

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

**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY LP FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 20155**

**Devon Energy Production Company, L.P.**  
**EXHIBITS**

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**Case No. 20155**

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LEA COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_

**APPLICATION**

Devon Energy Production Company LP ("Devon"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]) underlying the standard unit. In support of its application, Devon states:

1. Devon is a working interest owner in the proposed standard horizontal spacing unit and has the right to drill thereon.
2. Devon proposes to dedicate the above-referenced standard horizontal spacing and proration unit for its proposed **Jayhawk 7-6 Fed Fee Com 7H Well**, to be horizontally drilled from a surface location 615' FSL and 2,090' FEL of Section 7 to a bottom hole location 20' FNL and 980' FEL of Section 6. This well defines the unit.
3. Also to be drilled is the following infill well: **Jayhawk 7-6 Fed Fee Com 6H Well**, to be horizontally drilled from a surface location 615' FSL and 2,060' FEL of Section 7 to a bottom hole location 20' FNL and 360' FEL of Section 6.

**EXHIBIT 1**

Devon / Jayhawk Wells  
Case No. 20155  
January 10, 2018 Hearing

4. The completed intervals for the Jayhawk 7-6 Fed Fee Com 7H Well and the Jayhawk 7-6 Fed Fee Com 6H Well will remain within the 330-foot setbacks required by the Statewide rules for horizontal oil wells.

5. The first and last take points for the Jayhawk 7-6 Fed Fee Com 7H Well and the Jayhawk 7-6 Fed Fee Com 6H Well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells.

6. Devon has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the subject horizontal spacing unit ("HSU").

7. Approval of the standard HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

8. In order to permit Devon to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Devon should be designated the operator of the proposed HSU.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 10, 2019, and, after notice and hearing as required by law, the Division enter an order:

A. Creating a 320-acre, more or less, standard horizontal spacing and proration unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted interests in the standard HSU;

- C. Designating the Jayhawk 7-6 Fed Fee Com 7H Well as the defining well for the standard HSU and allowing the drilling of the Jayhawk 7-6 Fed Fee Com 6H Well as an infill well;
- D. Designating Devon as operator of this standard HSU and the wells to be drilled thereon;
- E. Authorizing Devon to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% penalty for the risk assumed by Devon in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Seth C. McMillan

Seth C. McMillan

Kaitlyn A. Luck

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

[smcmillan@montand.com](mailto:smcmillan@montand.com)

[kluck@montand.com](mailto:kluck@montand.com)

*Attorneys for Devon Energy Production Company LP*

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

**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY LP FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 20155**

**AFFIDAVIT OF MELISSA MILLER**

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

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am employed as a Senior Landman with Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the lands involved.
3. This affidavit is submitted in connection with the filing by Devon of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
  - a. I graduated from the University of Oklahoma with a Bachelor's degree in Business in 2005.
  - b. I have worked at Devon for 13 years as a Landman and I have been working in New Mexico for the past 3 years.
5. The purpose of this application is to force pool working interest owners into the horizontal spacing unit described below, and in the wells to be drilled in the unit.

**EXHIBIT 2**

Devon / Jayhawk Wells  
Case No. 20155  
January 10, 2018 Hearing

6. No opposition is expected. The interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the well. They have, however, otherwise represented to me that they do not oppose this pooling application.

7. Devon seeks an order pooling all mineral interests in the Wolfcamp horizontal spacing unit underlying the E/2 E/2 of Sections 6 and 7 in Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. The proposed spacing unit will be dedicated to the Jayhawk 6-7 Fed Fee Com 7H Well, to be horizontally drilled.

8. A plat outlining the unit being pooled is attached hereto as **Exhibit A**, which shows the location of proposed wells within the unit.

9. The parties being pooled, the nature of their interests, and their last known addresses are **Exhibit B** attached hereto. **Exhibit B** includes information regarding working interest owners and overriding royalty interest owners.

10. There are no depth severances in the Wolfcamp formation.

11. The locations and proposed depths of the wells to be drilled on the pooled units are as follows:

Well Name	SHL (7-T26S-R34E)	BHL (6-T26S-R34E)	TVD
Jayhawk 7-6 Fed Fee Com 7H	615' FSL and 2090' FEL	20' FNL and 980' FEL	12,770'
Jayhawk 7-6 Fed Fee Com 6H	615' FSL and 2060' FEL	20' FSL and 360' FEL	12,667'

12. I have conducted a diligent search of the public records in Lea County, New Mexico, where the wells are located, and conducted phone directory and computer searches to located contact

information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure ("AFE").

13. Devon has made a good faith effort to obtain voluntary joinder of the working interests owners in the proposed wells.

14. Proposed C-102s for the wells are attached as **Exhibit C**. The wells will develop the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]), which is an oil and gas pool.

15. **Exhibit D** is a sample proposal letter and the AFE for the proposed wells. The estimated cost of the wells set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

16. Devon requests overhead and administrative rates of \$6,000/month for drilling a well and \$600/month for a producing well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

18. Devon requests that it be designated operator of the wells.

19. The Exhibits to this Affidavit were prepared by me, or compiled from Devon's company business records.

20. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

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



FURTHER AFFIANT SAYETH NAUGHT

Melissa Miller  
Melissa Miller

Subscribed to and sworn before me this 7<sup>th</sup> day of January, 2019.



Rachel Gerlach  
Notary Public

# EXHIBIT A

## LAND PLAT

E/2 E/2 Sections 6 & 7, T-26-S, R-34-E, Lea County, New Mexico, Wolfcamp Formation

7H 6H

### Tract 1:

Fee Acreage

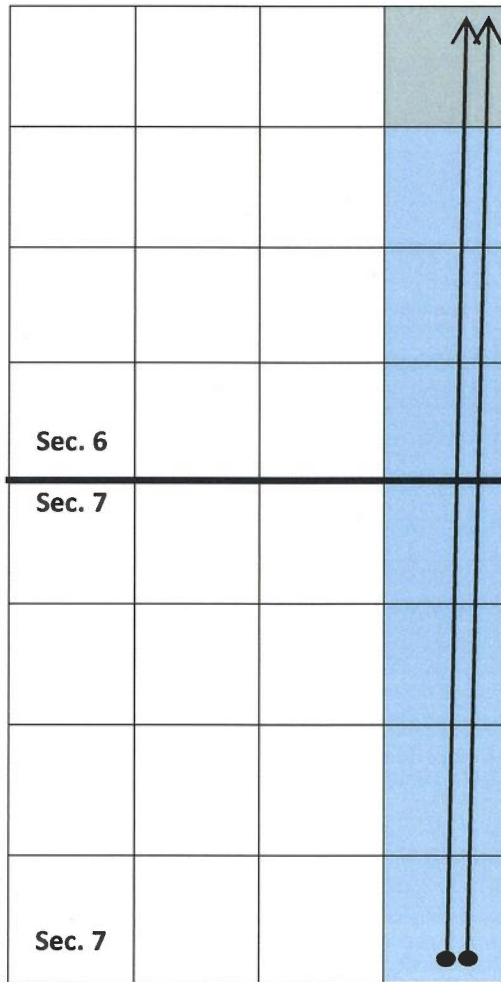
(40 acres)



### Tract 2:

USA NM 114990

(280 acres)



### Jayhawk 7-6 Fed Fee Com 7H

SHL: 615' FSL & 2090' FEL

BHL: 20' FNL & 980' FEL

### Jayhawk 7-6 Fed Fee Com 6H

SHL: 615' FSL & 2060' FEL

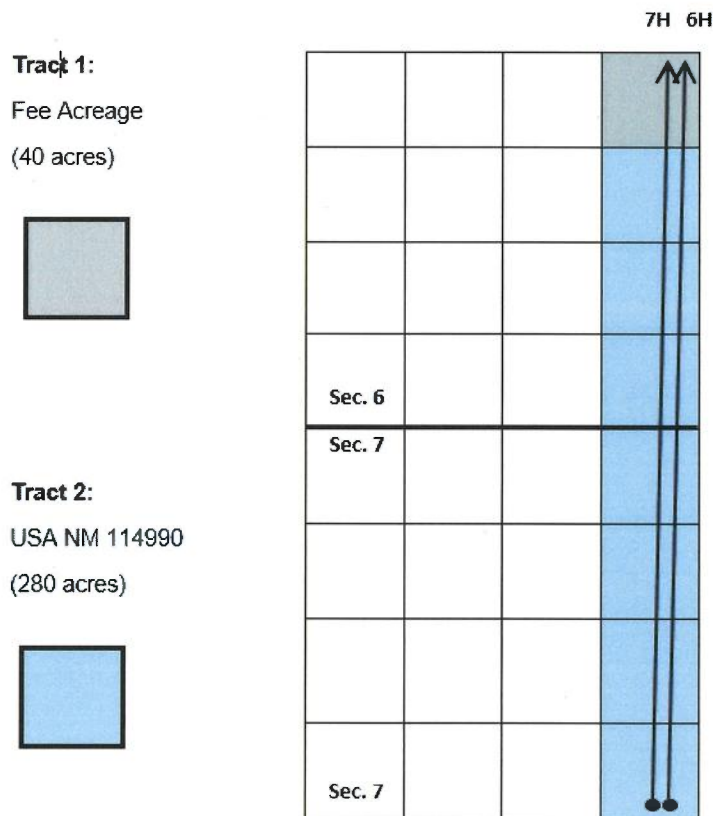
BHL: 20' FNL & 360' FEL

## EXHIBIT B

### OWNERSHIP BREAKDOWN

**E/2 E/2 Sections 6 & 7, T-26-S, R-34-E, Lea County, New Mexico, Wolfcamp Formation**

**Jayhawk 7-6 Fed Fee Com 6H and 7H**



**TRACT 1 OWNERSHIP (NW/NE of Section 6-T26S-R34E, being 40.00 acres):**

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	11.8611	.03706590	Committed
Chevron U.S.A. Inc.	.2778	.00086813	Committed
Energex, LLC	2.8148	.00879630	Committed
EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706	1.25	.00390625	Uncommitted

Marathon Oil Permian, LLC 5555 San Felipe St. Houston, TX 77056	21.99075	.06872106	Uncommitted
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Jetstream Oil and Gas Partners, LP 105 Nursery Lane, Suite 220 Fort Worth, TX 76114	.9722	.00303819	Uncommitted
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Novo Oil & Gas Northern Delaware, LLC 1001 W. Wilshire Blvd. Suite 206 OKC, OK 73116	.83335	.00260417	Uncommitted
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TRACT 1 TOTAL	40.00	.125	
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**TRACT 2 OWNERSHIP (SWNE, W2SE of Section 6-T26S-R34E and W2E2 of Section 7-T26S-R34E, being 280.00 acres)**

Owner	Net Acres	GWl	Status
Devon Energy Production Company, L.P.	140.00	.4375	Committed
Chevron U.S.A. Inc.	140.00	.4375	Committed
TRACT 2 TOTAL	280.00	.875	
<b>UNIT TOTALS</b>	<b>320.00</b>	<b>1.00</b>	

**ORRI and NPRI Owners**

The Fredericka H. Crain Trust, Advent Trust Company Trustee, under trust Indenture dated 5/26/1995  
6363 Woodway, Ste 800  
Houston, Harris County, TX 77057-1714

Southwest Petroleum Land Services, LLC.  
1901 W. 4th St.  
Roswell, NM 88202

Blackbird Royalties, LLC.  
P.O. Box 2670  
Roswell, NM 88202

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

EXHIBIT C  
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

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name JAYHAWK 7-6 FED FEE COM	<sup>6</sup> Well Number 6H
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>9</sup> Elevation 3373.2

<sup>10</sup> Surface Location

UL or lot no. O	Section 7	Township 26 S	Range 34 E	Lot Idn	Feet from the 615	North/South line SOUTH	Feet from the 2060	East/West line EAST	County LEA
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. A	Section 6	Township 26 S	Range 34 E	Lot Idn	Feet from the 20	North/South line NORTH	Feet from the 360	East/West line EAST	County LEA
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<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 27, 2018</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number F1440N F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 6357B</p>

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  
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1000 Rio Brazos Road, Aztec, NM 87410  
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**EXHIBIT C**  
**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  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>JAYHAWK 7-6 FED FEE COM</b>	<sup>6</sup> Well Number <b>7H</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3372.5</b>

<sup>10</sup> Surface Location

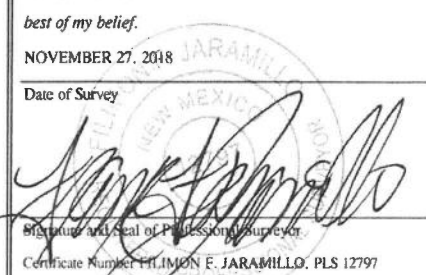
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>7</b>	<b>26 S</b>	<b>34 E</b>		<b>615</b>	<b>SOUTH</b>	<b>2090</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>6</b>	<b>26 S</b>	<b>34 E</b>		<b>20</b>	<b>NORTH</b>	<b>980</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p><b>17 OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p><b>18 SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>NOVEMBER 27, 2018</p> <p>Date of Survey _____</p> <p align="center">  </p> <p align="right">SURVEY NO. 6358B</p>	



## EXHIBIT D

Devon Energy Production Company LP      405 228 8756 Phone  
333 West Sheridan Avenue      www.devonenergy.com  
Oklahoma City, OK 73102

October 31, 2018

Marathon Oil Permian, LLC  
5555 San Felipe St.  
Houston, TX 77056

RE: Well Proposal – Jayhawk 7-6 Fed Fee Com 7H  
SHL: 615' FSL and 2090' FEL – Section 7-T26S-R34E  
BHL: 20' FNL and 980' FEL – Section 6-T26S-R34E  
Lea County, New Mexico

Dear Mr. Gyllenband,

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill and complete the Jayhawk 7-6 Fed Fee Com 7H as a horizontal well to an approximate TVD of 12,770' and approximate TMD of 22,770' into the Wolfcamp formation at a SHL 615' FSL and 2090' FEL of Section 7-T26S-R34E and a BHL 20' FNL and 980' FEL of Section 6-26S-34E, Lea County, New Mexico (the "Well"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,678,652.28 and total completed well costs of \$10,872,377.50 (includes CTB and flowline costs).

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

Devon is proposing to drill the Well under the terms of the modified 2015 AAPL form of Operating Agreement ("JOA"), sent to your attention on August 16, 2018. The JOA has the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract area of E2 of Sections 6 and 7-T26S-R34E, being 640 acres
- 100/400% Non-Consenting Penalty
- \$6000/\$600 Drilling and Production Rate

Please indicate your election to participate in the drilling and completion of the Well in the space provided below, within 30 days of receipt, by signing and returning one (1) copy of this letter and AFE, along with your well data requirements sheet. A Communization Agreement for said well will be supplied for your review and execution at a later date.

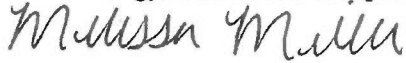
If an agreement cannot be reached within 30 days of receipt of this letter, Devon will apply to the New Mexico Oil Conversation Division for compulsory pooling of your interest into a spacing unit for the Well, if uncommitted at such time.

Please do not hesitate to contact me at (405) 228-8756 or via email at [Melissa.Miller@dvn.com](mailto:Melissa.Miller@dvn.com) if you have any questions concerning this proposal.

Well Proposal – Jayhawk 7-6 Fed Fee Com 7H  
October 31, 2018  
Page Two

Very truly yours,

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



Melissa Miller  
Senior Landman

Marathon Oil Permian, LLC:

\_\_\_\_\_ **To Participate** in the proposal of the referenced Well

\_\_\_\_\_ **Not To Participate** in the proposal of the referenced Well

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Marathon Oil Permian, LLC

By: \_\_\_\_\_





## Authorization for Expenditure

AFE # XX-129749.01

Well Name: Jayhawk 7-6 Fed Fee Com 7H

Cost Center Number: 1093941801

Legal Description: Section 7-26S-34E

Revision: ☐

AFE Date:

10/31/2018

State:

NM

County/Parish:

Lea

### Explanation and Justification:

Drill and complete the Jayhawk 7-6 Fed Fee Com 7H.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	76,479.06	0.00	0.00	76,479.06
6080100	DISPOSAL - SOLIDS	96,702.54	1,500.00	0.00	98,202.54
6080110	DISP-SALTWATER & OTH	0.00	7,500.00	0.00	7,500.00
6080115	DISP VIA PIPELINE SW	0.00	200,000.00	0.00	200,000.00
6090100	FLUIDS - WATER	32,550.00	150,000.00	0.00	182,550.00
6090120	RECYC TREAT&PROC-H2O	0.00	525,000.00	0.00	525,000.00
6100100	PERMIT SURVEY&TITLE	30,000.00	5,666.67	0.00	35,666.67
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110100	ROAD & LOCN RECOVERY	49,449.00	0.00	0.00	49,449.00
6110130	ROAD&SITE PREP SVC	0.00	24,691.33	0.00	24,691.33
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6130170	COMM SVCS - WAN	7,567.19	0.00	0.00	7,567.19
6130360	RTOC - ENGINEERING	0.00	10,000.00	0.00	10,000.00
6130370	RTOC - GEOSTEERING	27,154.75	0.00	0.00	27,154.75
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
6160100	MATERIALS & SUPPLIES	7,361.75	0.00	0.00	7,361.75
6170100	PULLING&SWABBING SVC	0.00	15,000.00	0.00	15,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	375,000.00	0.00	375,000.00
6190100	TRCKG&HL-SOLID&FLUID	102,722.08	0.00	0.00	102,722.08
6190110	TRUCKING&HAUL OF EQP	38,400.00	10,000.00	0.00	48,400.00
6200110	INSPECTION SERVICES	0.00	11,666.67	0.00	11,666.67
6200130	CONSLT & PROJECT SVC	126,918.36	95,000.00	0.00	221,918.36
6230120	SAFETY SERVICES	54,853.59	4,000.00	0.00	58,853.59
6300270	SOLIDS CONTROL SRVCS	71,905.46	0.00	0.00	71,905.46
6310120	STIMULATION SERVICES	0.00	3,650,000.00	0.00	3,650,000.00
6310200	CASING & TUBULAR SVC	91,100.00	0.00	0.00	91,100.00
6310250	CEMENTING SERVICES	160,000.00	0.00	0.00	160,000.00
6310280	DAYWORK COSTS	734,295.23	0.00	0.00	734,295.23
6310300	DIRECTIONAL SERVICES	395,910.00	0.00	0.00	395,910.00
6310310	DRILL BITS	77,600.00	0.00	0.00	77,600.00
6310330	DRILL&COMP FLUID&SVC	202,276.09	8,000.00	0.00	210,276.09
6310370	MOB & DEMOBILIZATION	50,250.00	0.00	0.00	50,250.00
6310380	OPEN HOLE EVALUATION	17,242.75	0.00	0.00	17,242.75
6310480	TSTNG-WELL, PL & OTH	0.00	195,000.00	0.00	195,000.00
6310600	MISC PUMPING SERVICE	0.00	45,000.00	0.00	45,000.00
6320100	EQPMNT SVC-SRF RNTL	98,583.11	185,000.00	0.00	283,583.11
6320110	EQUIP SVC - DOWNHOLE	94,892.65	0.00	0.00	94,892.65
6320160	WELDING SERVICES	6,700.00	11,555.56	0.00	18,255.56
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	35,425.44	0.00	35,425.44
6550110	MISCELLANEOUS SVC	19,450.00	0.00	0.00	19,450.00
6550120	OTHER ROUSTABOUT SER	0.00	116,896.67	0.00	116,896.67
6630110	CAPITAL OVERHEAD	10,272.21	21,790.33	0.00	32,062.54

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



## Authorization for Expenditure

AFE # XX-129749.01

Well Name: Jayhawk 7-6 Fed Fee Com 7H

Cost Center Number: 1093941801

Legal Description: Section 7-26S-34E

AFE Date: 10/31/2018

State: NM

County/Parish: Lea

Revision: ☐

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6740340	TAXES OTHER	0.00	225,000.00	0.00	225,000.00
	Total Intangibles	2,706,635.82	6,313,692.67	0.00	9,020,328.49

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	30,813.11	0.00	30,813.11
6130120	COMM DEVICES - SCADA	0.00	78,765.00	0.00	78,765.00
6300150	SEPARATOR EQUIPMENT	0.00	248,582.67	0.00	248,582.67
6300210	TREATER FWKO EQUIP	0.00	22,222.22	0.00	22,222.22
6300220	STORAGE VESSEL&TANKS	0.00	78,469.56	0.00	78,469.56
6300230	PUMPS - SURFACE	0.00	47,497.33	0.00	47,497.33
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	100,000.00	0.00	100,000.00
6310460	WELLHEAD EQUIPMENT	49,600.00	65,000.00	0.00	114,600.00
6310530	SURFACE CASING	28,350.00	0.00	0.00	28,350.00
6310540	INTERMEDIATE CASING	340,512.00	0.00	0.00	340,512.00
6310550	PRODUCTION CASING	478,604.46	0.00	0.00	478,604.46
6310580	CASING COMPONENTS	54,950.00	0.00	0.00	54,950.00
6320130	PAINT & COATING SERV	0.00	2,222.22	0.00	2,222.22
6320180	EQUIPMENT OTHER	0.00	7,000.00	0.00	7,000.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	164,460.44	0.00	164,460.44
	Total Tangibles	972,016.46	880,032.55	0.00	1,852,049.01

TOTAL ESTIMATED COST	3,678,652.28	7,193,725.22	0.00	10,872,377.50
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### WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



## EXHIBIT D

Devon Energy Production Company LP      405 228 8756 Phone  
333 West Sheridan Avenue      www.devonenergy.com  
Oklahoma City, OK 73102

October 31, 2018

Marathon Oil Permian, LLC  
5555 San Felipe St.  
Houston, TX 77056

RE: Well Proposal – Jayhawk 7-6 Fed Fee Com 6H  
SHL: 615' FSL and 2060' FEL – Section 7-T26S-R34E  
BHL: 20' FNL and 360' FEL – Section 6-T26S-R34E  
Lea County, New Mexico

Dear Mr. Gyllenband,

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill and complete the Jayhawk 7-6 Fed Fee Com 6H as a horizontal well to an approximate TVD of 12,677' and approximate TMD of 22,677' into the Wolfcamp formation at a SHL 615' FSL and 2060' FEL of Section 7-T26S-R34E and a BHL 20' FNL and 360' FEL of Section 6-26S-34E, Lea County, New Mexico (the "Well"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,569,889.25 and total completed well costs of \$10,726,947.80 (includes CTB and flowline costs).

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

Devon is proposing to drill the Well under the terms of the modified 2015 AAPL form of Operating Agreement ("JOA"), sent to your attention on August 16, 2018. The JOA has the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract area of E2 of Sections 6 and 7-T26S-R34E, being 640 acres
- 100/400% Non-Consenting Penalty
- \$6000/\$600 Drilling and Production Rate

Please indicate your election to participate in the drilling and completion of the Well in the space provided below, within 30 days of receipt, by signing and returning one (1) copy of this letter and AFE, along with your well data requirements sheet. A Communization Agreement for said well will be supplied for your review and execution at a later date.

If an agreement cannot be reached within 30 days of receipt of this letter, Devon will apply to the New Mexico Oil Conversation Division for compulsory pooling of your interest into a spacing unit for the Well, if uncommitted at such time.

Please do not hesitate to contact me at (405) 228-8756 or via email at [Melissa.Miller@dvn.com](mailto:Melissa.Miller@dvn.com) if you have any questions concerning this proposal.

Well Proposal – Jayhawk 7-6 Fed Fee Com 6H  
October 31, 2018  
Page Two

Very truly yours,

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

*Melissa Miller*

Melissa Miller  
Senior Landman

Marathon Oil Permian, LLC:

\_\_\_\_\_ **To Participate** in the proposal of the referenced Well

\_\_\_\_\_ **Not To Participate** in the proposal of the referenced Well

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Marathon Oil Permian, LLC

By: \_\_\_\_\_



## Authorization for Expenditure

AFE # XX-129748.01

Well Name: Jayhawk 7-6 Fed Fee Com 6H

Cost Center Number: 1093941701

Legal Description: Section 7-26S-34E

Revision: ☐

AFE Date:

10/31/2018

State:

NM

County/Parish:

Lea

### Explanation and Justification:

Drill and complete the Jayhawk 7-6 Fed Fee Com 6H.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	128,715.00	0.00	0.00	128,715.00
6080100	DISPOSAL - SOLIDS	78,038.00	1,500.00	0.00	79,538.00
6080110	DISP-SALTWATER & OTH	0.00	7,500.00	0.00	7,500.00
6080115	DISP VIA PIPELINE SW	0.00	200,000.00	0.00	200,000.00
6090100	FLUIDS - WATER	41,365.00	150,000.00	0.00	191,365.00
6090120	RECYC TREAT&PROC-H2O	0.00	525,000.00	0.00	525,000.00
6100100	PERMIT SURVEY&TITLE	30,000.00	5,666.67	0.00	35,666.67
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110100	ROAD & LOCN RECOVERY	30,000.00	0.00	0.00	30,000.00
6110130	ROAD&SITE PREP SVC	0.00	24,691.33	0.00	24,691.33
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6130170	COMM SVCS - WAN	1,251.00	0.00	0.00	1,251.00
6130360	RTOC - ENGINEERING	0.00	10,000.00	0.00	10,000.00
6130370	RTOC - GEOSTEERING	22,315.00	0.00	0.00	22,315.00
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
6160100	MATERIALS & SUPPLIES	7,806.00	0.00	0.00	7,806.00
6170100	PULLING&SWABBING SVC	0.00	15,000.00	0.00	15,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	375,000.00	0.00	375,000.00
6190100	TRCKG&HL-SOLID&FLUID	54,384.00	0.00	0.00	54,384.00
6190110	TRUCKING&HAUL OF EQP	14,400.00	10,000.00	0.00	24,400.00
6200110	INSPECTION SERVICES	0.00	11,666.67	0.00	11,666.67
6200130	CONSLT & PROJECT SVC	144,725.00	95,000.00	0.00	239,725.00
6230120	SAFETY SERVICES	48,775.00	4,000.00	0.00	52,775.00
6300270	SOLIDS CONTROL SRVCS	68,177.00	0.00	0.00	68,177.00
6310120	STIMULATION SERVICES	0.00	3,650,000.00	0.00	3,650,000.00
6310200	CASING & TUBULAR SVC	80,900.00	0.00	0.00	80,900.00
6310250	CEMENTING SERVICES	153,000.00	0.00	0.00	153,000.00
6310280	DAYWORK COSTS	628,665.00	0.00	0.00	628,665.00
6310300	DIRECTIONAL SERVICES	272,648.00	0.00	0.00	272,648.00
6310310	DRILL BITS	117,000.00	0.00	0.00	117,000.00
6310330	DRILL&COMP FLUID&SVC	210,000.00	8,000.00	0.00	218,000.00
6310370	MOB & DEMOBILIZATION	18,000.00	0.00	0.00	18,000.00
6310380	OPEN HOLE EVALUATION	26,778.00	0.00	0.00	26,778.00
6310480	TSTNG-WELL, PL & OTH	0.00	195,000.00	0.00	195,000.00
6310600	MISC PUMPING SERVICE	0.00	45,000.00	0.00	45,000.00
6320100	EQPMNT SVC-SRF RNTL	74,876.00	185,000.00	0.00	259,876.00
6320110	EQUIP SVC - DOWNHOLE	258,166.00	0.00	0.00	258,166.00
6320160	WELDING SERVICES	5,500.00	11,555.56	0.00	17,055.56
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	35,425.44	0.00	35,425.44
6550110	MISCELLANEOUS SVC	22,000.00	0.00	0.00	22,000.00
6550120	OTHER ROUSTABOUT SER	0.00	105,667.67	0.00	105,667.67
6630110	CAPITAL OVERHEAD	0.00	21,790.33	0.00	21,790.33

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



## Authorization for Expenditure

AFE # XX-129748.01

Well Name: Jayhawk 7-6 Fed Fee Com 6H

AFE Date:

10/31/2018

Cost Center Number: 1093941701

State:

NM

Legal Description: Section 7-26S-34E

County/Parish:

Lea

Revision: ☐

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6740340	TAXES OTHER	77,664.25	225,000.00	0.00	302,664.25
	Total Intangibles	2,641,148.25	6,302,463.67	0.00	8,943,611.92

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	30,813.11	0.00	30,813.11
6130120	COMM DEVICES - SCADA	0.00	78,765.00	0.00	78,765.00
6300150	SEPARATOR EQUIPMENT	0.00	248,582.67	0.00	248,582.67
6300210	TREATER FWKO EQUIP	0.00	22,222.22	0.00	22,222.22
6300220	STORAGE VESSEL&TANKS	0.00	78,469.56	0.00	78,469.56
6300230	PUMPS - SURFACE	0.00	47,497.33	0.00	47,497.33
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	100,000.00	0.00	100,000.00
6310460	WELLHEAD EQUIPMENT	51,000.00	65,000.00	0.00	116,000.00
6310530	SURFACE CASING	28,350.00	0.00	0.00	28,350.00
6310540	INTERMEDIATE CASING	331,578.00	0.00	0.00	331,578.00
6310550	PRODUCTION CASING	456,703.00	0.00	0.00	456,703.00
6310580	CASING COMPONENTS	41,110.00	0.00	0.00	41,110.00
6320130	PAINT & COATING SERV	0.00	2,222.22	0.00	2,222.22
6320180	EQUIPMENT OTHER	0.00	7,000.00	0.00	7,000.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	139,022.77	0.00	139,022.77
	Total Tangibles	928,741.00	854,594.88	0.00	1,783,335.88

TOTAL ESTIMATED COST	3,569,889.25	7,157,058.55	0.00	10,726,947.80
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### WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

Line	Mail Class	Tracking No	To Name	Delivery Address	City	State	Zip	Mail Date	Signature Date
1	Federal Express	7736 2436 6684	EOG Resources Inc	5509 Champions Dr	Midland	TX	79706	11/1/2018	Delivered 11/2/2018
2	Federal Express	7736 1898 8120	Jetstream Oil & Gas Partners LP	105 Nursery Lane, Suite 220	Fort Worth	TX	76114	11/1/2018	Delivered 11/2/2018
3	Federal Express	7736 1895 3516	Marathon Oil Permian LLC	5555 San Felipe St.	Houston	TX	77056	11/1/2018	Delivered 11/2/2018
4	Federal Express	7736 1897 1905	Novo Oil & Gas N. Delaware LLC	1001 W Wilshire Blvd, Suite 206	Oklahoma City	OK	73116	11/1/2018	Delivered 11/2/2018

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

**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY LP FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 20155**

**AFFIDAVIT OF J. RUSSELL GOODIN**

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

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. (“Devon”), and I am familiar with the subject application and the geology involved.
3. This affidavit is submitted in connection with the filing by Devon of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
  - a. I hold a Bachelor’s degree in Geology from Weber State University and a Master’s degree in Geology from Simon Fraser University. I completed my education in 2008.
  - b. I have been employed as a petroleum geologist since December of 2008.
5. **Exhibit A** is a Wolfcamp structure map. Strata dip approximately 100’ eastward across the Jayhawk sections. Apparent structural dip along the proposed Jayhawk wellbores will be around 0°. No major structural hazards exist at this location. The unit being pooled is outlined by a red rectangle.



6. **Exhibit A** identifies wells in the vicinity of the proposed well, with a cross-section line running from A to A'.

7. **Exhibit A** shows that the structure dips down to the east.

8. **Exhibit B** is a Wolfcamp stratigraphic cross-section hung on the top of the Wolfcamp. The cross-section shows consistent target thickness in wells near the Jayhawk sections. The well logs on the cross-section give a representative sample of the upper Wolfcamp formation in the area and demonstrate reasonable well control. The target zone for the wells is the upper Wolfcamp as indicated by the blue line in Exhibit B. The target zone is continuous across the well unit.

9. **Exhibit C** is a Gross Isochore of the upper Wolfcamp formation. The map shows thickness for the "target interval" indicated in Exhibit B. The upper Wolfcamp is uniform across the proposed well unit.

10. I conclude from the maps that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly east.

12. The granting of this Application is in the interests of conservation and the prevention of waste.

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

FURTHER AFFIANT SAYETH NAUGHT

  
J. Russell Goodin

Subscribed to and sworn before me this 7<sup>th</sup> day of January, 2019.



  
Notary Public

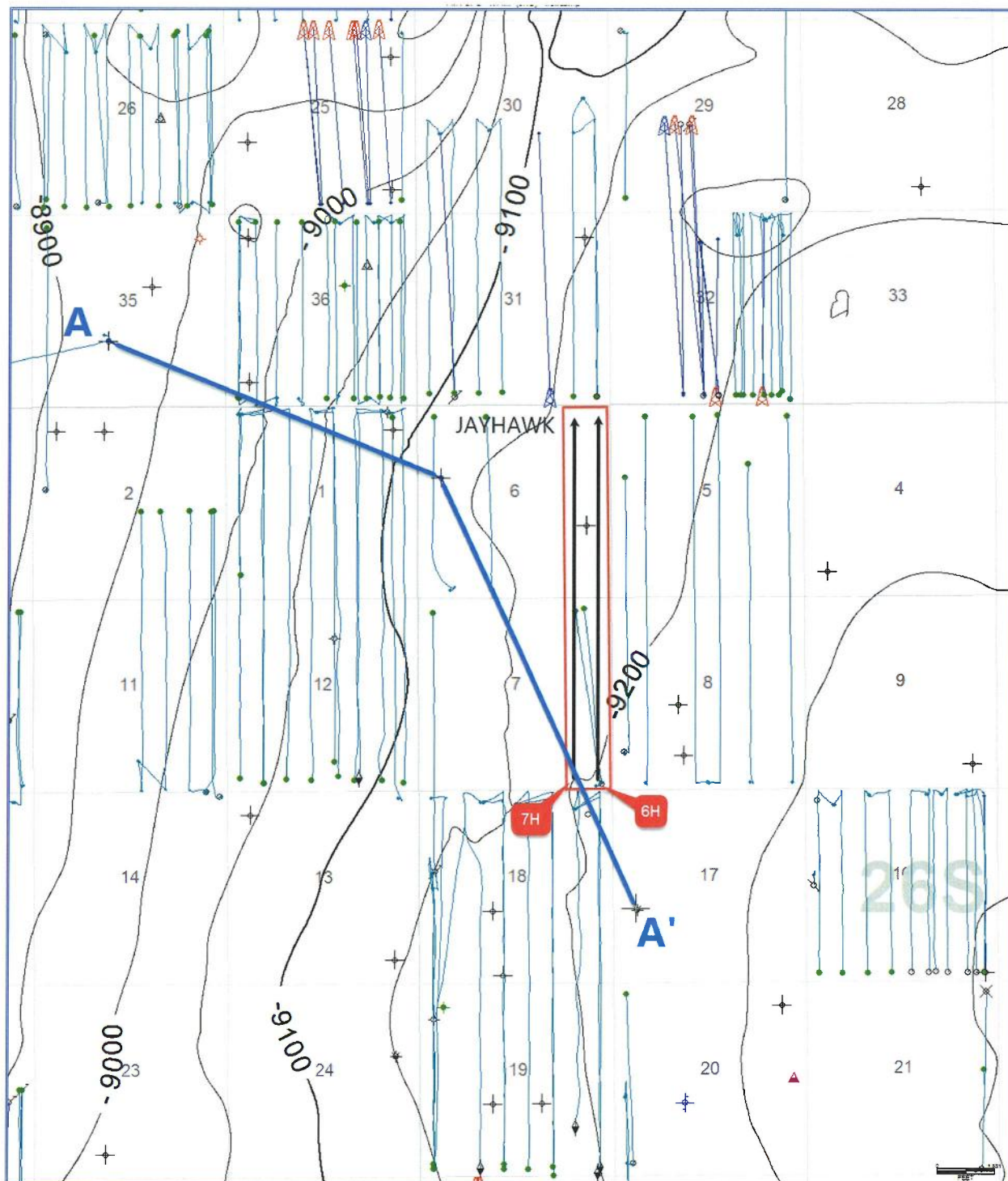


Exhibit A: Wolfcamp structure map. Contour interval = 50'. Cross-section indicated by blue line labeled A to A'. Red rectangle indicates unit being pooled.





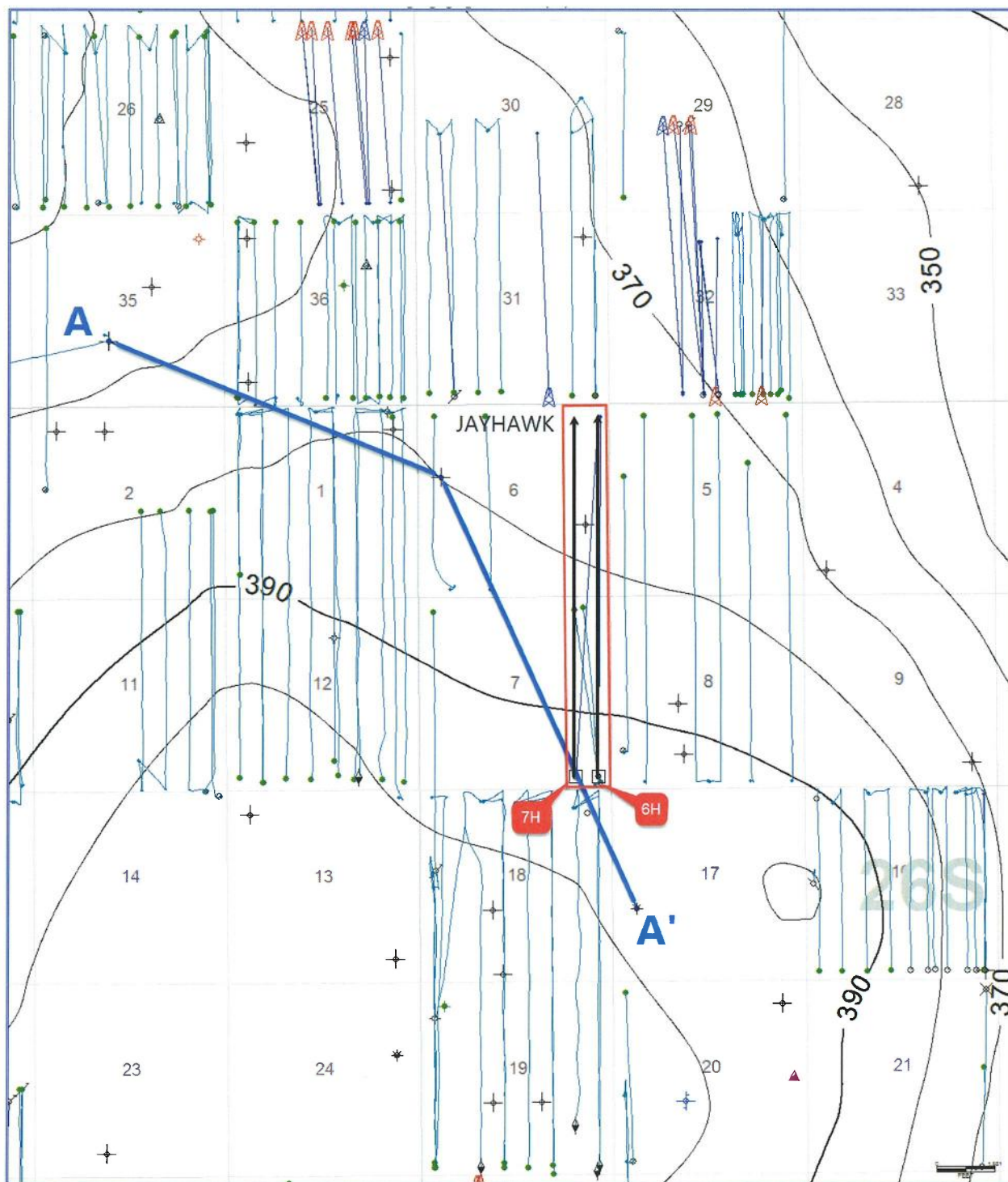


Exhibit C: Isochore thickness of target interval indicated on cross-section (Exhibit 2). Cross-section indicated by blue line labeled A to A'. Red rectangle indicates unit being pooled.

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

APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY LP FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

CASE NO. 20155

APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY LP FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

CASE NO. 20156

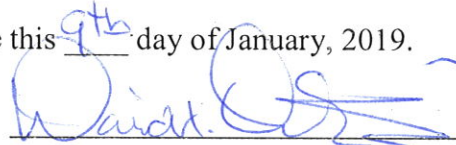
AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

I, Seth C. McMillan, attorney in fact and authorized representative of Devon Energy Production Company, L.P., the Applicant in the above-captioned matters, being first duly sworn, upon oath state that I sent copies of the Applications in these matters to the parties as specified on the attached **Exhibit A**. Proof of receipt is attached hereto. I also had published a Notice in the Hobbs News-Sun. An Affidavit of Publication is attached as **Exhibit B**. Devon has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Applications filed herein.

  
\_\_\_\_\_  
SETH C. McMILLAN

SUBSCRIBED AND SWORN to before me this 9<sup>th</sup> day of January, 2019.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

6/13/2022

**EXHIBIT 4**

Devon / Jayhawk Wells  
Case No. 20155  
January 10, 2018 Hearing

## **EXHIBIT A**

### **WORKING INTEREST OWNERS**

EOG Resources, Inc.  
5509 Champions Drive  
Midland, Texas 79706

Marathon Oil Permian, LLC  
5555 San Felipe St.  
Houston, TX 77056

Jetstream Oil and Gas Partners, LP  
105 Nursery Lane, Suite 220  
Fort Worth, Texas 76114

Novo Oil & Gas Northern Delaware, LLC  
1001 W. Wilshire Blvd. Suite 206  
Oklahoma City, OK 73116

### **ORRIs/NPRIIs**

The Fredericka H. Crain Trust, Advent  
Trust Company Trustee, under Trust  
indenture dated 5/26/1995  
6363 Woodway, Ste. 800  
Houston, Harris County, TX 77057-1714

Blackbird Royalties, LLC.  
P.O. Box 2670  
Roswell, NM 88202

Southwest Petroleum Land Services, LLC  
1901 W. 4th St.  
Roswell, NM 88202

Panhandle Properties, LLC  
P.O. Box 647  
Artesia, NM 88211

### **OTHER**

Bureau of Land Management  
301 Dinosaur Trail  
Santa Fe, NM 87508

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☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees **7.62**

Se  
 Si  
 Ci

EOG Resources, Inc.  
 5509 Champions Drive  
 Midland, Texas 79706

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE NM

Postmark  
 DEC 17 2018

USPO 87504

7015 1730 0000 9813 2050

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <b>X</b> <i>[Signature]</i> <span style="float: right;"><input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</span></p> <p>B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <b>12-20-18</b></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">             EOG Resources, Inc.              5509 Champions Drive              Midland, Texas 79706           </div>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<div style="display: flex; justify-content: space-between;"> <span>7015 1730 0000 9813 2050</span> <span>11 0000 0000 0000 0000</span> </div>	
<div style="display: flex; justify-content: space-between;"> <span>PS Form 3811, July 2013</span> <span>Domestic Return Receipt</span> </div>	



7015 1730 0000 9813 2029

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Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

\$

*7.62*  
Sent Marathon Oil Permian, LLC  
5555 San Felipe Street  
Houston, TX 77056

SANTA FE NM

DEC 17 2018

Postmark

USPO 87504

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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.

1. Article Addressed to:

Marathon Oil Permian, LLC  
5555 San Felipe Street  
Houston, TX 77056

2. Article Number

7015 1730 0000 9813 2029

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Richard Varga

C. Date of Delivery

12/28/18

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail®

☐ Priority Mail Express™

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

7015 1730 0000 9813 2005

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

Certified Mail Fee	\$ 7.42
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	

SANTA FE NM

DEC 17 2018  
 Posting Here  
 USPO 87504

Novo Oil & Gas Northern Delaware, LLC  
 1001 W. Wilshire Blvd.  
 Suite 206  
 Oklahoma City, OK 73116

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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.

1. Article Addressed to:

Novo Oil & Gas Northern Delaware, LLC  
 1001 W. Wilshire Blvd.  
 Suite 206  
 Oklahoma City, OK 73116

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature ☒ Agent ☐ Addressee  
 X *Riley Mixon*
- B. Received by (Printed Name) *Riley Mixon* C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type
- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Priority Mail Express™                    |
| <input type="checkbox"/> Registered                 | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Insured Mail               | <input type="checkbox"/> Collect on Delivery                       |

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. 7015 1730 0000 9813 2005

PS Form 3811, July 2013

Domestic Return Receipt

7015 1730 0000 9813 1992

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)<sup>®</sup>.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

\$

Jetstream Oil and Gas Partners, LP  
105 Nursery Lane, Suite 220  
Fort Worth, Texas 76114

SANTA FE NM

DEC 17 2018

Postmark  
Here

USPO 87504

PS Form 3800, April 2010 PSN 7530-02-000-9047

See Reverse for Instructions

7015 1730 0000 9813 1985

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)<sup>®</sup>.

OFFICIAL USE

Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

SANTA FE NM

DEC 17 2018

USPO 87504

Postage	
\$	742

Tot:	
\$	
Ser	
Stre	
City	

The Fredricka H. Crain Trust, Advent Trust  
Company Trustee, under Trust Indenture  
dated May 26, 1995  
6363 Woodway, Suite 800  
Houston, TX 77057

PS Form 3800, April 2010, EN 7030-02-000-9077 See Reverse for Instructions

7015 1730 0000 9813 1978

U.S. Postal Service <sup>TM</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT <i>Domestic Mail Only</i>	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> .	
OFFICIAL USE	
Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	
\$	
Total Postage and Fees	7.42
\$	
Sent To Street City	
Panhandle Properties, LLC P.O. Box 647 Artesia, NM 88211	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

SANTA FE NM  
Postmark  
Here 11/9  
USPO 87504

7015 1730 0000 9813 1954

**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.**OFFICIAL USE**

## Certified Mail Fee

\$

## Extra Services &amp; Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

## Postage

\$

## Total Postage and Fees

\$

## Sent To

Southwest Petroleum Land Services, LLC  
1901 W. 4th Street  
Roswell, NM 88202

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SANTA FE NM  
Post Office  
Here

DEC 17 2018

USPO 87504

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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.

## 1. Article Addressed to:

Southwest Petroleum Land Services, LLC  
1901 W. 4th Street  
Roswell, NM 88202

2. Article No.  
(Transfer)

7015 1730 0000 9813 1954

PS Form 3811, July 2013

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

## A. Signature

X

## B. Received by (Printed Name)

☐ Agent☐ Addressee

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ Collect on Delivery

## 4. Restricted Delivery? (Extra Fee)

☐ Yes



7015 1730 0000 9813 1961

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)<sup>®</sup>.

OFFICIAL USE

Certified Mail Fee  
\$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage  
\$  
Total Postage and Fees **7.42**  
\$

Sent To: Blackbird Royalties, LLC  
Street: P.O. Box 2670  
City, St: Roswell, NM 88202

SANTA FE NM  
Postmark  
DEC 17 2018  
USPO 87504

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	<div><div>A. Signature <b>X</b> </div><div><div>B. Received by (Printed Name) <b>James M. Schull</b></div><div>C. Date of Delivery <b>DEC 17 2018</b></div></div></div> <div><div>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</div></div>
<div>1. Article Addressed to:  Blackbird Royalties, LLC P.O. Box 2670 Roswell, NM 88202</div>	<div>3. Service Type <input checked="" type="checkbox"/> Certified Mail<sup>®</sup> <input type="checkbox"/> Priority Mail Express<sup>™</sup> <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</div>
<div>2. Article Number (Ti) <b>7015 1730 0000 9813 1961</b></div>	<div>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</div>

PS Form 3811, July 2013 Domestic Return Receipt

7015 1730 0000 9793 8028

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

Certified Mail Fee  
 \$ 3.45  
 Extra Services & Fees (check box, add fee as appropriate)  
☒ Return Receipt (hardcopy) \$ 2.75  
☐ Return Receipt (electronic) \$ \_\_\_\_\_  
☐ Certified Mail Restricted Delivery \$ \_\_\_\_\_  
☐ Adult Signature Required \$ \_\_\_\_\_  
☐ Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage  
 \$ 1.12  
 Total Postage and  
 \$ 7.62

Sent To  
 Street and Apt. No.  
 City, State, ZIP+4®

PS Form 3800, A

Bureau of Land Management  
 301 Dinosaur Trail  
 Santa Fe, NM 87508

Postmark  
 Here  
**SANTA FE NM**  
**DEC 20 2018**  
**USPO 87504**

**SENDER: COMPLETE THIS SECTION**

- 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.

**1. Article Addressed to:**

Bureau of Land Management  
 301 Dinosaur Trail  
 Santa Fe, NM 87508



9590 9403 0913 5223 4544 65

**2. Article Number (Transfer from service label)**

7015 1730 0000 9793 8028

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

**X** Jo Ann Lujan

☐ Agent  
☐ Addressee

**B. Received by (Printed Name)**

Jo Ann Lujan

**C. Date of Delivery**

**D. Is delivery address different from item 1?** ☐ Yes  
 If YES, enter delivery address below: ☐ No

**DEC 21 2018**

**3. Service Type**

- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                               | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery           | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®                    | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery            | <input checked="" type="checkbox"/> Return Receipt for Merchandise  |
| <input type="checkbox"/> Collect on Delivery                           | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery       | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail                                  |   |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) |   |



# 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).

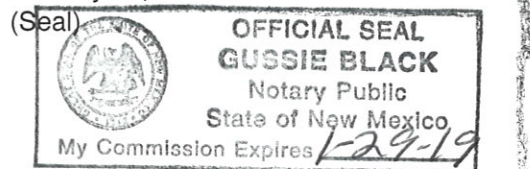
Beginning with the issue dated  
December 21, 2018  
and ending with the issue dated  
December 21, 2018.

  
Publisher

Sworn and subscribed to before me this  
21st day of December 2018.

  
Business Manager

My commission expires  
January 29, 2019



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

LEGAL

LEGAL

LEGAL

## LEGAL NOTICE DECEMBER 21, 2018

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns: **EOG Resources, Inc.; Marathon Oil Permian, LLC; Novo Oil & Gas Northern Delaware, LLC; Jetstream Oil and Gas Partners, LP; The Fredricka H. Crain Trust, Advent Trust Company Trustee, under Trust Indenture dated May 26, 1995; Panhandle Properties, LLC; Southwest Petroleum Land Services, LLC; Blackbird Royalties, LLC; Bureau of Land Management**

Devon Energy Production Company, L.P. has filed applications with the New Mexico Oil Conservation Division as follows. Please note that the Division has not yet assigned case numbers:

**Application of Devon Energy Production Company LP for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2 E/2 of Section 6 and the W/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed **Jayhawk 7-6 Fed Fee Com 16H Well**, to be horizontally drilled from a surface location 615' FSL and 2150' FEL of Section 7 to a bottom hole location 20' FNL and 2300' FEL of Section 6. This well defines the unit. Also to be drilled is the following infill well: the **Jayhawk 7-6 Fed Fee Com 8H Well**, to be horizontally drilled from a surface location 615' FSL and 2,120' FEL of Section 7 to a bottom hole location 20' FNL and 1,660' FEL of Section 6. The completed interval for the **Jayhawk 7-6 Fed Fee Com 16H Well** and the **Jayhawk 7-6 Fed Fee Com 8H Well** will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the **Jayhawk 7-6 Fed Fee Com 16H Well** and the **Jayhawk 7-6 Fed Fee Com 8H Well** will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells 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 wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

**Application of Devon Energy Production Company LP for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed **Jayhawk 7-6 Fed Fee Com 7H Well**, to be horizontally drilled from a surface location 615' FSL and 2,090' FEL of Section 7 to a bottom hole location 20' FNL and 980' FEL of Section 6. This well defines the unit. Also to be drilled is the following infill well: **Jayhawk 7-6 Fed Fee Com 6H Well**, to be horizontally drilled from a surface location 615' FSL and 2,060' FEL of Section 7 to a bottom hole location 20' FNL and 360' FEL of Section 6. The completed intervals for the **Jayhawk 7-6 Fed Fee Com 7H Well** and the **Jayhawk 7-6 Fed Fee Com 6H Well** will remain within the 330-foot setbacks required by the Statewide rules for horizontal oil wells. The first and last take points for the **Jayhawk 7-6 Fed Fee Com 7H Well** and the **Jayhawk 7-6 Fed Fee Com 6H Well** will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells 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 wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

Hearing on these applications is scheduled at 8:15 a.m. on Thursday, January 10, 2019 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 attorney, Seth C. McMillan, Montgomery and Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501 (505) 982-3873. #33551

01101398

00222439

SETH C. MCMILLAN  
MONTGOMERY & ANDREWS, P.A.  
P.O. BOX OFFICE BOX 2307  
A/C 451986  
SANTA FE, NM 87504-2307

EXHIBIT B