheet including email addresses. If returned by email or fax, the signature will be deemed an original response.

If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-6113 or email me at Tim.Prout@dvn.com.

Yours truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Pim Prout Landman

/rf

Enclosures



AFE

Well Name: Marwari 28-16 State Fed Com 712H

Legal Description: Section 28-25S-32E Revision:

AFE Date: State: 02/28/2018

State: NM County/Parish: LEA

Parish: LEA

Explanation and Justification:

DRILL & COMPLETE

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	70,134.20	0.00	0.00	70,134.20
6080100	DISPOSAL - SOLIDS	105,780.58	7,500.00	0.00	113,280.58
	DISP-SALTWATER & OTH	0.00	7,500.00	0.00	7,500.00
	DISP VIA PIPELINE SW	0.00	185,000.00	0.00	185,000.00
6090100	FLUIDS - WATER	32,550.00	770,000.00	0.00	802,550.00
	PERMIT SURVEY&TITLE	30,000.00	500.00	0.00	30,500.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
	ROAD&SITE PREP SVC	17,007.00	17,268.50	0.00	34,275.50
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6130170	COMM SVCS - WAN	6,999.24	0.00	0.00	6,999.24
6130360	RTOC - ENGINEERING	0.00	7,400.00	0.00	7,400.00
6130370	RTOC - GEOSTEERING	24,374.97	0.00	0.00	24,374.97
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	385,000.00	0.00	385,000.00
	MATERIALS & SUPPLIES	6,809.21	0.00	0.00	6,809.21
6170100	PULLING&SWABBING SVC	0.00	20,000.00	0.00	20,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	375,000.00	0.00	375,000.00
	TRCKG&HL-SOLID&FLUID	95,012.27	5,000.00	0.00	100,012.27
6190110	TRUCKING&HAUL OF EQP	38,400.00	5,000.00	0.00	43,400.00
	INSPECTION SERVICES	0.00	6,250.00	0.00	6,250.00
	CONSLT & PROJECT SVC	111,180.57	95,000.00	0.00	206,180.57
6230120	SAFETY SERVICES	50,736.55	4,000.00	0.00	54,736.55
6300270	SOLIDS CONTROL SRVCS	66,508.59	0.00	0.00	66,508.59
	STIMULATION SERVICES	0.00	4,200,000.00	0.00	4,200,000.00
6310200	CASING & TUBULAR SVC	67,100.00	0.00	0.00	67,100.00
6310250	CEMENTING SERVICES	167,000.00	0.00	0.00	167,000.00
6310280	DAYWORK COSTS	721,260.11	0.00	0.00	721,260.11
6310300	DIRECTIONAL SERVICES	314,927.79	0.00	0.00	314,927.79
6310310	DRILL BITS	87,600.00	0.00	0.00	87,600.00
6310330	DRILL&COMP FLUID&SVC	181,091.72	10,000.00	0.00	191,091.72
6310370	MOB & DEMOBILIZATION	44,500.00	0.00	0.00	44,500.00
6310380	OPEN HOLE EVALUATION	15,477.64	0.00	0.00	15,477.64
6310480	TSTNG-WELL, PL & OTH	0.00	135,000.00	0.00	135,000.00
6310600	MISC PUMPING SERVICE	0.00	45,000.00	0.00	45,000.00
6320100	EQPMNT SVC-SRF RNTL	90,783.48	150,000.00	0.00	240,783.48
6320110	EQUIP SVC - DOWNHOLE	66,936.35	0.00	0.00	66,936.35
6320160	WELDING SERVICES	4,700.00	8,666.67	0.00	13,366.67
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	36,955.33	0.00	36,955.33
6550110	MISCELLANEOUS SVC	19,450.00	0.00	0.00	19,450.00
	OTHER ROUSTABOUT SER	0.00	110,019.38	0.00	110,019.38
	CAPITAL OVERHEAD	9,501.23	16,342.75	0.00	25,843.98
	TAXES OTHER	0.00	25,000.00	0.00	25,000.00
	Total Intangibles	2,471,821.50	6,627,402.63	0.00	9,099,224.13



AFE

Well Name: Marwari 21-16 State Fed Com 712H Legal Description: Section 28-25S-32E

Revision:

AFE Date:

02/28/2018

State:

NM

County/Parish:

LEA

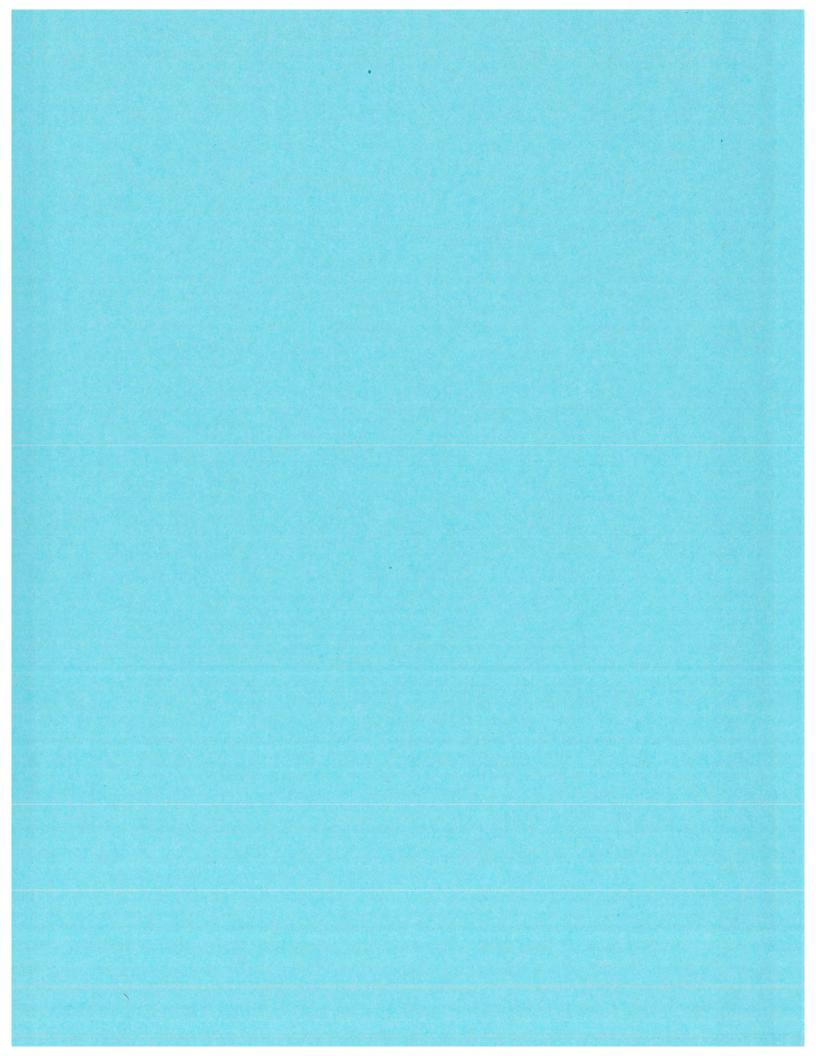
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	23,109.92	0.00	23,109.92
6130120	COMM DEVICES - SCADA	0.00	59,073.67	0.00	59,073.67
6300150	SEPARATOR EQUIPMENT	0.00	186,437.00	0.00	186,437.00
6300210	TREATER FWKO EQUIP	0.00	16,666.67	0.00	16,666.67
6300220	STORAGE VESSEL&TANKS	0.00	58,852.17	0.00	58,852.17
6300230	PUMPS - SURFACE	0.00	35,623.00	0.00	35,623.00
6310130	ARTIFICIAL LIFT EQP	0.00	35,000.00	0.00	35,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	95,000.00	0.00	95,000.00
6310460	WELLHEAD EQUIPMENT	49,600.00	65,000.00	+0.00	114,600.00
6310530	SURFACE CASING	31,500.00	0.00	0.00	31,500.00
6310540	INTERMEDIATE CASING	365,532.16	0.00	0.00	365,532.16
6310550	PRODUCTION CASING	487,770.54	0.00	0.00	487,770.54
6310580	CASING COMPONENTS	30,750.00	0.00	0.00	30,750.00
6320130	PAINT & COATING SERV	0.00	1,666.67	0.00	1,666.67
6320180	EQUIPMENT OTHER	0.00	7,000.00	0.00	7,000.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	117,360.33	0.00	117,360.33
	Total Tangibles	985,152.70	700,789.43	0.00	1,685,942.13

TOTAL ESTIMATED COST	3,456,974.20	7,328,192.06	0.00	10,785,166.26
121122211111112222	01.0000.7.00	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0.00	10110011001

WORKING INTEREST OWNER APPROVAL

Company Name:						
Signature:	Print Name:					
Title:						
Date:						
Email:						

Note: Please include/attach well requirement data with ballot.





Tim Prout Landman Devon Energy Production Co., L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-8260 Office: (405) 552-6113 Fax: (405) 234-2612

February 28, 2018

VIA FED EX

Pride Energy Company 4641 East 91st Street Tulsa, OK 74137

Re: Marwari 21-16 State Fed Com 714H SHL 620' FSL & 1330' FWL Section 21-T25S-R32E BHL 330' FNL & 2300' FWL Section 16-T25S-R32E Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Marwari 28-16 State Fed Com 714H well to an approximate TVD of 10,000' in order to test the Wolfcamp formation. The proposed surface hole location is approximately 620' FSL & 1330' FWL Section 21-T25S-R32E. The proposed bottom hole is approximately 330' FNL & 2300' FWL Section 16-T25S-R32E.

To accommodate the 2-mile well Devon proposes forming a 960-acre working interest unit made up of W/2, W/2 E/2 Section 16 and W/2, W/2 E/2 of Section 21, Township 25 South, Range 32 East, Lea County, New Mexico, insofar and only insofar as leases cover depths from below the base of the Delaware formation to the base of the Wolfcamp formation. As a result, Pride Energy Company will have a 25.00% interest in the proposed working interest unit and well.

Devon is proposing to drill this well subject to the terms of a 2015 AAPL model form Operating Agreement with the following general provisions:

- Operator: Devon Energy Production Company, L.P.
- 100% /300% Non-consenting penalty
- \$11,000/\$1,100 Drilling and Producing Overhead Rates

Enclosed you will find Devon's proposed AFE for the procedure reflecting our estimated completed well cost of \$10,758,166.26. Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

If you elect to participate in this well, please return to my attention via mail, email, or fax @ 405-552-6113 a signed AFE and your most updated well requirement sheet including email addresses. If returned by email or fax, the signature will be deemed an original response.

If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-6113 or email me at Tim.Prout@dvn.com.

Yours truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout Landman

/rf

Enclosures



AFE

Well Name: Marwari 21-16 State Fed Com 714H

Legal Description: Section 21-25S-32E Revision:

....

AFE Date:

02/28/2018

State: County/Parish: NM LEA

Explanation and Justification:

DRILL & COMPLETE

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	DYED LIQUID FUELS	70,134.20	0.00	0.00	70.134.20
	DISPOSAL - SOLIDS	105,780.58	7,500.00	0.00	113,280.58
	DISP-SALTWATER & OTH	0.00	7,500.00	0.00	7,500.00
	DISP VIA PIPELINE SW	0.00	185,000.00	0.00	185,000.00
	FLUIDS - WATER	32,550.00	770,000.00	0.00	802,550.00
	PERMIT SURVEY&TITLE	30,000.00	500.00	0.00	30,500.00
	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
	ROAD&SITE PREP SVC	17,007.00	17,268.50	0.00	34,275.50
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
	COMM SVCS - WAN	6,999.24	0.00	0.00	6,999.24
	RTOC - ENGINEERING	0.00	7,400.00	0.00	7,400.00
	RTOC - GEOSTEERING	24.374.97	0.00	0.00	24,374.97
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	385,000.00	0.00	385,000.00
	MATERIALS & SUPPLIES	6.809.21	0.00	0.00	6,809.21
	PULLING&SWABBING SVC	0.00	20,000.00	0.00	20,000.00
	SNUBBG&COIL TUBG SVC	0.00	375,000.00	0.00	375,000.00
	TRCKG&HL-SOLID&FLUID	95,012.27	5,000.00	0.00	100,012.27
	TRUCKING&HAUL OF EQP	38,400.00	5,000.00	0.00	43,400.00
	NSPECTION SERVICES	0.00	6,250.00	0.00	6,250.00
	CONSLT & PROJECT SVC	111,180.57	95,000.00	0.00	206,180.57
	SAFETY SERVICES	50,736.55	4,000.00	0.00	54,736.55
	SOLIDS CONTROL SRVCS	66,508.59	0.00	0.00	66,508.59
	STIMULATION SERVICES	0.00	4,200,000.00	0.00	4,200,000.00
	CASING & TUBULAR SVC	67,100.00	0.00	0.00	67,100.00
	CEMENTING SERVICES	167,000.00	0.00	0.00	167,000.00
	DAYWORK COSTS	721,260.11	0.00	0.00	721,260.11
	DIRECTIONAL SERVICES	314,927.79	0.00	0.00	314,927.79
	DRILL BITS	87,600.00	0.00	0.00	87,600.00
	DRILL&COMP FLUID&SVC	181,091.72	10,000.00	0.00	191,091.72
	MOB & DEMOBILIZATION	44,500.00	0.00	0.00	44,500.00
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	TSTNG-WELL, PL & OTH	0.00	135,000.00	0.00	135,000.00
	MISC PUMPING SERVICE	0.00	45,000.00	0.00	45,000.00
	EQPMNT SVC-SRF RNTL	90,783.48	150,000.00	0.00	240,783.48
	EQUIP SVC - DOWNHOLE	66,936.35	0.00	0.00	66,936.35
	WELDING SERVICES	4,700.00	8,666.67	0.00	13,366.67
-	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
	MISCS COSTS & SERVS	0.00		0.00	
	MISCELLANEOUS SVC	19.450.00	36,955.33	0.00	36,955.33 19.450.00
	OTHER ROUSTABOUT SER	0.00	110,019.38	0.00	110,019.38
	CAPITAL OVERHEAD	9,501.23		0.00	
		9,501.23	16,342.75		25,843.98
0/40340	TAXES OTHER Total Intangibles	2,471,821.50	25,000.00 6,627,402.63	0.00	9,099,224.13



AFE

Well Name: Marwari 21-16 State Fed Com 714H Legal Description: Section 21-25S-32E

TOTAL ESTIMATED COST

Date:

Email:

Revision:

AFE Date: State:

02/28/2018

County/Parish:

NM LEA

0.00

10,785,166.26

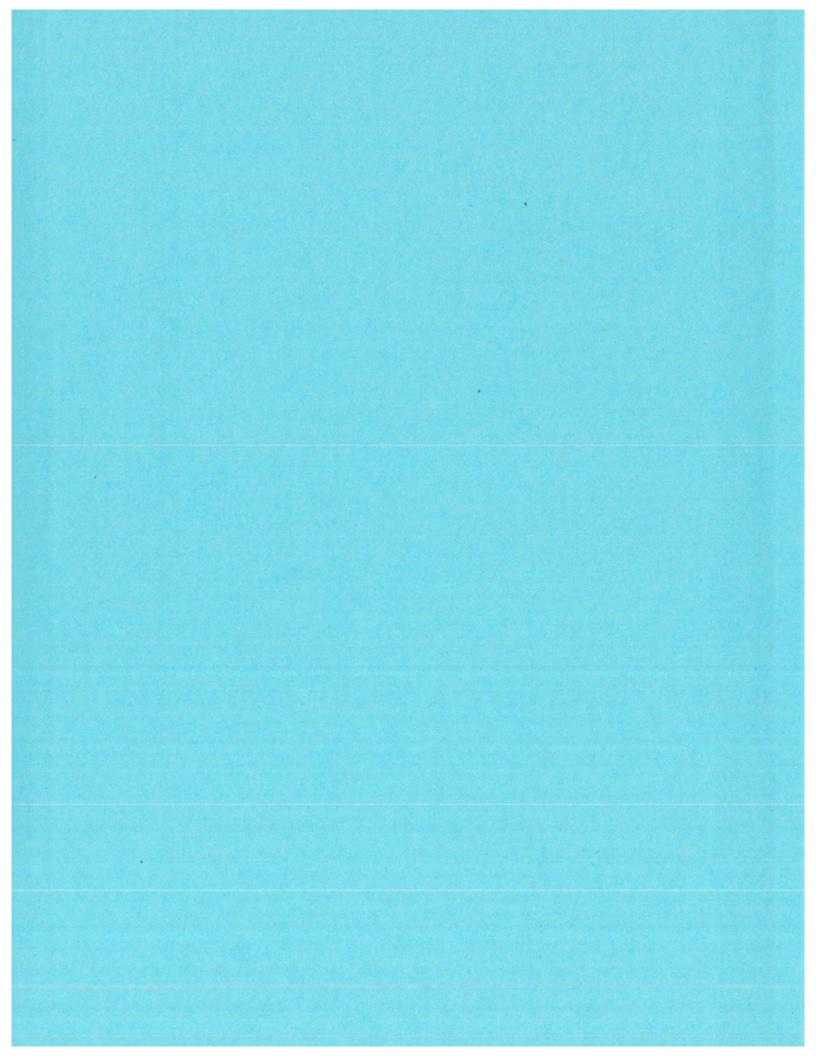
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	23,109.92	0.00	23,109.92
6130120	COMM DEVICES - SCADA	0.00	59,073.67	0.00	59,073.67
6300150	SEPARATOR EQUIPMENT	0.00	186,437.00	0.00	186,437.00
6300210	TREATER FWKO EQUIP	0.00	16,666.67	0.00	16,666.67
6300220	STORAGE VESSEL&TANKS	0.00	58,852.17	0.00	58,852.17
6300230	PUMPS - SURFACE	0.00	35,623.00	0.00	35,623.00
6310130	ARTIFICIAL LIFT EQP	0.00	35,000.00	0.00	35,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	95,000.00	0.00	95,000.00
6310460	WELLHEAD EQUIPMENT	49,600.00	65,000.00	0.00	114,600.00
6310530	SURFACE CASING	31,500.00	0.00	0.00	31,500.00
6310540	INTERMEDIATE CASING	365,532.16	0.00	0.00	365,532.16
6310550	PRODUCTION CASING	487,770.54	0.00	0.00	487,770.54
6310580	CASING COMPONENTS	30,750.00	0.00	0.00	30,750.00
6320130	PAINT & COATING SERV	0.00	1,666.67	0.00	1,666.67
6320180	EQUIPMENT OTHER	0.00	7,000.00	0.00	7,000.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	117,360.33	0.00	117,360.33
	Total Tangibles	985,152.70	700,789.43	0.00	1,685,942.13

WORKING INTEREST OWNER	PPROVAL
Company Name:	
Signature:	Print Name:
Title:	

7,328,192.06

3,456,974.20

Note: Please include/attach well requirement data with ballot.





Tim Prout Landman Devon Energy Production Co., L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-8260 Office: (405) 552-6113 Fax: (405) 234-2612

February 28, 2018

VIA FED EX

Pride Energy Company 4641 East 91st Street Tulsa, OK 74137

Re: Marwari 28-16 State Fed Com 716H SHL 850' FNL & 1670' FEL Section 28-T25S-R32E BHL 330' FNL & 1660' FEL Section 16-T25S-R32E Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Marwari 28-16 State Fed Com 716H well to an approximate TVD of 10,000' in order to test the Wolfcamp formation. The proposed surface hole location is approximately 850' FNL & 1670' FEL Section 28-T25S-R32E. The proposed bottom hole is approximately 330' FNL & 1660' FEL Section 16-T25S-R32E.

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If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-6113 or email me at Tim.Prout@dvn.com.

Yours truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Yim Prout Landman

/rf

Enclosures



AFE

Well Name: Marwari 28-16 State Fed Com 716H Legal Description: Section 28-25S-32E

Revision:

AFE Date: State:

02/28/2018

County/Parish: LEA

Explanation and Justification:

DRILL & COMPLETE

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	70,134.20	0.00	0.00	70,134.20
6080100	DISPOSAL - SOLIDS	105,780.58	7,500.00	0.00	113,280.58
	DISP-SALTWATER & OTH	0.00	7,500.00	0.00	7,500.00
6080115	DISP VIA PIPELINE SW	0.00	185,000.00	0.00	185,000.00
6090100	FLUIDS - WATER	32,550.00	770,000.00	0.00	802,550.00
6100100	PERMIT SURVEY&TITLE	30,000.00	500.00	0.00	30,500.00
	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110130	ROAD&SITE PREP SVC	17,007.00	17,268.50	0.00	34,275.50
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6130170	COMM SVCS - WAN	6,999.24	0.00	0.00	6,999.24
6130360	RTOC - ENGINEERING	0.00	7,400.00	0.00	7,400.00
	RTOC - GEOSTEERING	24,374.97	0.00	0.00	24,374.97
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	385,000.00	0.00	385,000.0
	MATERIALS & SUPPLIES	6,809.21	0.00	0.00	6,809.21
6170100	PULLING&SWABBING SVC	0.00	20,000.00	0.00	20,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	375,000.00	0.00	375,000.0
6190100	TRCKG&HL-SOLID&FLUID	95,012.27	5,000.00	0.00	100,012.2
6190110	TRUCKING&HAUL OF EQP	38,400.00	5,000.00	0.00	43,400.0
6200110	INSPECTION SERVICES	0.00	6,250.00	0.00	6,250.00
6200130	CONSLT & PROJECT SVC	111,180.57	95,000.00	0.00	206,180.5
6230120	SAFETY SERVICES	50,736.55	4,000.00	0.00	54,736.5
6300270	SOLIDS CONTROL SRVCS	66,508.59	0.00	0.00	66,508.5
6310120	STIMULATION SERVICES	0.00	4,200,000.00	0.00	4,200,000.0
	CASING & TUBULAR SVC	67,100.00	0.00	0.00	67,100.0
6310250	CEMENTING SERVICES	167,000.00	0.00	0.00	167,000.0
6310280	DAYWORK COSTS	721,260.11	0.00	0.00	721,260.1
6310300	DIRECTIONAL SERVICES	314,927.79	0.00	0.00	314,927.7
6310310	DRILL BITS	87,600.00	0.00	0.00	87,600.0
	DRILL&COMP FLUID&SVC	181,091.72	10,000.00	0.00	191,091.7
6310370	MOB & DEMOBILIZATION	44,500.00	0.00	0.00	44,500.0
6310380	OPEN HOLE EVALUATION	15,477.64	0.00	0.00	15,477.6
6310480	TSTNG-WELL, PL & OTH	0.00	135,000.00	0.00	135,000.0
6310600	MISC PUMPING SERVICE	0.00	45,000.00	0.00	45,000.0
6320100	EQPMNT SVC-SRF RNTL	90,783.48	150,000.00	0.00	240,783.4
	EQUIP SVC - DOWNHOLE	66,936.35	0.00	0.00	66,936.3
	WELDING SERVICES	4,700.00	8,666.67	0.00	13,366.6
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
	MISCS COSTS & SERVS	0.00	36,955.33	0.00	36,955.3
	MISCELLANEOUS SVC	19,450.00	0.00	0.00	19,450.0
	OTHER ROUSTABOUT SER	0.00	110,019.38	0.00	110,019.3
	CAPITAL OVERHEAD	9,501.23	16,342.75	0.00	25,843.9
	TAXES OTHER	0.00	25,000.00	0.00	25,000.0
	Total Intangibles	2,471,821.50	6,627,402.63	0.00	9,099,224.1



AFE

Email:

Well Name: Marwari 28-16 State Fed Com 716H

Legal Description: Section 28-25S-32E Revision:

AFE Date:

County/Parish:

02/28/2018

State:

NM

LEA

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	23,109.92	0.00	23,109.92
6130120	COMM DEVICES - SCADA	0.00	59,073.67	0.00	59,073.67
6300150	SEPARATOR EQUIPMENT	0.00	186,437.00	0.00	186,437.00
6300210	TREATER FWKO EQUIP	0.00	16,666.67	0.00	16,666.67
6300220	STORAGE VESSEL&TANKS	0.00	58,852.17	0.00	58,852.17
6300230	PUMPS - SURFACE	0.00	35,623.00	0.00	35,623.00
6310130	ARTIFICIAL LIFT EQP	0.00	35,000.00	0.00	35,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	95,000.00	0.00	95,000.00
6310460	WELLHEAD EQUIPMENT	49,600.00	65,000.00	0.00	114,600.00
6310530	SURFACE CASING	31,500.00	0.00	0.00	31,500.00
6310540	INTERMEDIATE CASING	365,532.16	0.00	0.00	365,532.16
6310550	PRODUCTION CASING	487,770.54	0.00	0.00	487,770.54
6310580	CASING COMPONENTS	30,750.00	0.00	0.00	30,750.00
6320130	PAINT & COATING SERV	0.00	1,666.67	0.00	1,666.67
6320180	EQUIPMENT OTHER	0.00	7,000.00	0.00	7,000.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	117,360.33	0.00	117,360.33
	Total Tangibles	985,152.70	700,789.43	0.00	1,685,942.13

TOTAL ESTIMATED COST	3,456,974.20	7,328,192.06	0.00	10,785,166.26
WORKING INTEREST OWNER APP	ROVAL			
Company Name:				
Signature:	Р	rint Name:		
Title:				
Date:				

Note: Please include/attach well requirement data with ballot.

V-F Petroleum Inc.

500 W. Texas, Suite 350, Midland, Texas 79701 Mailing Address: P.O. Box 1889, Midland, TX 79702

432/683-3344 432 E-mail: sandy@vfpetroleum.com

432/683-3352FAX

May 23, 2018

Re: W/2, W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico; Bone Spring and Wolfcamp formations

To Whom It May Concern:

V-F Petroleum Inc. ("V-F Petroleum") has been made aware of competing applications filed with the New Mexico Oil Conservation Division by Devon Energy Production, L.P. (Case Nos. 16099-16104) and Pride Energy Company (Case Nos. 16169-16174) concerning the above-referenced acreage and formations. V-F Petroleum owns an overriding royalty interest in the S/2 of Section 16.

This letter is to inform that V-F Petroleum fully supports Devon's applications in the Bone Spring and Wolfcamp formations. It is V-F Petroleum Group's strong preference that Devon operate the proposed wells on this acreage.

Very truly yours,

Sandra K. Lawlis

Vice President

SKL/aa

Cc: Tim Prout, Landman, Devon Energy Production Company, L.P.

Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 9

devon

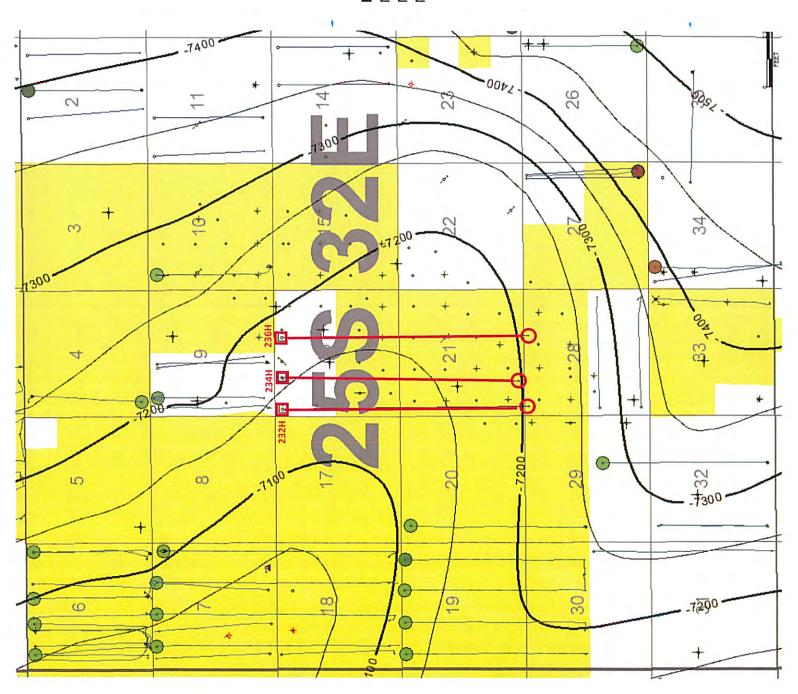
Structure Map Base 2BSSS

CI = 50 Feet

Horizontal Locations:
MARWARI 28-16 STATE FED COM 232H
MARWARI 21-16 STATE FED COM 234H
MARWARI 28-16 STATE FED COM 236H

U. 2BSSS Hz Producer
L. 2BSSS Hz Producer



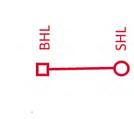


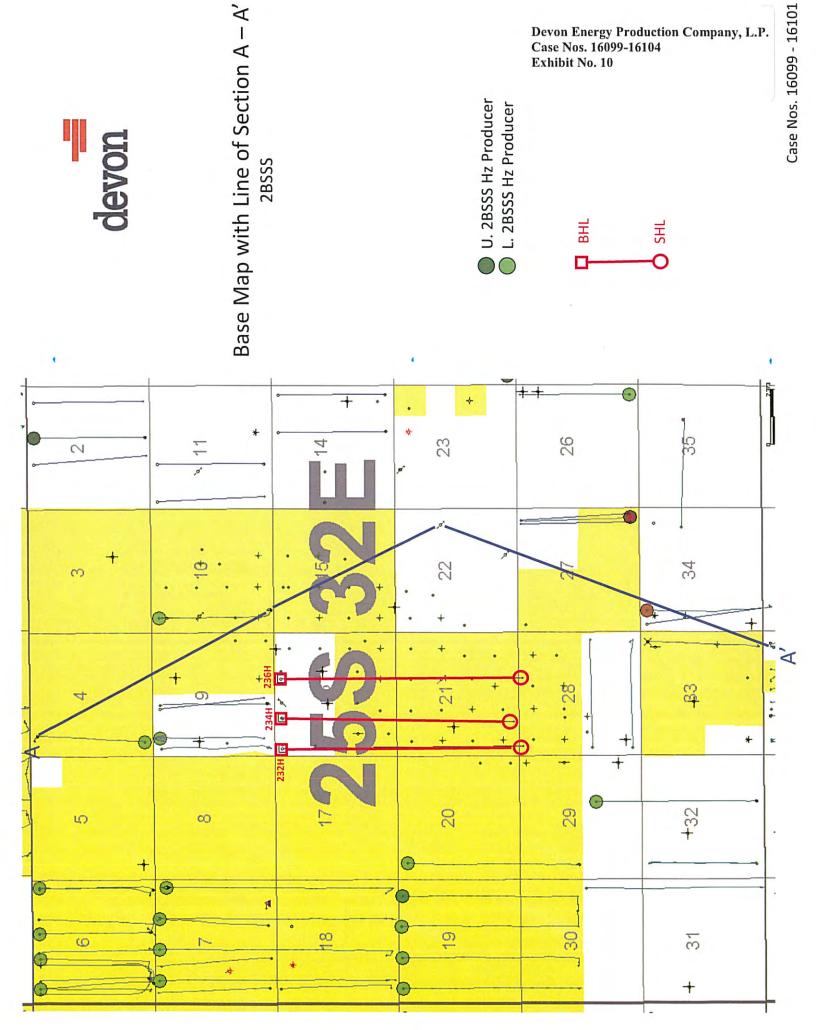


Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 10

2BSSS

U. 2BSSS Hz Producer L. 2BSSS Hz Producer





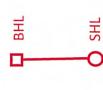
Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 12

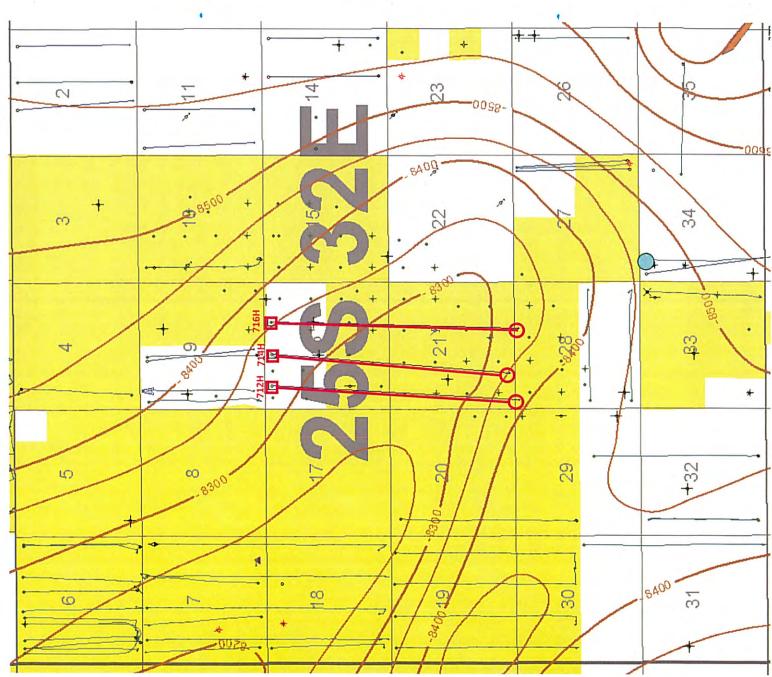
devon

Structure Map Top Wolfcamp

Horizontal Locations: MARWARI 28-16 STATE FED COM 712H MARWARI 21-16 STATE FED COM 714H MARWARI 28-16 STATE FED COM 716H

WMPF 110 Hz Producer

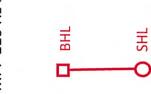


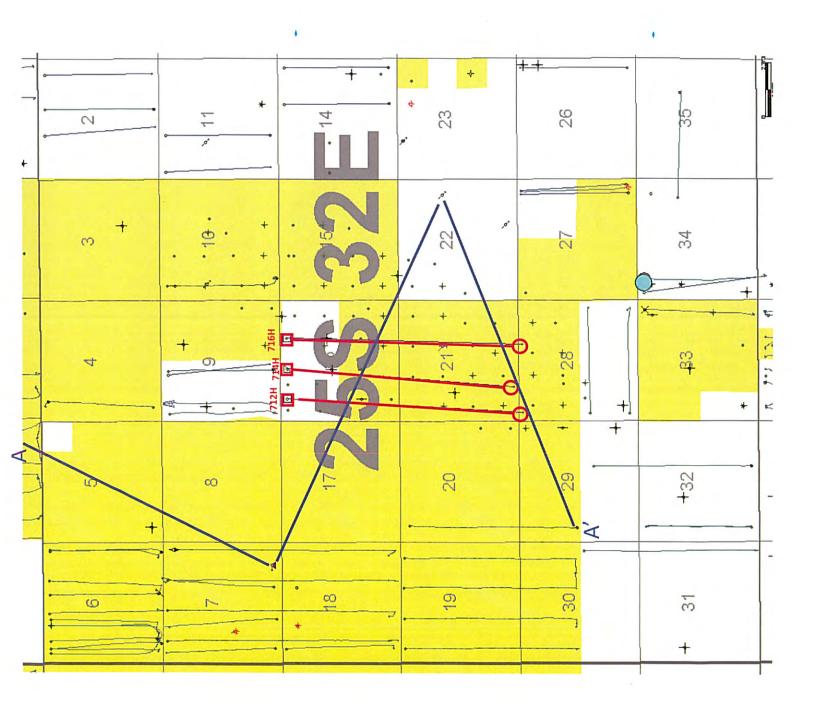


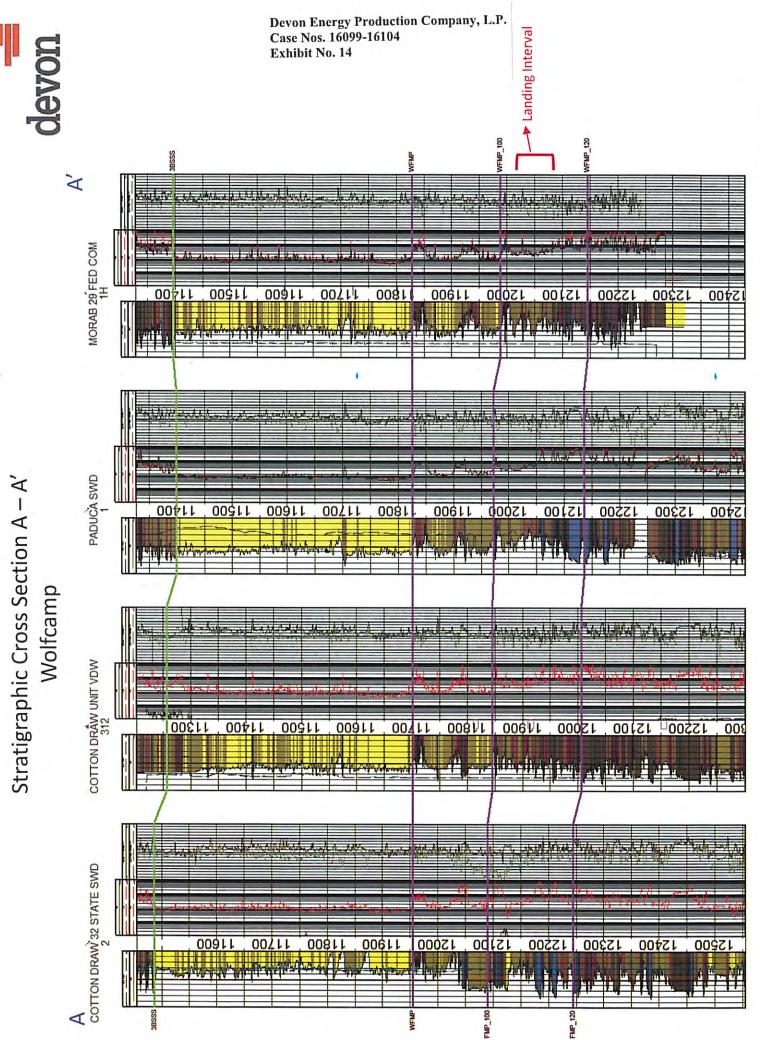


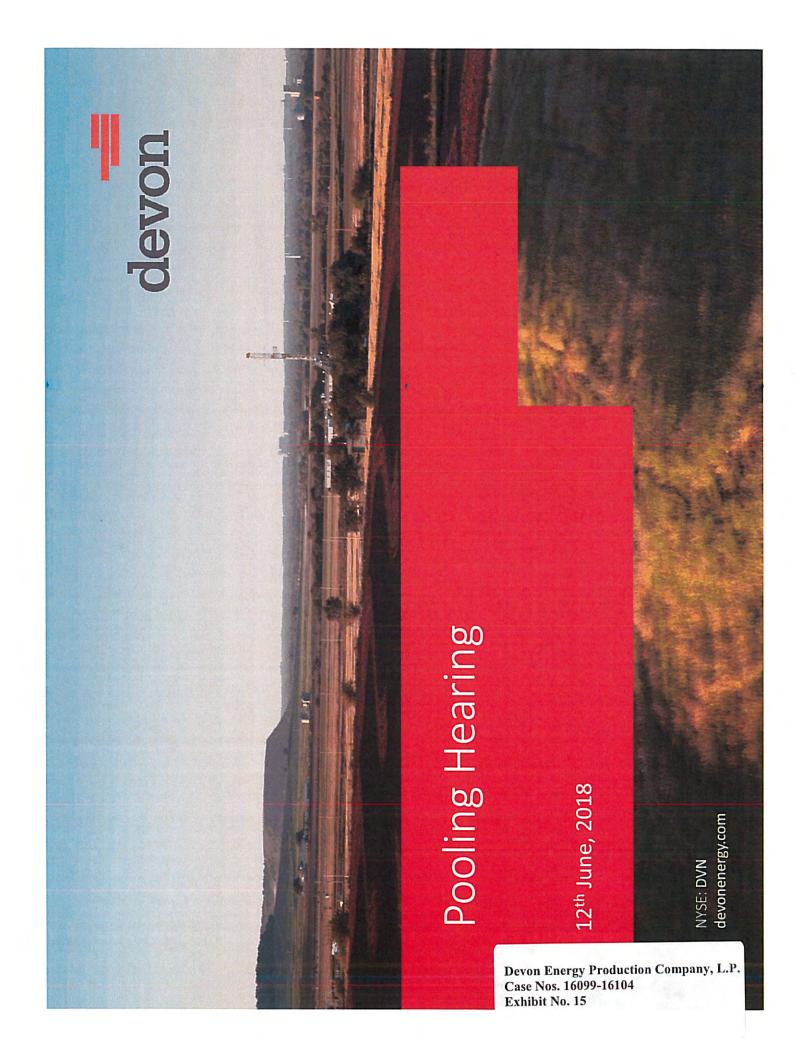
Area Base Map with Line of Section A – A' Wolfcamp Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 13

WMPF 110 Hz Producer









Executive Summary



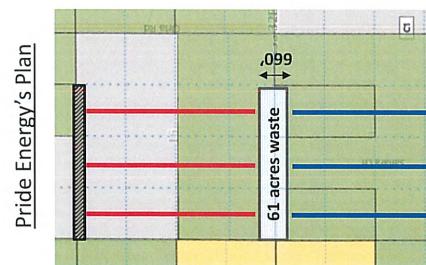
- Devon Energy development proposal maximizes the economic recovery of hydrocarbon by employing longer laterals (2 miles)
- Eliminating lost recovery in acreage dedicated to lease line setbacks
- 61 acres of additional reserves in each horizon
- Increasing economic well life of longer laterals
- Longer cash-flows will also yield additional royalties for state
- Reducing surface footprint
- Lesser number of pads will be required for longer lateral development
- Devon Energy brings extensive local expertise which will help in prudent and optimal development of the resource
- 100s of wells were drilled by Devon Energy in the vicinity

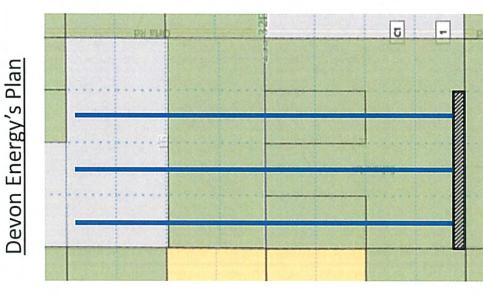
Pride Energy's development plan calls for 1 mile laterals

- Reduces economic efficiency and increase waste via lost hydrocarbon recovery
- Increase surface footprint

Development Plan Comparison Pride vs Devon

devon





Pride's Plan

- 660' lease setback
- Mineral wastage of 61 acres
- Lower recovery
- 1 mile production units
- Inferior economics
- Double the surface disturbance

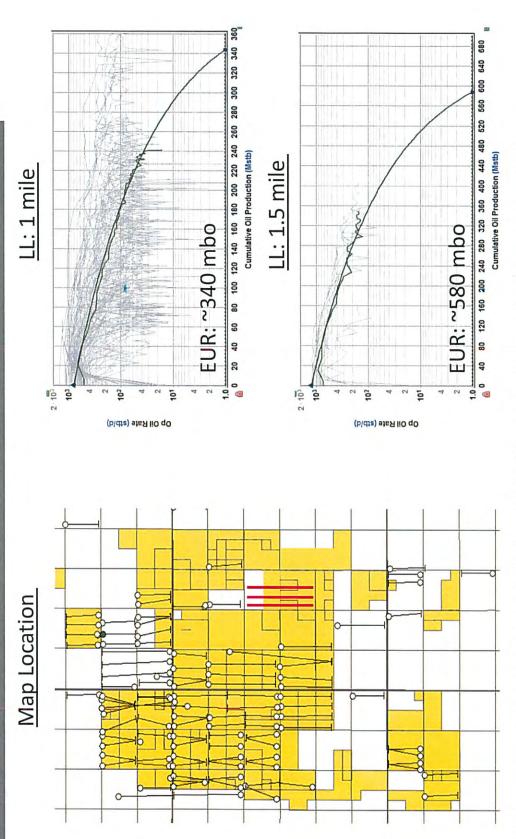
Devon's Plan

- Devon have higher WI
- Additional 61 acres worth of minerals
- 2 mile laterals
- Better economics and longer cash-flow
 - Less surface disturbance

EUR Comparison between SL and XI

2nd Bone Springs Sands in Cotton Draw Area Example

devon

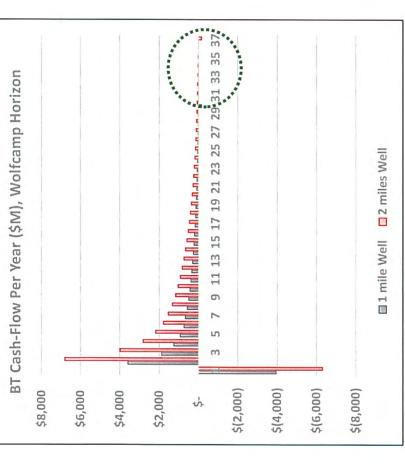


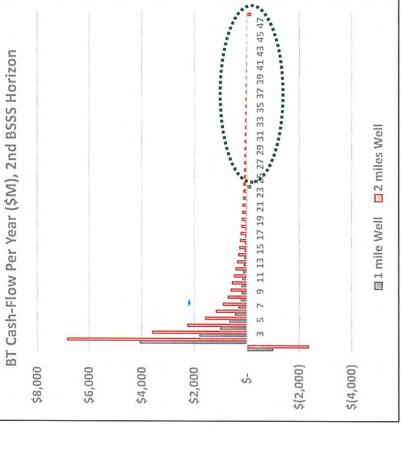
EUR increase from 1 to 1.5 mile LL for 2nd BSSS well in Cotton Draw Area: ~1.7 times

- Longer Laterals have approximately 1 to 1 EUR to LL ratio
- Longer laterals are sweeping additional acreage from 660' lease setback

_onger Life for Longer Lateral Wells Devon vs. Pride Scenario







Horizon Ad. Yrs of Prod. in Devon's Plan

2nd BSSS 24 yrs

Wolfcamp 7 yrs

• 7 to 24 years of additional revenue opportunity for State in Devon's development plan via royalties and severance taxes

Thank you.

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

CASE NO. 16099

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

CASE NO. 16100

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

CASE NO. 16101

AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Seth C. McMillan, attorney and authorized representative of Devon Energy Production Company, L.P., the Applicant in this matter, being first duly sworn, upon oath states that he sent copies of the Application in this matter to the parties as specified on the attached Exhibit A.

SETH C. McMILLAN

SUBSCRIBED AND SWORN to before me this 11TH day of June, 2018.

Notary Public

My Commission Expires:

Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 16

EXHIBIT A

OFFSET OPERATORS

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203 Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170 Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc

P.O. Box 6

Artesia, NM 88211

Nancy J Allen 3623 Overbrook Drive

Dallas, TX 75205

Camp Colorado Investments, LP

P.O. Box 1498 Midland, TX 79702

Rolla R. Hinkle III and Madison M. Hinkle

P.O. Box 2292 Roswell, NM 88202 Westway Petro

6440 N Central EXPY Suite 308

Dallas, TX 75206

Jamie Jennings P.O. Box 670326

Dallas, TX 75367

Morris E. Schertz and Holly K. Schertz

P.O. Box 2588 Roswell, NM 88202

V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702

SETH C. McMILLAN
Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole

Commingling, Lea County, New Mexico, Case No. 16099

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an owner whose interest may be pooled.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend

All Interest Owners on the Attached List April 12, 2018 Page 2

to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170 Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc P.O. Box 6 Artesia, NM 88211

Westway Petro 6440 N Central EXPY Suite 308 Dallas, TX 75206

Nancy J Allen 3623 Overbrook Drive Dallas, TX 75205

Susan Croft 4657 Southern Ave Dallas, TX 75209

Jamie Jennings P.O. Box 670326 Dallas, TX 75367

Camp Colorado Investments, LP P.O. Box 1498 Midland, TX 79702

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202

Rolla R. Hinkle III and Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202 V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702

Fidelity Exploration & Production Company 1801 California Street, Suite 2500 Denver, CO 80202

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

400	200	
Case	No.	

APPLICATION

PR 02 2016 = 02 15 E

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde: Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W-2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 Fast, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 28-16 State Fed Com 232H well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the 2nd Bone Spring formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16. Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the 2nd Bone Spring formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the 2nd Bone Spring formation underlying the W 2 W/2 of Section 16 and W/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Additionally, the Marwari 28-16 State Fed Com 23211 well may cross pool boundaries (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)). Accordingly, Applicant provisionally requests approval for down-hole commingling.

WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the 2nd Bone Spring formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21;

- B. Pooling all mineral interests in the 2nd Bone Spring formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21:
 - C. Designating Applicant as operator of the well:
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- IE. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.
 - G. Approving down-hole commingling, if required.

Respectfully submitted,

A. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234II to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u> : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper, Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS AND OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico, Case No. 16099

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an offsetting operator or interest owner.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend

Offset Operators and Owners on the Attached List April 12, 2018 Page 2

to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19,15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

OFFSET OPERATORS

- 6

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203

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

.

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

Case	N'	
CHSC	140.	

APPLICATION

PPR 02 2015 = 05156

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde: Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 28-16 State Fed Com 232H well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the 2nd Bone Spring formation.
- The well is an approximately 2-mile horizontal well, with a surface location 175
 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the 2nd Bone Spring formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the 2nd Bone Spring formation underlying the W/2 W/2 of Section 16 and W/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Additionally, the Marwari 28-16 State Fed Com 23211 well may cross pool boundaries (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)). Accordingly, Applicant provisionally requests approval for down-hole commingling.

WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the 2nd Bone Spring formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21;

- B. Pooling all mineral interests in the 2nd Bone Spring formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.
 - G. Approving down-hole commingling, if required,

Respectfully submitted,

Á. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy Production Company, L.P.

_____: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of * the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

.: Application of Devon Energy Production Company, L.P., for a Non-Case No. Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 23411 to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfeamp Jormation (WC-025 G-07 S253216D; Upper Wolfeamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfeamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard

Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole

Commingling, Lea County, New Mexico, Case No. 16100

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an owner whose interest may be pooled.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend

REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289 All Interest Owners on the Attached List April 12, 2018 Page 2

to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170 Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc P.O. Box 6 Artesia, NM 88211

Westway Petro 6440 N Central EXPY Suite 308 Dallas, TX 75206

Nancy J Allen 3623 Overbrook Drive Dallas, TX 75205

Susan Croft 4657 Southern Ave Dallas, TX 75209

Jamie Jennings P.O. Box 670326 Dallas, TX 75367

Camp Colorado Investments, LP P.O. Box 1498 Midland, TX 79702

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202

Rolla R. Hinkle III and Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202 V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702

Fidelity Exploration & Production Company 1801 California Street, Suite 2500 Denver, CO 80202

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

Case	Na	
C 64.7C		

APPLICATION

EPR 02 2019 = 402 /5 G

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 21-16 State Fed Com 234H well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the 2nd Bone Spring formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the 2^{nd} Bone Spring formation in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the 2nd Bone Spring formation in the 19/2 W/2 of Section 16 and E/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the 2nd Bone Spring formation underlying the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Additionally, the Marwari 21-16 State Fed Com 234H well may cross pool boundaries (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)). Accordingly, Applicant provisionally requests approval for down-hole commingling.

WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the 2nd Bone Spring formation comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21;

- B. Pooling all mineral interests in the 2nd Bone Spring formation comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21;
 - C. Designating Applicant as operator of the well:
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.
 - G. Approving down-hole commingling, if required.

Respectfully submitted.

A. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E 2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u> : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D: Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21. Township 25 South, Range 32 East. NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. ______: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270). comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS AND OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard

Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole

Commingling, Lea County, New Mexico, Case No. 16100

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an offsetting operator or interest owner.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend

REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289 Offset Operators and Owners on the Attached List April 12, 2018 Page 2

to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

OFFSET OPERATORS

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203

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

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

Case	No.	

APPLICATION

EPR 02 2018 = 402:55

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 21-16 State Fed Com 234H well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the 2nd Bone Spring formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the 2nd Bone Spring formation in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the 2nd Bone Spring formation in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the 2nd Bone Spring formation underlying the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Additionally, the Marwari 21-16 State Fed Com 234H well may cross pool boundaries (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)). Accordingly, Applicant provisionally requests approval for down-hole commingling.

WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the 2nd Bone Spring formation comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21;

- B. Pooling all mineral interests in the 2nd Bone Spring formation comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.
 - G. Approving down-hole commingling, if required.

Respectfully submitted.

J. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy Production Company, L.P. Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 23211 to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal. New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E2 W2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal. New Mexico.

Case No. _______: Application of Devou Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal. New Mexico.

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SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard

Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole

Commingling, Lea County, New Mexico, Case No. 16101

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an owner whose interest may be pooled.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend

All Interest Owners on the Attached List April 12, 2018 Page 2

to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours.

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170 Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc P.O. Box 6 Artesia, NM 88211

Westway Petro 6440 N Central EXPY Suite 308 Dallas, TX 75206

Nancy J Allen 3623 Overbrook Drive Dallas, TX 75205

Susan Croft 4657 Southern Ave Dallas, TX 75209

Jamie Jennings P.O. Box 670326 Dallas, TX 75367

Camp Colorado Investments, LP P.O. Box 1498 Midland, TX 79702

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202

Rolla R. Hinkle III and Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202 V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702

Fidelity Exploration & Production Company 1801 California Street, Suite 2500 Denver, CO 80202

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

Case	No.		
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APPLICATION

HPR 02 2018 = W12 55

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 28-16 State Fed Com 236H well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the 2nd Bone Spring formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the 2nd Bone Spring formation in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the 2nd Bone Spring formation in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the 2nd Bone Spring formation underlying the W/2 E/2 of Section 16 and W/2 E/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Additionally, the Marwari 28-16 State Fed Com 236H well may cross pool boundaries (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)). Accordingly, Applicant provisionally requests approval for down-hole commingling.

WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the 2nd Bone Spring formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;

- B. Pooling all mineral interests in the 2nd Bone Spring formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;
 - C. Designating Applicant as operator of the well:
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.
 - G. Approving down-hole commingling, if required.

Respectfully submitted.

J. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232II to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

: Application of Devon Energy Production Company, L.P., for a Non-Case No. Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M: Bone Spring (Pool Code 96715)), comprised of the E2 W2 of Section 16 and E2 W2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234II to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21. Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal. New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC4025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W-2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS AND OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard

Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole

Commingling, Lea County, New Mexico, Case No. 16101

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an offsetting operator or interest owner.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend

Offset Operators and Owners on the Attached List April 12, 2018 Page 2

to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

OFFSET OPERATORS

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203

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

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND DOWN-HOLE COMMINGLING, LEA COUNTY, NEW MEXICO

Case	No.		
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APPLICATION

HPR 02 2018 = 402 55

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde: Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
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- 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the 2nd Bone Spring formation in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the 2nd Bone Spring formation in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the 2nd Bone Spring formation underlying the W/2 E/2 of Section 16 and W/2 E/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Additionally, the Marwari 28-16 State Fed Com 236H well may cross pool boundaries (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 \$253206M; Bone Spring (Pool Code 96715)). Accordingly, Applicant provisionally requests approval for down-hole commingling.

WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the 2nd Bone Spring formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;

- B. Pooling all mineral interests in the 2nd Bone Spring formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.
 - G. Approving down-hole commingling, if required,

Respectfully submitted,

J. Scott Hall

Seth C. McMillan

Post Office Box 2307 Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy Production Company, L.P.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E2 W2 of Section 16 and E2 W2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234II to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21. Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal. New Mexico.

Case No.

Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W 2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. _____: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

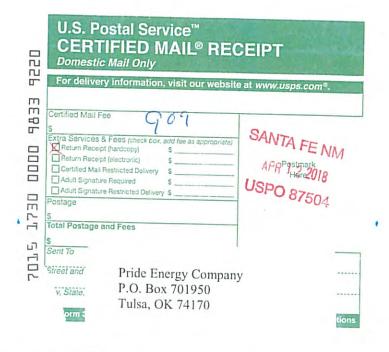
Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203 	A. Signature X RECEIVED Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from tem 1? Yes If YES, enter delivery address below: No CIMAREX ENERGY CO.	
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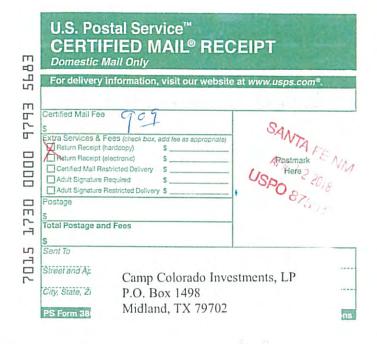
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Jamie Jennings P.O. Box 670326 Dallas, TX 75367	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
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- 1. Article Addressed to:

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202



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PS Form 3811, July 2015 PSN 7530-02-000-9053

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P.O. Box 1889 Midland, TX 79702	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail® □ Certified Mail Restricted Delivery □ Registered Mail Restricted Delivery □ Return Receipt for
P.O. Box 1889 Midland, TX 79702	☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail™ ☐ Registered Mail Res

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 16102

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 16103

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 16104

AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Seth C. McMillan, attorney and authorized representative of Devon Energy Production Company, L.P., the Applicant in this matter, being first duly sworn, upon oath states that he sent copies of the Application in this matter to the parties as specified on the attached Exhibit A.

SETH C. McMILLAN

SUBSCRIBED AND SWORN to before me this 11 TH day of June, 2018.

Notary Public

My Commission Expires:

Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 17

EXHIBIT A

OFFSET OPERATORS

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203 Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170 Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc

P.O. Box 6

Artesia, NM 88211

Nancy J Allen

3623 Overbrook Drive Dallas, TX 75205

Camp Colorado Investments, LP

P.O. Box 1498 Midland, TX 79702

Rolla R. Hinkle III and Madison M. Hinkle

P.O. Box 2292 Roswell, NM 88202 Westway Petro

6440 N Central EXPY Suite 308

Dallas, TX 75206

Jamie Jennings

P.O. Box 670326 Dallas, TX 75367

Morris E. Schertz and Holly K. Schertz

P.O. Box 2588 Roswell, NM 88202

V-F Petroleum Inc

P.O. Box 1889

Midland, TX 79702



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New

Mexico, Case No. 16102

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an owner whose interest may be pooled.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and

All Interest Owners on the Attached List April 12, 2018 Page 2

serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170

Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc P.O. Box 6 Artesia, NM 88211

Westway Petro 6440 N Central EXPY Suite 308 Dallas, TX 75206

Nancy J Allen 3623 Overbrook Drive Dallas, TX 75205

Susan Croft 4657 Southern Ave Dallas, TX 75209

Jamie Jennings P.O. Box 670326 Dallas, TX 75367

Camp Colorado Investments, LP P.O. Box 1498 Midland, TX 79702

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202

Rolla R. Hinkle III and Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202 V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702

Fidelity Exploration & Production Company 1801 California Street, Suite 2500 Denver, CO 80202

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

PPP 02 20.8 540 7:55

APPLICATION

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard off spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 28-16 State Fed Com 712H well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the Wolfcamp formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16. Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfeamp formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

 * Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 W/2 of Section 16 and W/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:
- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21;
- B. Pooling all mineral interests in the Wolfcamp formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted.

J. Scott Hall

Seth C. McMillan

Post Office Box 2307 +

Santa Fe. NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 23211 to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 \$253216D; Upper Wolfcamp Pool; Pool Code 9827Q), comprised of the W 2 W/2 of Section 16 and W 2 W/2 of Section 21, Township 25 South, Range 32 East. NMPM. Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Cave No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS AND OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New

Mexico, Case No. 16102

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an offsetting operator or interest owner.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and

Offset Operators and Owners on the Attached List April 12, 2018 Page 2

serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

OFFSET OPERATORS

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203

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

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case	No.		
		-	

£P7 02 20.8 9402/F5

APPLICATION

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W-2 W/2 of Section 16 and W/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

- Applicant is an interest owner in the W/2 W/2 of Section 16 and W/2 W/2 of Section
 Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 28-16 State Fed Com 712H well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the Wolfcamp formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16. Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

 Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17. 18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfeamp formation underlying the W/2 W/2 of Section 16 and W/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:
- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21;
- B. Pooling all mineral interests in the Wolfcamp formation comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted.

J. Scott Hall

Seth C. McMillan

Post Office Box 2307 *

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM. Lea County. New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South. Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 \$253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W 2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 71211 to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New

Mexico, Case No. 16103

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an owner whose interest may be pooled.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and

All Interest Owners on the Attached List April 12, 2018 Page 2

serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170 Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc P.O. Box 6 Artesia, NM 88211

Westway Petro 6440 N Central EXPY Suite 308 Dallas, TX 75206

Nancy J Allen 3623 Overbrook Drive Dallas, TX 75205

Susan Croft 4657 Southern Ave Dallas, TX 75209

Jamie Jennings P.O. Box 670326 Dallas, TX 75367

Camp Colorado Investments, LP P.O. Box 1498 Midland, TX 79702

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202

Rolla R. Hinkle III and Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202 V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702

Fidelity Exploration & Production Company 1801 California Street, Suite 2500 Denver, CO 80202

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case	No.	
~ *****		

IPR 02 2018 -- 02:54

APPLICATION

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 21-16 State Fed Com 714H well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the Wolfcamp formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

 Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfeamp formation underlying the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:
- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21;
- B. Pooling all mineral interests in the Wolfcamp formation comprised of the $E/2\ W/2$ of Section 16 and $E/2\ W/2$ of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted.

J. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

____: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

___: Application of Devon Energy Production Company, L.P., for a Non-Case No. Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 Ş253216D: Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 71211 to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS AND OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New

Mexico, Case No. 16103

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an offsetting operator or interest owner.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and

Offset Operators and Owners on the Attached List April 12, 2018 Page 2

serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

OFFSET OPERATORS

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203

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

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case	No.	
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-IPR 02 2013 -402:54

APPLICATION

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E-2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 21-16 State Fed Com 714H well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the Wolfcamp formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

 Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, 18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the E/2 W/2 of Section 16 and E/2 W/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:
- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21;
- B. Pooling all mineral interests in the Wolfcamp formation comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted.

J. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16. Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal. New Mexico.

: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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Case No. _____: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D: Upper Wolfcamp Pool: Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 71211 to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard

Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New

Mexico, Case No. 16104

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an owner whose interest may be pooled.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and

All Interest Owners on the Attached List April 12, 2018 Page 2

serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures.

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

WORKING INTEREST OWNERS

Pride Energy Company P.O. Box 701950 Tulsa, OK 74170 Conoco Phillips Company 600 N Dairy Ashford Road Houston, TX 77079

OVERRIDING ROYALTY INTEREST OWNERS

Ballard E Spencer Trust Inc P.O. Box 6 Artesia, NM 88211

Westway Petro 6440 N Central EXPY Suite 308 Dallas, TX 75206

Nancy J Allen 3623 Overbrook Drive Dallas, TX 75205

Susan Croft 4657 Southern Ave Dallas, TX 75209

Jamie Jennings P.O. Box 670326 Dallas, TX 75367

Camp Colorado Investments, LP P.O. Box 1498 Midland, TX 79702

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202

Rolla R. Hinkle III and Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202 V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702

Fidelity Exploration & Production Company 1801 California Street, Suite 2500 Denver, CO 80202

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case	No.	

GFR 02 2018 = 402:55

APPLICATION

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 F/2 of Section 16 and W/2 F/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 28-16 State Fed Com 716H well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the Wolfcamp formation.
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- 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East.
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- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfeamp formation in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, -18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 E/2 of Section 16 and W/2 E/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:
- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;
- B. Pooling all mineral interests in the Wolfcamp formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

: Application of Devon Energy Production Company, L.P., for a Non-Case No. Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal. New Mexico.

: Application of Devon Energy Production Company, L.P., for a Non-Case No. Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. ; Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No.

Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

April 12, 2018

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS AND OWNERS ON THE ATTACHED LIST

Re: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New

Mexico, Case No. 16104

Ladies and Gentlemen:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an offsetting operator or interest owner.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and

Offset Operators and Owners on the Attached List April 12, 2018 Page 2

serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Tim Prout (via email, w/encs.)

EXHIBIT A

OFFSET OPERATORS

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, CO 80203

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

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case	No.	
2000	2 5 2 5 6	

AFR 02 2018 = 402:55

APPLICATION

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard oil spacing and proration unit in the Wolfeamp formation (WC-025 G-07 S253216D; Upper Wolfeamp Pool; Pool Code 98270), comprised of the W/2 F/2 of Section 16 and W/2 F/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfeamp formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Marwari 28-16 State Fed Com 716H well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico to the well to form a non-standard 320-acre oil spacing and proration unit (project area) in the Wolfcamp formation.
- 3. The well is an approximately 2-mile horizontal well, with a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range

- 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East.
- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21 for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, pursuant to NMSA 1978, §§ 70-2-17, ~ 18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 E/2 of Section 16 and W/2 E/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:
- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;
- B. Pooling all mineral interests in the Wolfcamp formation comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21;
 - C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A. Scott Hall

Seth C. McMillan

Post Office Box 2307 *

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for Devon Energy

Production Company, L.P.

___: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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Case No. : Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring

formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

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<u>Case No.</u>: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

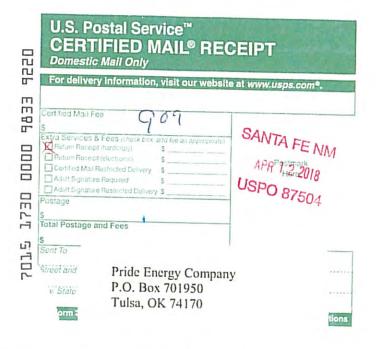
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PS Form 3811, July 2015 PSN 7530-02-000-9053

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COMPLETE THIS SECTION ON DELIVERY MPLETE THIS SECTION A. Signature ■ Complete items 1, 2, and 3. ☐ Agent ■ Print your name and address on the reverse ☐ Addressee so that we can return the card to you. Date of Delivery B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. D. Is delivery address different 1. Article Addressed to: If YES, enter delively Camp Colorado Investments, LP P.O. Box 1498 Midland, TX 79702 ☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise 3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Restricted Delivery 9590 9403 0913 5223 4331 56 ☐ Signature Confirmation™ 2. Article Number (Transfer from service label) ☐ Signature Confirmation Restricted Delivery ☐ Insured Mail ☐ Insured Mall Restricted Delivery (over \$500) 7015 1730 0000 9793 5683



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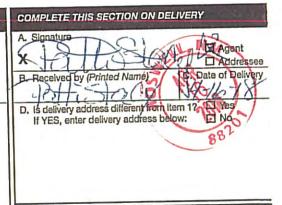
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- 1. Article Addressed to:

Morris E. Schertz and Holly K. Schertz P.O. Box 2588 Roswell, NM 88202



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PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

5272	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.us	sps.com*.
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
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1. Article Addressed to: Rolla R. Hinkle III and Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No		
9590 9403 0913 5223 4330 88 2. Article Number (Transfer from service label) 7015 1730 0000 9793 5515	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Insured Mail □ Insured Mail Restricted Delivery (over \$500) □ Priority Mail Express® □ Registered Mail Restricted □ Reciptered Mail Restricted □ Signature Confirmation Restricted Delivery □ Signature Confirmation □ Restricted Delivery		



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V-F Petroleum Inc P.O. Box 1889 Midland, TX 79702	• ES, enter delivery address below: ☐ No		
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18

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated April 15, 2018 and ending with the issue dated April 15, 2018.

Publisher

Sworn and subscribed to before me this 15th day of April 2018.

Business Manager

My commission expires

GUSSIE BLACK
Notary Public
State of Now Mexico

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

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LEGAL NOTICE April 15, 2018

NOTIC

To the following entitles, individuals, their heirs, personal representatives, trustees, successors or assigns: Eugene H. Perry and Dorothy B. Perry

Devon Energy Production Company, L.P., has filed six (6) Applications with the New Mexico Oil Conservation Division as follows:

Mexico Oii Conservation Division as follows:

Case No. 16099: Application of Devon Energy Production Company, L.P., for a NorStandard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole
Commingling, Lea County, New Mexico. Applicant seeks an order approving a nonstandard oil spacing and proration unit in the 2nd Bone Spring formation (Mess AverdeBone Spring Pool (Pool Code 98229) and WC-025 G-07 \$253206M. Bene Spring (Pool
Code 96715), comprised of the WZ WZ of Section 18 and WZ WZ O Section 21,
Township 25 South, Range 32 East, NMPM. Lea County, New Mexico, and pooling all
mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The
unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H to be
drilled from a surface location 175 feet from the north line and 410 feet from the
of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet
from the north line and 330 feet from the west line of Section 18, Township 25 South,
Range 32 East, Also to be considered will be the cost of drilling and completing and completing the well,
and the ellocation of the cost, the designation of Applicant as Operator of the well, a 200%
charge for the risk involved in drilling and completing the well, and approval of down-hole
Commyrighing. The well and lands are located approximately 29 miles east of Jai, New
Maxico.

Case No. 16100: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing, and Proration Unit, Computacry Pooling, and Down-Hole Commingling, Lea County, New Mexico, Applicant seeks an order approving a non-standard oil spacing and proration until in the 2nd Bone Spring Jornation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715), comprised of the Et 2W2 of Section 16 and Et 2W2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring Jornation underlying the non-standard unit. The unit will be dedicated to Applicant a proposed Marward 121-16 State Fed Com 214H to be drilled (1001) a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 East, Also to be considered will be the cost of drilling and completing the well and tip allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well and tip allocation the risk involved in drilling and completing the well and the first provided in drilling and completing the well and East Also to be considered will be the cost of drilling and completing the well and East Also to be considered will be the cost of drilling and completing the well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. 16101: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Las County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring Iormation (Mesa Verde; Bone Spring Pool (Pool Code 9629) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the WY2 Ef2 of Section 16 and WY2 Ef2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant is proposed Marwari 28-16 State Fed Com 215H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28. Township 25 South, Range 32 East, and a bottom hole location 303 feet from the north line and 1950 feet from the east line of Section 16, Township 25 South, Range 32 East, and a bottom hole location 303 feet from the north line and 1950 feet from the east line of Section 16, Township 25 South, Range 32 East, and a bottom hole location 303 feet from the north line and 1950 feet from the east line of Section 16, Township 25 South, Range 32 East, and a bottom hole location 303 feet from the east line of Section 16, Township 25 South, Range 32 East, and a bottom hole location 300 feet from the east line of Section 16, Township 25 South, Range 32 East, and a bottom hole location 300 feet from the east line of Section 16, Township 25 South, Range 32 East, and a bottom hole location 300 feet from the east line of Section 16, Township 25 South, Range 32 East, and 32 Mexico.

Case No. 16102: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Computacry Pooling, Lea County, New Mexico, Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolleamp formation (WC-025 G-07 9253216D: Upper Wolleamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South: Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wollcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant a proposed Marwari 26-16 State Fed Com 712H to be drilled from a surface location 450 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk trivolved in drilling and completing the well, and a 200% charge for the risk trivolved in drilling and completing the well. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. 16103: Application of Devon Energy Production Company, L.P., for a Nonstandard Oli Spacing and Proration Unit and Computsory Pooling, Les County, New Mexica, Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolldcamp formation (WC-026 G-07 S2532165). Upper Wollcamp Pool; Pool Code 982707; comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21. Township 25 Southt Hange 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wollcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marward 21-16 State Fed Com 714H to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 30 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 30 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 30 feet from the west line of Section 15, Township 25 South, Range 32 East, Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately

Caip No. 16104: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wellcamp formation (WC-026 G-07 S2532150: Upper Wellcamp Pool, Pool Code 98270); comprised of the W/Z E/Z of Section 16 and W/Z E/Z of Section 21, Township 25 Scuth, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Woltcamp formation underlying the non-standard unit. The unit will be decidated to Applicant's proposed Marwari 25-16 State Fed Com 716H to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 East, Also to be chargeford will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 29 [hills-8ast of Jal., New Mexico.

Hearing on these Applications will take place at 8:15 a.m. on Thursday, May 3, 2018 at the Oil Conservation Division's offices located at 1220 South St. Francis Drive, Santa Fe. New Mexico, 87505. For further information, contact the applicant's attorneys, Seth C. McMillan and J. Scott Hall, Montgomery and Andraws, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501 (505) 982-3873.

W32709

Devon Energy Production Company, L.P Case Nos. 16099-16104 Exhibit No. 18

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the Issue dated May 15, 2018 and ending with the Issue dated May 15, 2018.

Publisher

Sworn and subscribed to before me this 15th day of May 2018,

Alerson &

Business Manager

My commission expires many and a series

January 29, 2019

(Seal)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

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LEGAL NOTICE May 15, 2018

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns. Susan Croft, Camp Colorado Investment, LP, Fidelity Exploration & Production Company

Davon Energy Production Company, L.P., has filed six (6) Applications with the New Mexico Oil Conservation Division as follows:

Case No. 16093: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Computery Pooling and Down-Hole Commingling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Neas Vector Bone Spring Fool (Pool Code 96226) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the WV WV 20 Section 16 and WV 2W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 2321 to be drilled from a surface location 175 feet from the north line and 410 feet tom the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 30 feet from the north line and 30 feet from the north line and 30 feet from the north line and 30 feet from the west line of Section 16, Township 25 South, Range 32 East, Also to be considered will be the cost of drilling end control of the well, a 200% charge for the risk involved in drilling and completing the well, and approved of down-hole formingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Case No. 16100: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Campulsory Pooling, and Down-Hole Commingling, Lee County, New Maxico. Applicant seeks an order approving a non-standard oil spacing and proration unit he 2nd Bone Spring formation (Mess Verde, Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M, Bone Spring (Pool Code 96715)), comprised of the Etz Wtz of Section 16 and Etz Wtz of Section 21, Township 25 South, Rang of Section 18, and County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be decidated to Applicant's proposed Marvari 21-16 State Fed Com 234H to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Cange (Section 25) to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Mexico.

Case No. 16101: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lee County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde: Bone Spring Pool (Pool Code 9829) and WC-025 G-07 S25206M: Bone Spring fool (Pool Code 9829) and WC-025 G-07 S25206M: Bone Spring fool (Pool Code 98715)), comprised of the W/z E/z of Section 16 and W/z E/z of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marward 28-16 State Fed Com 239H to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 6, Township 25 South, Range 32 East, Also to be considered will be the cost of drilling and completing the well and the ellocation of the cost, the designation of Applicant as Operator of the well, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

Mexico.

Case No. 16102: Application of Devon Energy Production Company, L.P., for a Non-Standard Oli Specing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approxing a non-standard oil spacing and proration unit in the Woltcamp formation (WC-025 G-07 S253216D). Upper Woltcamp Pool. Pool Code 98270). comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 27. Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests In the Woltcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H to be drilled from a surface location 850 feet from the next line of Section 28, Township 25 South, Range 32 East, Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant so Operator of the well, and a 200% charge for the risk involved in drilling and completing the well and as 200% charge for the risk involved in drilling and completing the well. The well and the allocation and the standard of Jal, New Mexico.

29 miles east of Jal, New Mexico.

Case No. 16103: Application of Devon Energy Production Company, L.P., for a NonStandard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New
Mexico. Applicant seeks an order approxing a non-standard oil spacing and proration unit
in the Wolfcamp formation (WC-025 G-07 S253216D, Upper Wolfcamp Pool, Pool Code
98270), comprised of the E/2 W/2 of Section 18, Township 25
South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests
in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to
Applicant a proposed Marrival 21-16 State Fed Com 714H to be drilled from a surface
location 520 feet from the south line and 1330 feet from the west line of Section 21,
Township 25 South, Range 32 East, and a bottom hole location 30 feet from the north line
and 2300 feet from the west line of Section 21,
Township 25 South, Range 32 East, Also to
be considered will be the cost of drilling and completing the well and the allocation of the
cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk
involved in drilling and completing the well. The well and the allocation proximately
29 miles east of Jal, New Mexico.

Case No. 18104: Application of Devon Energy Production Company, L.P., for a NonStandard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New
Mexico, Applicant seeks an order approving a non-standard oil spacing and proration unit
in the Wollcamp Iormation (WC-025 6-07 25253126): Upper Woltcamp Pool; Pool Code
98270), comprised of the W/Z E/Z of Section 15 and W/Z E/Z of Section 21, Township 25
South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests
in the Wollcamp Iormation underlying the non-standard unit. The unit will be decidated to
Applicant's proposed Marwari 26-16 State Fed Com 716H to be drilled from a surface
location 850 feat from the north line and 1670 feet from the east line of Section 28,
Township 25 South, Range 32 East, and a bottom hole location 330 feet from the east line of Section 16, Township 25 South, Range 32 East. Also to
be considered will be the cost of drilling and completing the well and the allocation of the
cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk
involved in drilling and completing the well and lands are located approximately
29 miles east of Jal, New Mexico.

Hearing on these Applications has been continued to 8.15 a.m. on Thursday, May 31, 2018 at the Oil Conservation Division's offices located at 1220 South St. Francis Drive, Santa Fo. New Mexico 87505. For further information, contact the applicant's attorneys, Seth C. McMillan and J. Scott Hall. Montgomery and Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501 (505) 982-3873.

Devon Energy Production Company, L.P. Case Nos. 16099-16104 Exhibit No. 19