BEFORE THE OIL CONSERVATION COMMISSION EXAMINER HEARING JULY 11, 2019

CASE NOS. 20635 & 20636

Remuda North 30 State No. 111H, 112H, 121H and 122H Wells

REMUDA NORTH 31 STATE NO. 113H, 123H, 124H, AND164H WELLS

EDDY COUNTY, NEW MEXICO



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

APPLICATION OF XTO ENERGY INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20635 and 20636

AFFIDAVIT OF CARLOS de la GARZA IN SUPPORT OF CASE NOS. 20635 AND 20636

Carlos de la Garza, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Carlos de la Garza. I work for XTO Energy Inc. ("XTO") as a Senior Landman.
- 2. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I graduated from the University of Oklahoma with a B.B.A in Energy Management in 2011. Since 2012, I have worked with XTO as a Landman and have worked in the Permian Basin since January 2018. I seek to have my credentials accepted by the Division as an expert petroleum landman.
- 3. I am familiar with the applications filed by XTO in these consolidated cases, and I am familiar with the status of the lands in the subject areas.
- 4. None of the parties proposed to be pooled in these cases has indicated opposition, therefore I do not expect any opposition at the hearing.
- 5. In Case No. 20635, XTO seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 240-acre horizontal spacing unit comprised of the W/2 W/2 equivalent of irregular Section 19 and the W/2 NW/4 equivalent of irregular Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

- 6. This horizontal spacing unit will be dedicated to the following proposed wells: the Remuda North 30 State No. 111H Well (API No. 30-015-44400), the Remuda North 30 State No. 112H Well (API No. 30-015-44327), the Remuda North 30 State No. 121H Well (API No. 30-015-44402) and the Remuda North 30 State No. 122H Well (API No. 30-015-44401). These wells have been horizontally drilled from a surface location in the SW/4 NW/4 (Lot 3) of irregular Section 30 to bottom hole location in the NW/4 NW/4 (Lot 1) of irregular Section 19.
- 7. The completed interval for the Remuda North 30 State No. 111H Well, Remuda North 30 State No. 121H Well, and the Remuda North 30 State No. 122H Well will remain within the standard setback as required by the Statewide rules for oil wells. XTO intends to seek administrative approval of the non-standard location of the Remuda North 30 State No. 112H Well.
 - 8. XTO Exhibit No. A-1 contains Form C-102s for the proposed wells.
 - 9. The Pool Code for these wells is 98241 (WC-015 G-05 S233031K; Wolfcamp).
 - 10. There are no depth severances in the Wolfcamp formation.
- 11. XTO Exhibit No. A-2 identifies the tracts of land comprising the proposed spacing unit. This exhibit also identifies the interest ownership by tract and ultimately by spacing unit. XTO is seeking to pool only the working interest owners highlighted on the exhibit. This spacing unit includes State land only.
- 12. All interest owners that XTO seeks to pool are locatable. XTO has conducted a diligent search of all public records in Eddy County, including phone directories and computer databases.

- 13. XTO Exhibit No. A-3 contains a sample of the well proposal letter along with an AFE provided to the working interest owners XTO is seeking to pool. In addition to this letter, XTO has made a diligent effort to reach agreement with the parties it is seeking to pool.
- 14. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in each of these formations.
- 15. In Case No. 20636, XTO seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 400-acre horizontal spacing unit comprised of E/2 W/2 of Sections 19 and 30, and the E/2 NW/4 of Section 31, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.
- 16. This horizontal spacing unit will be dedicated to the following proposed wells: Remuda North 31 State No. 113H Well (API No. 30-015-44413), the Remuda North 31 State No. 123H Well (API No. 30-015-44414), the Remuda North 31 State No. 124H Well (API No. 30-015-44415), and the Remuda North 31 State No. 164H Well (API No. 30-015-pending). Each of these wells have been or will be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 31 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 19.
- 17. The completed interval for these wells will remain within the standard setback as required by the Statewide rules for oil wells.
 - 18. XTO Exhibit No. A-4 contains Form C-102s for the proposed wells.
 - 19. The Pool Code for these wells is 98241 (WC-015 G-05 S233031K; Wolfcamp).
 - 20. There are no depth severances in the Wolfcamp formation.

- 21. XTO Exhibit No. A-5 identifies the tracts of land comprising the proposed spacing unit. This exhibit also identifies the interest ownership by tract and ultimately by spacing unit. XTO is seeking to pool only the working interest owners highlighted on the exhibit. This spacing unit includes State and Fee lands.
- 22. All interest owners that XTO seeks to pool are locatable. XTO has conducted a diligent search of all public records in Eddy County, including phone directories and computer databases.
- 23. XTO Exhibit No. A-6 contains a sample well proposal letter along with an AFE provided to the working interest owners XTO is seeking to pool. In addition to this letter, XTO has made a diligent effort to reach agreement with the parties it is seeking to pool.
- 24. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in each of these formations.
- 25. In my opinion, XTO has made good faith efforts to reach agreement with the parties it is seeking to pool. If XTO reaches an agreement with any of the proposed pool parties before the Division enters an order, I will let the Division know that XTO is no longer seeking to pool those parties.
- 26. No ownership depth severances exist within these proposed spacing and proration units, and there are no unleased mineral interests in the subject acreage.
- 27. XTO has estimated the overhead and administrative costs for drilling and producing the proposed wells at \$7,500 per month while drilling and \$750 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

- 28. I provided the law firm of Holland & Hart LLP a list of names and addresses for the owners that XTO seeks to pool and instructed that they be notified of this hearing.
- 29. XTO Exhibit Nos. A-1 through A-6 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

CARLOS de la GARZA

STATE OF TEXAS)
COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me this ______ day of July 2019 by Carlos de la Garza.

NOTARY PUBLIC

My Commission Expires:

6/8/3020

ASHLEY EVANS
Notary Public, State of Texas
Comm. Expires 06-08-2020
Notary 10 130692375

District 1
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

1220 S. St. Francis Dr., Santa Fc, 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



AS-DRILLED PLAT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	***	DD DOCATION AND	TICKETICE DEDICTION TETT	/ 10	DIVILLED	1 0 1
1 API Number 03-015-	44400	² Pool Code 98241	WC-015 G095 S233013K; ฟื้อให้ตั้ง			
1 Property Code 318385			operty Name NORTH 30 STATE		⁶ Well Number 111H	
7 OGRID No.			perator Name		9 Elevation	
005380		XTO I	ENERGY, INC.		3,090'	

¹⁰ Surface Location

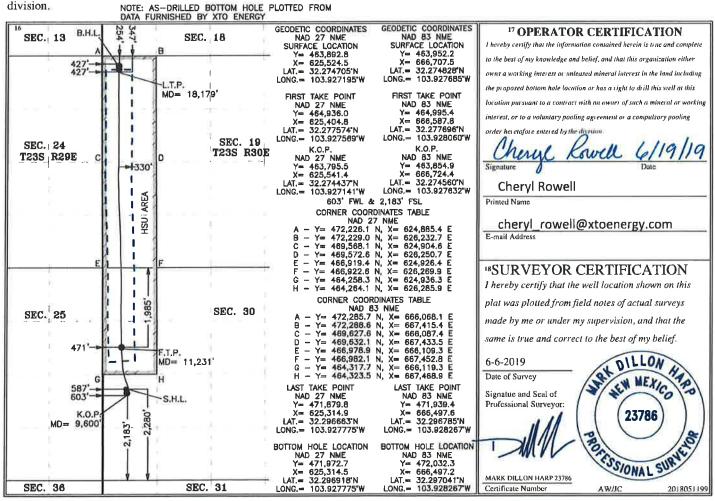
	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	Narth/South line	Feet from the	East/West line	County	
١	L3	30	23 S	30 E		2,280'	SOUTH	587'	WEST	EDDY	
							2100				

"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
L1			30 E		254'	NORTH	427'	WEST	EDDY
12 Dedicated Acres	¹³ Joint or	Infill 14 C	Consolidation	Code 15 Or	der No.	1			
240									

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.

NOTE: AS-DRILED BOTTOM HOLE PLOTTED FROM



Inten	t	As Dril	led x											
API#			1											
30-0)15-444	100												
Ope	rator Nai	me:				Pro	perty N	lame:						Well Number
XTC) Energ	v Inc.				Rer	nuda	Nort	h 30 S	State				111H
,,,,		, =,												
Kick C	Off Point	(KOP)												
UL	Section	Township	Range	Lot	Feet		From N	1/S	Feet		From	E/W	County	
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Latitu					Longitu		000						NAD	
32.2	274560)			103.9	927	632						83	
First 7	Take Poir	nt (FTP)												
UL	Section	Township	Range	Lot	Feet		From N	I/S	Feet		From	E/W	County	
E	30	23S	30E	2	1985		N		471	\	N		EDDY	
Latitu					Longitu								NAD	
32.2	277696	5			103.9	928	060						83	
UL D	Section 19	t (LTP) Township 23S	Range 30E	Lot 1	Feet 347	Fro	m N/S	Feet		From E/		Count EDD	•	
Latitu	ide				Longitu							NAD		
32.2	296785	5			103.9	928	267					83		
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s this	well an	infill well?		Х]									
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API #)15-443	327												
Ope	rator Nai	me:				Pro	perty N	lame						Well Number
XTC) Energ	y, Inc.				Rei	muda	Nort	h 30 S	State				112H
	3	• /												

KZ 06/29/2018

<u>District 1</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393 6161 Fax: (575) 393 0720
<u>District II</u>
811 S. First St., Artesia, NM 88210
Phone: (575) 749, 1793 Fay: (575) 749, 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

District IV

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

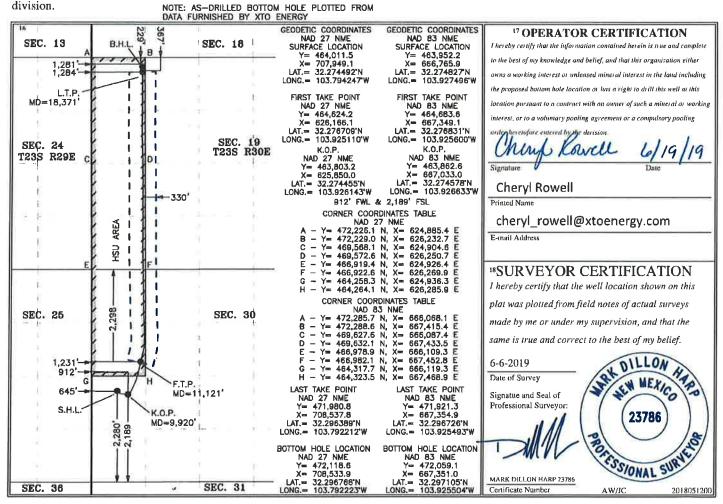
WELL LOCATION AND ACREAGE DEDICATION PLAT AS-DRILLED PLAT

	30-015-4			² Pool Code 3 241	: AMP					
⁴ Property 3183			•	RI	⁵ Property N EMUDA NORTI				6 W	ell Number 112H
⁷ OGRID 00538					⁸ Operator N XTO ENERG					Elevation 3,090'
					¹⁰ Surface L	Location				
UL or lot no. L3	Section 30	Township 23 S	Range 30 E	Lot 1dn	Feet from the 2,280'	North/South line SOUTH	Feet from the 645'	East WES	West line	County EDDY
	31.		ч Bott	om Hole	Location If	Different From	Surface			
TIT I-4	0.0	The second trans	Danier	T at Tila	Fort Con- that	Ni41-/C41	E. A. C AL	E	/NW/ -4 12-	C t-

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 229' **NORTH** L1 19 23S30 E 1,281 WEST **EDDY** 12 Dedicated Acres ³ Joint or Infill 14 Consolidation Code 15 Order No. 240

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.

NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM



Inten	t [As Dril	led x											
API#		27]											
-)15-443 rator Nai			(5)		Dro	perty N	ama						Well Number
) Energ					ı	muda			State	_			112H
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Latitu 32.2	ide 274578	3			Longitu 103.9		633				•		NAD 83	
First 7	Гаke Poin	it (FTP)												
UL	Section	Township	Range	Lot	Feet		From N	I/S	Feet		Fron	n E/W	County	
E	30	23S	30E	2	2298		N		123	1	W		EDDY	
Latitu	^{ide} 276831				Longitu 103.9		600						NAD 83	
UL D	Section	Township	Range 30E	Lot 1	Feet 367	Fro	m N/S	Feet		From W	E/W	Count		
Latitu	ıde		0012		Longitu				•			NAD		
32.2	296726	<u> </u>			103.9	925	493					83		
		defining w	vell for the	e Horiz	zontal Sp	oacin	g Unit?		YES]				
Spacir	l is yes pl ng Unit.	ease provi	de API if a	availab	le, Opei	rator	Name	and v	vell n	umbe	r for I	Definir	ng well fo	r Horizontal
API#														
Ope	rator Nar	ne:				Pro	perty N	ame						Well Number

KZ 06/29/2018

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

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Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>
1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT AS-DRILLED PLAT

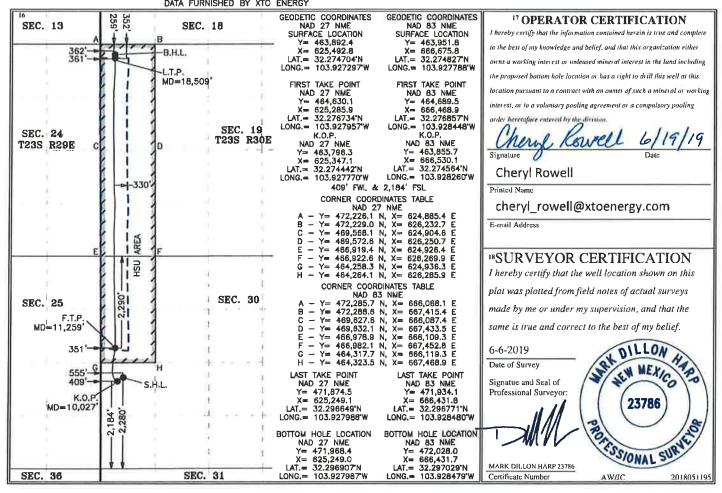
¹ API Numbe 30-015-	² Pool Code 98241	³ Pool Name WC-015 G095 S233013K; WOLFCAMP	
⁴ Property Code 318385		Property Name A NORTH 30 STATE	⁶ Well Number 121H
⁷ OGRID No. 005380		Operator Name) ENERGY, INC.	⁹ Elevation 3,090'

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
L3	30	23 S	30 E		2,280′	SOUTH	555'	WEST	EDDY
			пВо	ttom Hol	e Location If	Different From	n Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L1	19	23 S	30 E		259'	NORTH	362'	WEST	EDDY
12 Dedicated Acres	13 Joint or	r Infill 14 (Consolidation	Code 15 Or	der No.				
240									

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.

NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA FURNISHED BY XTO ENERGY



Intent	t	As Dril	led X											
API#		207												
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UL L	Section 30	Township 23S	Range 30E	Lot 3	Feet 2184		From N	I/S	Feet 409		Fron	n E/W	County	
Latitu		233	30E	3	Longitu	ıde	3		409		l v v		NAD	
32.2	274564	ļ			103.		260						83	
														-
First T	ake Poin	it (FTP)												
UL	Section	Township	Range	Lot	Feet		From N	1/5	Feet		Fron	n E/W	County	
E	30	23S	30E	2	2290		N	, .	351		W	, ••	EDDY	
Latitu		,			Longitu		4.40						NAD	
32.2	276857				103.9	928	448						83	
Last Ta	ake Poin	t (LTP)												
UL	Section	Township	Range	Lot	Feet		m N/S	Feet		From	E/W	Count	•	
D	19	23S	30E	1	352 Longitu	N		361		W		EDD NAD	Υ	
1	ue 296771				103.9		480					83		
OZ.Z					100.	020						00		
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Is this	well the	defining w	ell for th	e Horiz	zontal Sp	oacin	g Unit?	L						
Is this	well an i	nfill well?		YES	1									
					4									
		ease provi	de API if a	availab	le, Oper	rator	Name a	and v	vell n	umbei	r for [Definir	ng well fo	r Horizontal
Spacin	ng Unit.													
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	つてヘア ハノカバ	rar3.				Pro								TATALL BUILDANAR
YTO	Energy						perty N nuda i			State				112H

KZ 06/29/2018

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

> 4 Property Code 318385 OGRID No.

API Number

30-015-

State of New Mexico

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

Santa Fe, NM 87505

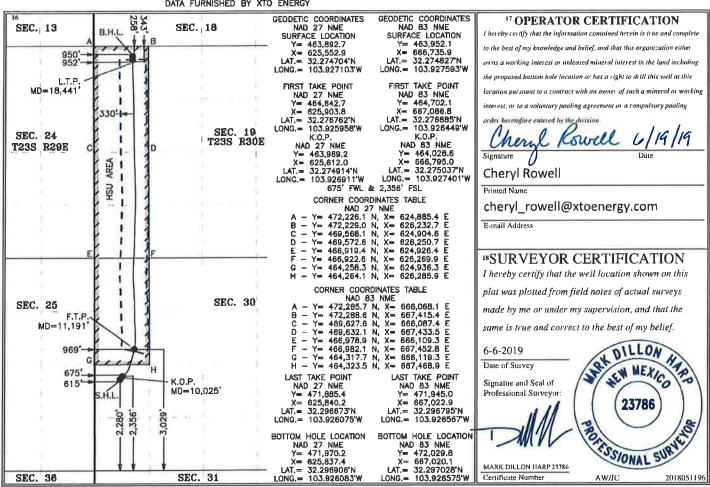
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office



WE	LL LOCATION AN	D ACREAGE DEDICATION PLAT	AS-DRILLED PLAT
44401	² Pool Code 98241	WC-015 G095 S233013K; WOLFCA	MP
		Property Name	⁶ Well Number
	REMUD	DA NORTH 30 STATE	122H
	1	Operator Name	⁹ Elevation

00538	0							3,090'				
					10 Surface 1	Location						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County		
L3	30	23 S	30 E		WEST	Г	EDDY					
	"Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Тоwnship	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County		
L1	19	23 S	30 E		258'	NORTH	950'	WES	Г	EDDY		
¹² Dedicated Acres	Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.											
240												

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA FURNISHED BY XTO ENERGY division.



Inten	t [As Dril	lled x											
API #		101												
Ope)15-444 rator Nai) Energ	me:					perty N nuda I			State	9			Well Number 122H
Kick C	Off Point	(KOP)												
UL L	Section 30	Township 23S	Range 30E	Lot 3	Feet 2356		From N	I/S	Feet		Fron	n E/W	County	
Latitu 32.2	ide 275037	7			Longitu 103.9		l01						NAD 83	
First T	ake Poin	t (FTP)												
UL E	Section 30	Township 23S	Range 30E	Lot 2	Feet 3029		From N S	I/S	Feet 969		From W	ı E/W	County EDDY	
132.2	^{de} 276885	5			Longitu 103.9		149						NAD 83	
Last T	ake Poin	t (LTP)												
UL D	Section 19	Township 23S	Range 30E	Lot 1	Feet 344	Fron N	n N/S	Feet 952		From W	E/W	Count EDD		
Latitu 32.2	_{de} 296795	j	10		Longitu 103.9		67					NAD 83		
		defining w		e Horiz	contal Sp	pacing	;Unit?]				
Spacin	is yes plag Unit.		de API if a	availab	le, Oper	ator N	lame a	and w	vell n	umber	for [Definir	ng well fo	r Horizontal
Oper	ator Nan	ne:					erty Na			-				Well Number
XTO	Energy	, Inc.				Rem	nuda N	Vort	า 30	State	;			112H

KZ 06/29/2018

(Case No. 20635) Remuda North 30 111H, 112H, 121H, & 122H

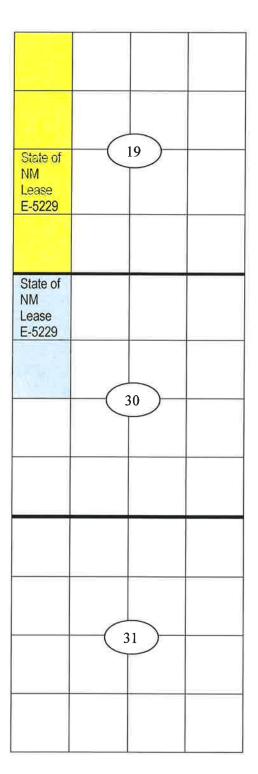
W2 W2 of Section 19, W2 NW of Section 30, T23S-R30E, Eddy County, New Mexico Wolfcamp Formation

Tract: 1



Tract 2:





Hearing Date: July 11, 2019
Case # 20635 & 20636

Spacing Unit Working Interest (Wolfcamp) - 241.28 acres

Total WI	100.000000%
Rex Energy I (successor in interest to Douglas Oil & Gas)	6.67109%
Devon Energy Production Company	10.00663%
XTO Delaware Basin, LLC	50.00000%
XTO Holdings, LLC	33.32228%

Tract 1 (E-5229) – W2 W2 of Section 19

XTO Holdings, LLC	50.00000%
XTO Delaware Basin, LLC	50.00000%

<u>Tract 2 – (E-5229) – W2 NW of Section 30</u>

XTO Delaware Basin, LLC	50.00000%
Devon Energy Production	30.00000%
Rex Energy I (successor in interest to Douglas Oil & Gas)	20.00000%

Pooling Notification List

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 43102 Attn: Verl Brown

Rex Energy I, LLC 476 Rolling Ridge Drive, Suite 300 State College, PA 16801 Attn: Land Manager

Buchanan Ingersoll & Rooney, PC (Bankruptcy Receiver – Attorney for Rex Energy I, LLC) One Oxford Center 301 Grant Street, 20th Floor Pittsburgh, PA 73102 Attn: James Newell



June 6, 2019

XTO Energy Inc.
Land Dept. Loc. 115
22777 Springwoods Village Pkwy
Spring TX 77389-1425
832-625-2905 Direct Phone
Carlos_Delagarza@xtoenergy.com

VIA FEDEX & EMAIL: verl.brown@dvn.com DELIVERY CONFIRMATION REQUESTED

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

Remuda North 30 State 111H – AFE# 1701988 SHL: Section 30-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat)

Eddy County, NM

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,473' TVD and 17,973' TMD well targeting the Wolfcamp formation at a surface location of 2,280' FSL and 585' FWL of Section 30, T23S-R30E and a bottom hole location of 200' FNL and 440' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$2,275,000.00 with a completion cost of \$5,489,000.00 for a total of \$7,764,000.00, as evidenced on the enclosed Authority for Expenditure (AFE).

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

Carlos de la Garza
Landman

ELECT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 111H well.

ELECT NOT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 111H well.

Devon Energy Production Company, L.P.

Signed

By:



XTO ENERGY INC. AUTHORITY FOR EXPENDITURE

AFE NO.: 1701988 DISTRICT: DELAWARE

AFE DESC: D&C IN WOLFCAMP Y FIELD: REMUDA

DATE: 04/11/2017 ACCOUNTING ID: 1674731001

AFE TYPE: DEVELOPMENT DRILLING WELL NAME: REMUDA NORTH 30 STATE 111H OPERATOR: 99994331 - XTO ENERGY INC.-RU4331 STATE/COUNTY: New Mexico / Eddy

SURVEY/ABSTRACT: XTO WI DECIMAL: 0.500000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	9,000.00	0.00	0.00	0.00	9,000.00
Ex,V,Gd,Part_Wellhead,Completion	0,00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Part_WellCasing,Surface	11,000.00	0.00	0.00	0.00	11,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	135,000,00	0.00	0.00	0.00	135,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	185,000.00	0.00	0.00	185,000.00
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0,00	65,000.00	0.00	0,00	65,000.00
Ex,V,Gd,Part_DrillBit	76,000.00	5,000.00	0.00	0.00	81,000.00
Ex,V,Gd,Part_DrillMud	160,000.00	0.00	0.00	0.00	160,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0,00	20,000.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0,00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	29,000.00	0.00	0.00	0.00	29,000.00
Ex,V,Fuel,Purch_Othr	160,000.00	0.00	0.00	0.00	160,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	662,000.00	25,000.00	0.00	0.00	687,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	64,000.00	50,000.00	0.00	0.00	114,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	131,000.00	250,000,00	0.00	0.00	381,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex,V,ContractLabor,Technical	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,ContractLabor,Fabrication	37,000.00	0.00	0.00	0.00	37,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Serv,Eng_O&GWellDrill	102,000.00	50,000.00	0.00	0.00	152,000.00
Ex,V,Srv,Site_SitePrep,DrilPadConst	125,000.00	0.00	0.00	0.00	125,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	44,000.00	10,000.00	0.00	0.00	54,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0,00	200,000.00	0.00	0.00	200,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	189,000.00	0.00	0.00	0.00	189,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	110,000.00	0.00	0.00	110,000.00
Ex,V,Srv,WasteMgmt_Oth,ComplFluidTrnsp	0.00	275,000.00	0.00	0.00	275,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	65,000.00	0.00	0.00	65,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,300,000.00	0.00	0.00	3,300,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	219,000.00	0.00	0.00	0.00	219,000.00
Ex,V,Serv,O&GWell,MudLogging	29,000.00	0.00	0.00	0.00	29,000.00
Ex,V,Serv,O&GWell,Fishing	0.00	25,000.00	0.00	0.00	25,000.00



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.: 1701988

AFE DESC: D&C IN WOLFCAMP Y

DATE: 04/11/2017

AFE TYPE: DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT: DELAWARE

FIELD: REMUDA

ACCOUNTING ID: 1674731001

WELL NAME: REMUDA NORTH 30 STATE 111H

STATE/COUNTY: New Mexico / Eddy XTO WI DECIMAL: 0.500000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Srv,O&GWell,Casing,Surf Int	10,000.00	0,00	0,00	0.00	10,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	9,000.00	0.00	0.00	9,000.00
Ex,V,Serv,O&GWell,Completion	0.00	150,000.00	0.00	0.00	150,000.00
Ex,E,O&GJVOvrhd,CombinedFxdRate,FieldOps,Dril	8,000.00	0.00	0.00	0.00	8,000.00
TOTAL:	2,275,000.00	5,489,000.00	0.00		7,764,000.00

TOTAL THIS AFE: 2,275,000.00 5,489,000.00 7,764,000.00

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS: "D&C 7500 LATERAL IN THE WOLFCAMP Y. THE SUBJECT WELL WILL BE DRILLED TO A TD OF

+/-17960'MD/10400'TVD WHERE 5-1/2"" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS

BASED ON28 SPUD TO RR WITH A 5 DAY RIG MOVE.

Prepared By: ROBIN ANDERSON DATE

Approved By: TERRY PERKINS

BY

Signature: TITLE

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, Azicc, 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 Submit one copy to appropriate OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

MAY 0 1 2019

☐ AMENDED REPORT

Form C-102

District Office

DISTRICT II-ARTESIA O.C.D.

WELL LOCATION AND ACREAGE DEDICATION PLAT AS-DRILLED PLAT API Number 3 Pool Name 03-015- 44400 WC-015 G-05 S233013K; WOLFCAMP 98241 Property Code 318385 Property Name ⁶ Well Number **REMUDA NORTH 30 STATE** HIII OGRID No. 8 Operator Name 9 Elevation 005380 XTO ENERGY, INC. 3,090

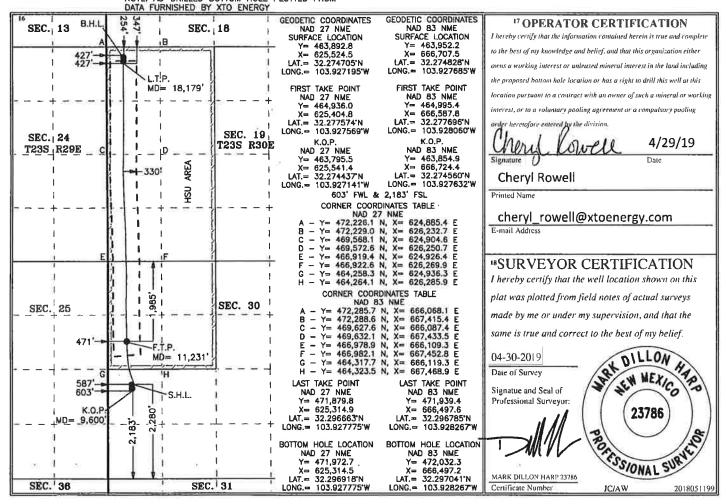
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L3	30	23 S	30 E		2,280'	SOUTH	587.	WEST	EDDY

"Bottom Hole Location If Different From Surface

The Later Control of the Control of	Dollow Hole Boulder it Different From Suraco										
UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County		
LI	19	23 S	30 E		254'	NORTH	427'	WEST	EDDY		
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.											
480											

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. NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM





June 6, 2019

XTO Energy Inc. Land Dept. Loc. 115 22777 Springwoods Village Pkwy Spring TX 77389-1425 832-625-2905 Direct Phone Carlos_Delagarza@xtoenergy.com

VIA FEDEX & EMAIL: verl.brown@dvn.com DELIVERY CONFIRMATION REQUESTED

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

Remuda North 30 State 112H – AFE# 1701982 SHL: Section 30-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat) Eddy County, NM

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,379' TVD and 17,879' TMD well targeting the Wolfcamp formation at a surface location of 2,280' FSL and 645' FWL of Section 30, T23S-R30E and a bottom hole location of 229' FNL and 1,281' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$2,275,000.00 with a completion cost of \$5,489,000.00 for a total of \$7,764,000.00, as evidenced on the enclosed Authority for Expenditure (AFE). Our title research shows Devon Energy Production Company, L.P. owning a 10.00% working interest in the proposed well. The ownership in the proposed well may be subject to change based on any required title curative or adjustments made as the result of any subsequent title examination and completion operations.

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

XTO ENERGY INC.

Carlos de la Garza
Landman

____ELECT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 112H well.

____ELECT NOT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 112H well.

Devon Energy Production Company, L.P.

Signed _____By: ______

Title:



XTO ENERGY INC. AUTHORITY FOR EXPENDITURE

AFE NO.:

1701982

AFE DESC:

D&C IN WOLFCAMP Y

DATE:

04/11/2017

AFE TYPE:

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

DEVELOPMENT DRILLING

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674781001

WELL NAME:

REMUDA NORTH 30 STATE 112H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.833333333

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	9,000.00	0.00	0.00	0.00	9,000.00
Ex,V,Gd,Part_Wellhead,Completion	0,00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Part_WellCasing,Surface	11,000.00	0.00	0,00	0.00	11,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	135,000.00	0.00	0.00	0.00	135,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	185,000.00	0.00	0.00	185,000.00
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0,00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0,00	30,000.00	0,00	0.00	30,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	65,000.00	0,00	0.00	65,000.00
Ex,V,Gd,Part_DrillBit	76,000.00	5,000.00	0.00	0.00	81,000.00
Ex,V,Gd,Part_DrillMud	160,000.00	0.00	0.00	0.00	160,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0,00	20,000.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0,00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	29,000.00	0.00	0.00	0.00	29,000.00
Ex,V,Fuel,Purch_Othr	160,000.00	0.00	0,00	0.00	160,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,Ml	662,000.00	25,000.00	0,00	0.00	687,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	64,000.00	50,000.00	0.00	0.00	114,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	131,000.00	250,000.00	0.00	0.00	381,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex,V,ContractLabor,Technical	0,00	30,000.00	0.00	0.00	30,000.00
Ex,V,ContractLabor,Fabrication	37,000,00	0,00	0.00	0.00	37,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Serv,Eng_O&GWellDrill	102,000.00	50,000.00	0.00	0.00	152,000.00
Ex,V,Srv,Site_SitePrep,DrilPadConst	125,000.00	0,00	0.00	0.00	125,000.0
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	44,000.00	10,000.00	0.00	0.00	54,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	200,000.00	0.00	0.00	200,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	189,000.00	0,00	0.00	0.00	189,000.0
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.0
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	110,000.00	0.00	0,00	110,000.00
Ex,V,Srv,WasteMgmt_Oth,ComplFluidTrnsp	0.00	275,000,00	0.00	0.00	275,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0,00	65,000.00	0.00	0.00	65,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,300,000,00	0.00	0.00	3,300,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0,00	0.00	50,000.0
Ex,V,Serv,O&GWell,DirectionalDrill	219,000.00	0.00	0.00	0.00	219,000.0
Ex,V,Serv,O&GWell,MudLogging	29,000.00	0.00	0,00	0.00	29,000.0
Ex,V,Serv,O&GWell,Fishing	0.00	25,000.00	0.00	0.00	25,000.00



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.: 1701982

AFE DESC: D&C IN WOLFCAMP Y

DATE:

04/11/2017

AFE TYPE: DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT: DELAWARE

FIELD: REMUDA

ACCOUNTING ID: 1674781001

WELL NAME: REMUDA NORTH 30 STATE 112H

STATE/COUNTY: New Mexico / Eddy

XTO WI DECIMAL: 0.833333333

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Srv,O&GWell,Casing,Surf Int	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	9,000.00	0.00	0.00	9,000.00
Ex,V,Serv,O&GWell,Completion	0.00	150,000.00	0.00	0.00	150,000.00
Ex,E,O&GJVOvrhd,CombinedFxdRate,FieldOps,Dril	8,000.00	0.00	0.00	0.00	8,000,00
TOTAL:	2,275,000.00	5,489,000.00	0.00	0.00	7,764,000.00

TOTAL THIS AFE: 2,275,000.00 5,489,000.00 0.00 0.00 7,764,000.00

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS:

D&C 7500 LATERAL IN THE 3RD BONE SPRING. THE SUBJECT WELL WILL BE DRILLED TO A TD OF

+/-17879'MD/10379'TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS

BASED ON 24 DAY SPUD TO RR WITH A 5 DAY RIG MOVE.

		Non Operator Approval				
Prepared By:	ROBIN ANDERSON	DATE				
		COMPANY				
Approved By:	TERRY PERKINS	BY				
Signature:		TITLE				

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 20 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III MAY 1000 Rio Brazos Road, Aztec, NM 82019

Phone: (505) 334-6178 Fax: (505) 334-6170

State of New Mexico

Energy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

DISTRICT II-ARTESIA O.C.D AMENDED REPORT

District 15 ARTESIA 0.C.D.
1220 9 Sharp CT 15 ARTESIA 0.C.D.
Phone: (505) 476-3460 Fax: (505) 476-3462 C.D.

WELL LOCATION AND ACREAGE DEDICATION PLAT AS-DRILLED PLAT

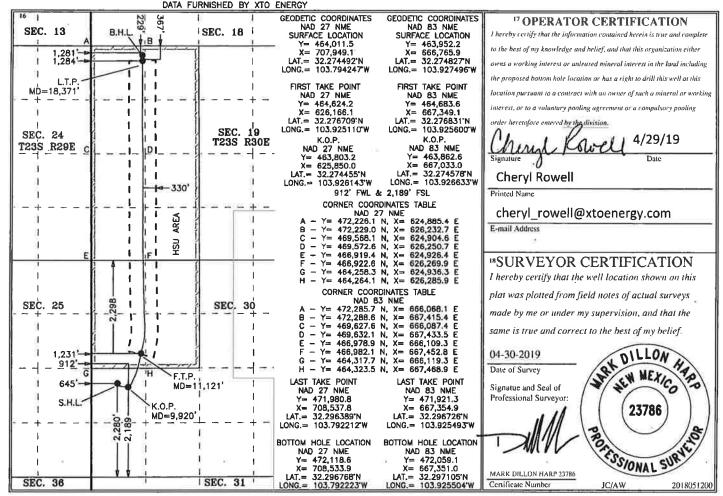
¹ API Numb 30-015-	44327	WC-015 G-05 S233013K; WOLFCAMP				
⁴ Property Code 318385			roperty Name NORTH 30 STATE	⁶ Well Number 112H		
⁷ OGRID No.		8 O	⁹ Elevation 3.090'			
005380		XTO ENERGY, INC.				

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
L3	30	23 S	30 E		2,280′	SOUTH	645'	WEST	EDDY		
["Bottom Hole Location If Different From Surface										

UL or lot no. Range North/South line Feet from the East/West line County 19 23 S 30 E 229 NORTH WEST L1 1.281 EDDY 12 Dedicated Acres Joint or Infill 4 Consolidation Code 15 Order No. 480

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA FURNISHED BY XTO ENERGY division.





June 6, 2019

XTO Energy Inc. Land Dept. Loc. 115 22777 Springwoods Village Pkwy Spring TX 77389-1425 832-625-2905 Direct Phone Carlos_Delagarza@xtoenergy.com

VIA FEDEX & EMAIL: verl.brown@dvn.com DELIVERY CONFIRMATION REQUESTED

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

Remuda North 30 State 121H – AFE# 1701984 SHL: Section 30-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat)

Eddy County, NM

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,721' TVD and 18,221' TMD well targeting the Wolfcamp formation at a surface location of 2,280' FSL and 555' FWL of Section 30, T23S-R30E and a bottom hole location of 259' FNL and 362' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$2,280,000.00 with a completion cost of \$5,488,000.00 for a total of \$7,768,000.00, as evidenced on the enclosed Authority for Expenditure (AFE). Our title research shows Devon Energy Production Company, L.P. owning a **10.00%** working interest in the proposed well. The ownership in the proposed well may be subject to change based on any required title curative or adjustments made as the result of any subsequent title examination and completion operations.

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

Title:

XTO ENERGY INC.

Carlos de la Garza

By:

ELECT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 121H well.

ELECT NOT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 121H well.

Devon Energy Production Company, L.P.



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.:

1701984

AFE DESC:

D&C IN WOLFCAMP A

DATE:

04/11/2017

AFE TYPE: DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674741001

WELL NAME:

REMUDA NORTH 30 STATE 121H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.833333333

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Part_WellCasing,Surface	11,000.00	0.00	0.00	0,00	11,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	135,000.00	0.00	0.00	0.00	135,000,00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	184,000.00	0,00	0.00	184,000.00
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	65,000.00	0.00	0.00	65,000.00
Ex,V,Gd,Part_DrillBit	76,000.00	5,000.00	0,00	0.00	81,000,00
Ex,V,Gd,Part_DrillMud	166,000.00	0.00	0.00	0,00	166,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	120,000.00	0.00	0,00	120,000,00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	15,000.00	0.00	0,00	15,000,00
Ex,V,Gd,Suppl,Misc,NonWellwork	30,000.00	0.00	0.00	0.00	30,000.00
Ex,V,Fuel,Purch_Othr	166,000.00	0,00	0.00	0,00	166,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,Ml	678,000.00	25,000.00	0.00	0.00	703,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	66,000.00	50,000.00	0.00	0,00	116,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	136,000.00	250,000.00	0.00	0.00	386,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex,V,ContractLabor,Technical	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,ContractLabor,Fabrication	38,000.00	0.00	0.00	0.00	38,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0,00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000,00
Ex,V,Serv,Eng_O&GWellDrill	106,000.00	50,000.00	0.00	0.00	156,000,00
Ex,V,Srv,Site_SitePrep,DrilPadConst	50,000.00	0.00	0.00	0.00	50,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	46,000.00	10,000.00	0.00	0,00	56,000,00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	200,000.00	0.00	0.00	200,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	196,000.00	0.00	0.00	0.00	196,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	110,000.00	0.00	0.00	110,000.00
Ex,V,Srv,WasteMgmt_Oth,ComplFluidTrnsp	0.00	275,000.00	0.00	0.00	275,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0,00	65,000.00	0.00	0.00	65,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,300,000.00	0.0	0.00	3,300,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0.0	0.00	50,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	247,000.00	0.00	0.0	0,00	247,000.00
Ex,V,Serv,O&GWell,MudLogging	30,000.00	0.00	0.0	0.00	30,000.00
Ex,V,Serv,O&GWell,Fishing	0,00	25,000.00	0.00	0.00	25,000.00



XTO ENERGY INC. AUTHORITY FOR EXPENDITURE

AFE NO.: DISTRICT: **DELAWARE** 1701984 AFE DESC: D&C IN WOLFCAMPA FIELD: REMUDA DATE:

ACCOUNTING ID: 1674741001 04/11/2017

AFE TYPE: DEVELOPMENT DRILLING WELL NAME: REMUDA NORTH 30 STATE 121H OPERATOR: 99994331 - XTO ENERGY INC.-RU4331 STATE/COUNTY: New Mexico / Eddy

XTO WI DECIMAL: 0.833333333 SURVEY/ABSTRACT:

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Srv,O&GWell,Casing,Surf Int	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Srv,O&GWell,Casing,Production	0,00	9,000.00	0.00	0.00	9,000.00
Ex,V,Serv,O&GWell,Completion	0,00	150,000.00	0.00	0.00	150,000.00
Ex,E,O&GJVOvrhd,CombinedFxdRate,FieldOps,Dril	8,000.00	0.00	0.00	0.00	8,000.00
TOTAL:	2,280,000.00	5,488,000.00	0.00		7,768,000.00

TOTAL THIS AFE: 2,280,000.00 5,488,000.00 7,768,000.00

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

D&C 7500 LATERAL IN THE WOLFCAMP A. THE SUBJECT WELL WILL BE DRILLED TO A TD OF REMARKS:

+/-18236'MD/10736'TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS

BASED ON 30 SPUD TO RR WITH A 5 DAY RIG MOVE.

			Non Operator Approval
Prepared By:	ROBIN ANDERSON	DATE	
A-muound Deu	TERRY PERKINS	COMPANY	д
Approved By:	TERRI FERRINS	BY	
Signature:	8	TITLE	

District 1 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, Azicc, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

State of New Mexico

Energy, Minerals & Natural Resources Department D 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

MAY 0 1 2019

AMENDED REPORT

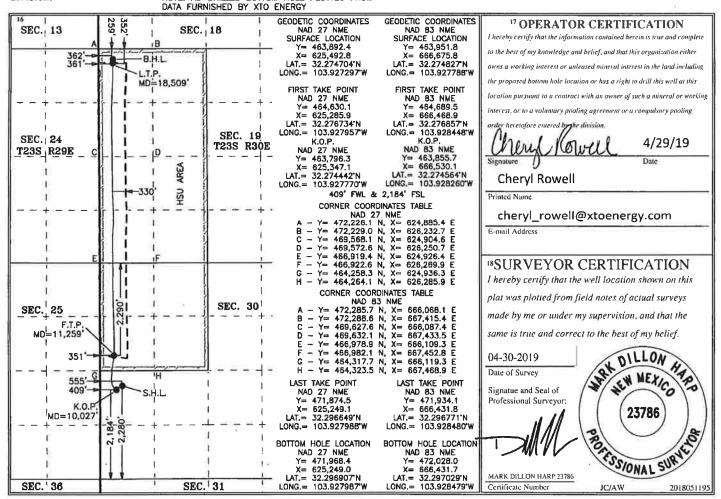
Phone: (505) 334-6178 Fax: (505) 3 District IV	34-6170	Santa F	e, NM 87505	MAI	AMENDED REPORT
1220 S. St. Francis Dr., Santa Fe, N Phone: (505) 476-3460 Fax: (505) 4	M 87505 76-3462			WICT II-AFTESI	40°C°70°
02	WE	LL LOCATION AND	ACREAGE DEDI	CASTION PLAT	AS-DRILLED PLAT
API Numb 30-015-	^{er} 44402	LL LOCATION AND 2 Pool Code 98241	WC-015 G095 S2	³ Pool Name 33013K; WOLFCAM	Р
⁴ Property Code 318385			operty Name NORTH 30 STATE		⁶ Well Number 121H
⁷ OGRID No. 005380			perator Name ENERGY, INC.		⁹ Elevation 3,090'

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
L3	30	23 S	30 E		2,280'	SOUTH	555'	WEST	EDDY
			¹¹ Во	ttom Hol	e Location If	Different Fron	n Surface		

UL or lot no. Section Township Let Idn Feet from the North/South line Feet from the East/West line County Range 259' **NORTH EDDY** 19 23 S 30 E 362 WEST LI 12 Dedicated Acres Joint or Infill 15 Order No. Consolidation Code 480

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. NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM





XTO Energy Inc. Land Dept. Loc. 115 22777 Springwoods Village Pkwy Spring TX 77389-1425 832-625-2905 Direct Phone Carlos_Delagarza@xtoenergy.com

June 6, 2019

VIA FEDEX & EMAIL: verl.brown@dvn.com DELIVERY CONFIRMATION REQUESTED

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

Remuda North 30 State 122H – AFE# 1701985 SHL: Section 30-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat) Eddy County, NM

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,729' TVD and 18,229' TMD well targeting the Wolfcamp formation at a surface location of 2,280' FSL and 615' FWL of Section 30, T23S-R30E and a bottom hole location of 258' FNL and 950' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$2,280,000.00 with a completion cost of \$5,488,000.00 for a total of \$7,768,000.00, as evidenced on the enclosed Authority for Expenditure (AFE). Our title research shows Devon Energy Production Company, L.P. owning a 10.00% working interest in the proposed well. The ownership in the proposed well may be subject to change based on any required title curative or adjustments made as the result of any subsequent title examination and completion operations.

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

By:___ Title:

XTO ENERGY INC.

Carlos de la Garza

Landman

____ELECT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 122H well.

___ELECT NOT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 30 State 122H well.

Devon Energy Production Company, L.P.

Signed



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.:

1701985

AFE DESC:

D&C IN WOLFCAMPA

DATE:

04/11/2017

AFE TYPE:

DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674751001

WELL NAME:

REMUDA NORTH 30 STATE 122H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.833333333

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	10,000.00	0,00	0.00	0.00	10,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Part_WellCasing,Surface	11,000.00	0,00	0,00	0.00	11,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	135,000,00	0.00	0,00	0.00	135,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	184,000.00	0.00	0.00	184,000.00
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	65,000.00	0.00	0.00	65,000.00
Ex,V,Gd,Part_DrillBit	76,000,00	5,000.00	0,00	0.00	81,000.00
Ex,V,Gd,Part_DrillMud	166,000.00	0.00	0,00	0.00	166,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0,00	15,000.00	0,00	0.00	15,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	30,000.00	0.00	0,00	0.00	30,000.00
Ex,V,Fuel,Purch_Othr	166,000.00	0.00	0.00	0.00	166,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	678,000.00	25,000.00	0,00	0.00	703,000,00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	66,000.00	50,000.00	0.00	0.00	116,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	136,000.00	250,000.00	0.00	0.00	386,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex,V,ContractLabor,Technical	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,ContractLabor,Fabrication	38,000.00	0.00	0.00	0.00	38,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Serv,Eng_O&GWellDrill	106,000.00	50,000.00	0,00	0.00	156,000.00
Ex,V,Srv,Site_SitePrep,DrilPadConst	50,000.00	0.00	0.00	0.00	50,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	46,000.00	10,000.00	0.00	0,00	56,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	200,000.00	0.00	0,00	200,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	196,000.00	0.00	0.00	0.00	196,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	110,000.00	0.00	0.00	110,000.00
Ex,V,Srv,WasteMgmt_Oth,ComplFluidTrnsp	0.00	275,000.00	0.00	0.00	275,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	45,000.00	0.00	0.00	0.00	45,000-00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0,00	65,000.00	0.00	0.00	65,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,300,000.00	0.00	0.00	3,300,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	247,000.00	0.00	0.00	0.00	247,000.00
Ex,V,Serv,O&GWell,MudLogging	30,000.00	0.00	0.00	0.00	30,000.00
Ex,V,Serv,O&GWell,Fishing	0.00	25,000.00	0.00	0.00	25,000.00



XTO ENERGY INC. AUTHORITY FOR EXPENDITURE

AFE NO.:

1701985

AFE DESC:

D&C IN WOLFCAMP A

DATE:

04/11/2017

AFE TYPE:

DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID: WELL NAME:

1674751001

. 10/4/5

REMUDA NORTH 30 STATE 122H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.833333333

DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
10,000.00	0.00	0.00	000	10,000.00
0.00	9,000.00	0.00	0,00	9,000.00
0.00	150,000.00	0.00	0.00	150,000.00
8,000.00	0.00	0.00	0.00	8,000.00
2,280,000.00	5,488,000.00	0.00	0.00	7,768,000.00
	10,000.00 0.00 0.00 8,000.00	10,000.00 0.00 0,00 9,000.00 0,00 150,000.00 8,000.00 0.00	TIE-IN 10,000.00 0.00 0.00 0.00 9,000.00 0.00 0.00 150,000.00 0.00 8,000.00 0.00 0.00	TIE-IN SUPPLEMENT 10,000,00 0,00 0,00 0,00 0,00 9,000,00 0,00 0,00 0,00 150,000,00 0,00 0,00 8,000,00 0,00 0,00 0,00

TOTAL THIS AFE: 2,280,000.00 5,488,000.00 0.00 0.00 7,768,000.00

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS:

D&C 7500 LATERAL IN THE WOLFCAMP A. THE SUBJECT WELL WILL BE DRILLED TO A TD OF

+/-18236'MD/10736'TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS

BASED ON 30 SPUD TO RR WITH A 5 DAY RIG MOVE.

			Non Operator Approval
Prepared By:	ROBIN ANDERSON	DATE	
Ammound Day	TEDDY DEDIZING	COMPANY	
Approved By:	TERRY PERKINS	ВУ	
Signature:		TITLE	

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 [1]

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

Kevised August 1, 2011

2019 MAY 01 2019 M

WELL LOCATION AND ACREAGE DEDICATION PLAT

AS-DRILLED PLAT

¹ API Numb 30-015-	 ² Pool Code 98241	WC-015 G095 S233013K; WOLFCAMP	V
⁴ Property Code 318385		roperty Name NORTH 30 STATE	⁶ Well Number 122H
⁷ OGRID No. 005380		perator Name ENERGY, INC.	⁹ Elevation 3,090'

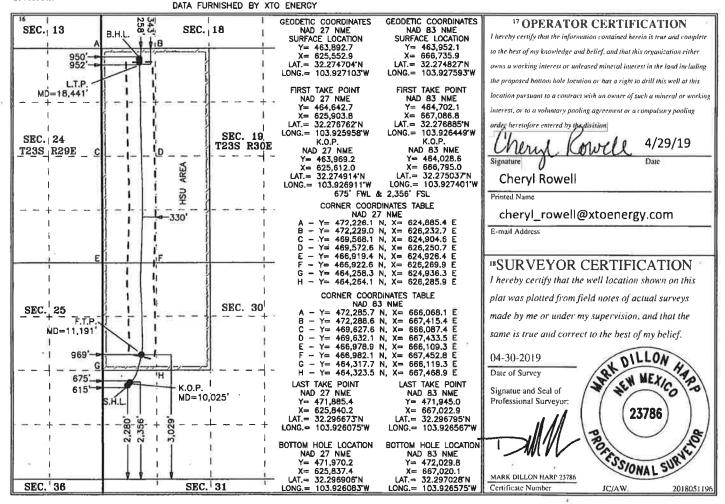
Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
L3	30	23 S	30 E		2,280'	SOUTH	615'	WEST	EDDY

"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
LI	19	23 S	30 E		258'	NORTH	950'	WEST	EDDY
12 Dedicated Acres	¹³ Joint or	Infill ¹⁴ C	Consolidation	Code 15 Or	der No.				
480								≘ ∝	

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. NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM



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 220 S. St. Francis Dr., Santa Fc, 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

AS-DRILLED PLAT

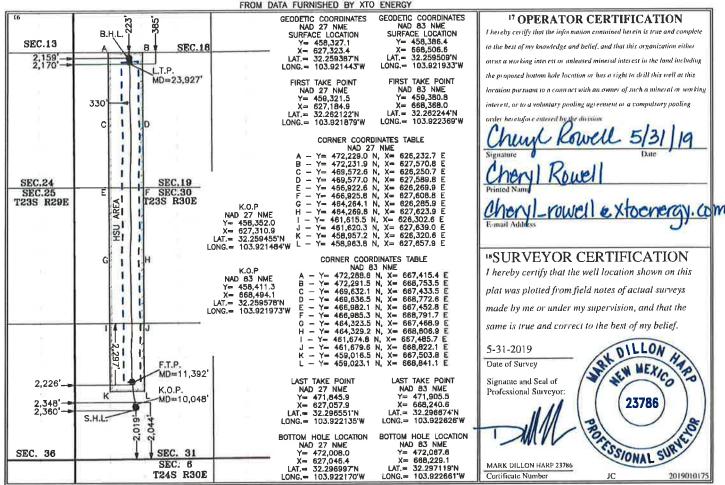
API Numb	ber 2 Pool Code			3 Pool Name	
30-015	44413	98241	WOLFCAMP		
4 Property Code			5 Property Name		6 Well Number
318453		REMU		113H	
7 OGRID No.			8 Operator Name		9 Elevation
005380		X	ΓΟ ENERGY, INC.		3,215'
	A	10 5	Surface Location		

Feet from the North/South line Feet from the East/West line County Lot Idn Range UL or lot no. Section Township WEST **EDDY** SOUTH 2.360' 2,019 K 31 23 S 30 E "Bottom Hole Location If Different From Surface Feet from the North/South line Feet from the East/West line County UL or lot no. Section Township Range Lot Idn WEST **EDDY** NORTH 2.159 23 S 30 E 223

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.

NOTE: AS—DRILLED BOTTOM HOLE PLOTTED
FROM DATA FURNISHED BY XTO ENERGY



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. A-4
Submitted by: XTO ENERGY INC.

Hearing Date: July 11, 2019 Case # 20635 & 20636

Intent	t	As Dril	led 🚺											
API#	^ le	44413	1											
	rator Nar					Pro	perty N	ame	:					Well Number
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	10 12	NEREIT		17	= MUL	/ A	IVUK	-1 H	71	71	DIE	11211		
Kick C	Off Point ((KOP)												
UL K	Section 3	Township 235	Range 30E	Lot	2041	1	From N	I/S	Feet 23	48	From	E/W	County	4
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	2.259	5 18			10:	<i>ا</i> ،۹	2197	9					US	
First T	ake Poin	t (FTP)												
¥	Section	Township	Range	Lot	Feet		From N	l/S	Feet	21		E/W	County	
Latitu	31 de	235	30 E		1111								EDD	Υ
	2622	44					223	69					83	
Last T	ake Poin	t (LTP)												
C	Section	Township 235	Range 30 E	Lot	Feet 385		m N/S	Feet 21	70	From I		Count	Ydd	
Latitu			000		Longitu	Longitude NAD 83								
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Is this	well the	defining w	vell for th	e Horiz	zontal Sp	acin	g Unit?							
Is this	well an i	nfill well?)	X]									
	l is yes pl ng Unit.	ease provi	de API if a	availab	ole, Oper	ator	Name	and v	well nu	ımber	for [Definir	ng well fo	r Horizontal
30~	015-4	15310)		-									
Ope	ator Nar	ne:				_	perty N							Well Number
χ-	TO E	NERGY	INC			R	mu	ta	MOR	H 3	1 :	Stad	E	1644

KZ 06/29/2018

XTO ENERGY INC

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
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

Property Code

OGRID No.

318423

API Number

30-015-

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

Elevation

005380 XTO ENERGY, INC. 3,215 Surface Location UL or let no. Section Township Lot Idn Feet from the North/South line Range Feet from the East/West line County K 31 23 S 30 E 2,020 SOUTH 2.330' WEST **EDDY**

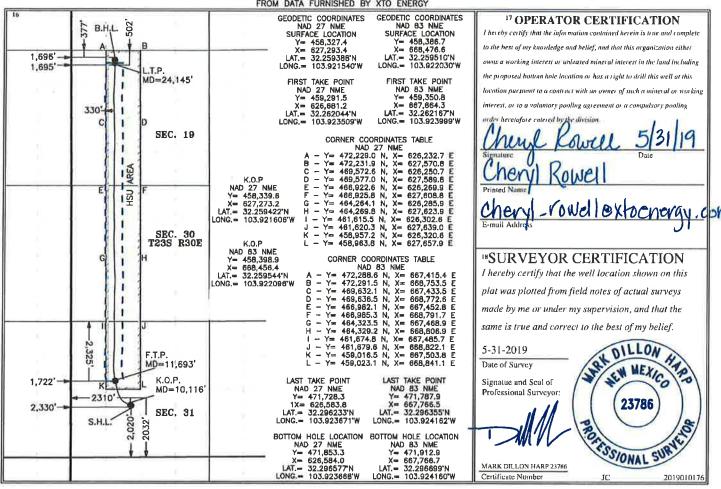
R Operator Name

"Bottom Hole Location If Different From Surface

UL or let no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 23.530 E 377 NORTH 1,696 WEST **EDDY** 12 Dedicated Acres Joint or Infill 14 Consolidation Code 15 Order No. 400

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.

NOTE: AS-DRILLED BOTTOM HOLE PLOTTED
FROM DATA FURNISHED BY XTO ENERGY



API# 30-015-44414		
Operator Name:	Property Name:	Well Number
XTO ENERGY INC.	REMUDO NORTH 31 STATE	123 H
W. Loff D. L. (VOD)		

Kick Off Point (KOP)

K	Section 3	Township 235	Range 30E	Lot	Feet 2032	From N/S	Feet 2310	From E/W	County EDDY	
32.259544					Longitude	122094	83			

First Take Point (FTP)

F	Section 31	Township 235	Range 30E	Lot	Feet 2325	From N/S	Feet 1722	From E/W	County EDDY	
Latitu	ode 2.26	2167			Longitude	23999			NAD 83	

Last Take Point (LTP)

C	Section 9	Township 235	Range 30E	Lot	Feet 502	From N/S	Feet 1695	From E/W	EDDY	
Latitu 32	_	355			Longitud 10 3	.9241	62		NAD 83	

Is this well the defining well for the Horizontal Spacing Unit?	

Is this well an infill well?



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

30-015-45310		
Operator Name:	Property Name:	Well Number
XTO ENERGY INC.	REMUDA NORTH 31 STATE	164 H

KZ 06/29/2018

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u>

811 S, First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III

1000 Rio Brazos Road, Aztec, NM 87410 Plune: (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 AS-DRILLED PLAT

30-015-44	415 98241	WOLFCAMP 3 Pool Name			
318423	REMU	5 Property Name REMUDA NORTH 31 STATE			
⁷ OGRID No. 5380	X	^B Operator Name TO ENERGY, INC.	⁹ Elevation 3,215		

¹⁰ Surface Location

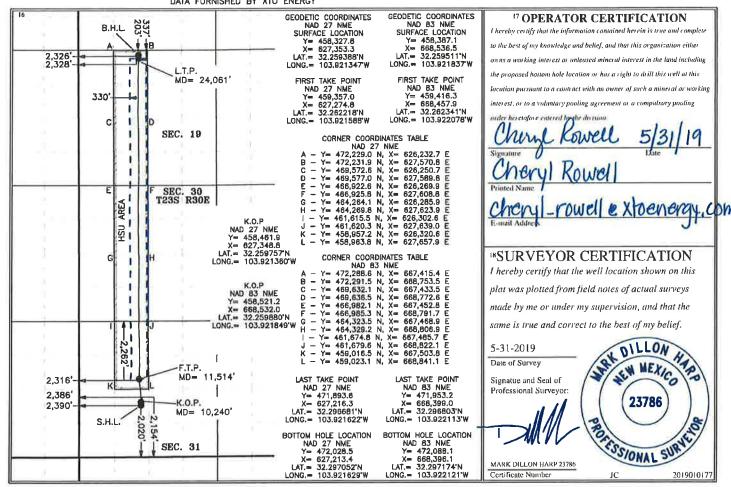
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
К	31	23 S	30 E		2,020	SOUTH	2,390	WEST	EDDY

"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	
С	19	23 S	30 E		203	NORTH	2,326	WEST	EDDY	
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code		Code 15 Or	der 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.

NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA FURNISHED BY XTO ENERGY



Inten		As Dril	7											
-	rator Na		11-			Pro	perty N	lame	:					Well Number
X	TO E	NERGY	IIN	٠.		R	EMU	DA	No	RTH	3	15	TATE	124H
Kick (Off Point	(KOP)												
UL	Section 31	Township 235	Range 30E	Lot	Feet 215	+	From N	I/S	Feet 23 8	36	From	E/W	County	4
Latitu 3	ode 2.259				Longitu 103		.184	?					NAD 83	
First 1	Take Poin	t (FTP)												
F	Section 31	Township 235	Range 30E	Lot	Feet 226	2	From N	I/S	Feet 23	16	From	E/W	County	
Latitu	de 2. 262	2111			_	.ongitude 103.922078					NAD 83			
Last T	Section	t (LTP) Township 235	Range 30E	Lot	Feet 337		om N/S	Feet 23	28	From E		Count	y DY	
Latitu	. — —		200		Longitu							NAD		
	. 2966 well the	defining w	vell for the	e Horiz	•		22. g Unit?	<u>5</u>					83_	
Is this	well an i	nfill well?		yes]									
	is yes pl ng Unit.	ease provi	de API if a	ıvailab	le, Oper	ator	Name	and v	vell nu	mber	for D	Definir	ng well fo	r Horizontal
		45310			71	D								AAZ-II ALb
Oper	ator Nan	ne:					perty N							Well Number
XT	0 EN	ERGY .	Inc.			RI	ehnd	AL	LORA	H 3	1 5	>7A-	TE	1644

KZ 06/29/2018

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 1220 S. St. Francis Dr., Santa Fc, 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

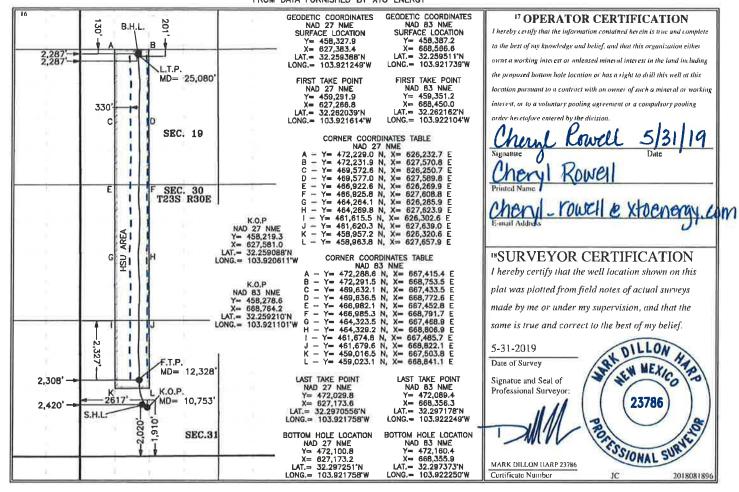
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT AS-DRILLED								
API Numbe 30-015-	45310	48241	WOLFCAMP	³ Pool Name				
Property Code		6 Well Number						
318453		164H						
7 OGRID No.		⁹ Elevation						
005380		3,215						

	□ Surface Location											
UL or lot no.	Section	Section Township Range		Lot Idn	ot Idn Feet from the North/South line Feet from the East/West line				County			
K	31	23 S	23 S 30 E		2,020	SOUTH	2,420	WEST	EDDY			
	"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			
С	19	23 S	30 E		130	NORTH	2,287	WEST	EDDY			
Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.												
Deutcateu Acres	Junit of	1000	Jonsonuation	Cour Oi	uci .10.							

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA FURNISHED BY XTO ENERGY division.



Intent As Drilled		
30-015-4531b		
Operator Name:	Property Name:	Well Number
XTO ENERGY INC	REMUDA HORTH 31 STATE	1644
Latitude 1.0 32, 259210	910 S 2617 W ED	DDY 33
First Take Point (FTP)	t From N/C Foot From F/M County	
UL Section Township Range Lot Fee	t From N/S Feet From E/W County ED	
32.262162	103. 922104 NAD	33
Last Take Point (LTP)		
UL Section Township Range Lot Fee	From N/S Feet From E/W County IN 2287 W EDDY	
	ngitude 103.922249 83	
Is this well the defining well for the Horizon		
Is this well an infill well?		
If infill is yes please provide API if available, Spacing Unit.	Operator Name and well number for Defining well	for Horizontal
API#		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

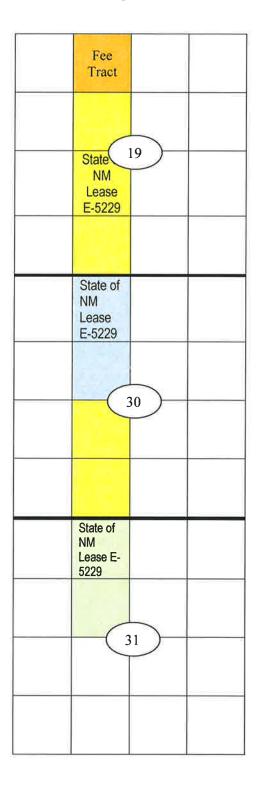
(Case No. 20636) Remuda North 31 113H, 123H, 121H, & 164H

E2 W2 of Section 19, E2 W2 of Section 30, E2 NW4 of Section 31, T23S-R30E, Eddy County, New Mexico
Wolfcamp Formation

Tract: 2

Tract 3:

Tract 4:



<u>Proration Unit Working Interest (Wolfcamp) – 400 acres</u>

Total WI	100,000000%
Rex Energy I (successor in interest to Douglas Oil & Gas)	4.00%
Devon Energy Production Company	6.00%
XTO Delaware Basin, LLC	60.00%
XTO Holdings, LLC	30.00%

Tract 1 (Fee Tract) – NE NW of Section 19

XTO Holdings, LLC	50.000000%
XTO Delaware Basin, LLC	50.000000%

<u>Tract 2 (E-5229) – SE NW & E2 SW of Section 19 & E2 SW4 of Section 30</u>

XTO Holdings, LLC	50.000000%
XTO Delaware Basin, LLC	50.000000%

<u>Tract 3 – (E-5229) – E2 NW of Section 30</u>

XTO Delaware Basin, LLC	50.00000%
Devon Energy Production	30.00000%
Rex Energy I (successor in interest to Douglas Oil & Gas)	20.00000%

Tract 4 (E-5229) – E2 NW4 of Section 31

XTO Delaware Basin, LLC 100.00%

Pooling Notification List

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 43102 Attn: Verl Brown

Rex Energy I, LLC 476 Rolling Ridge Drive, Suite 300 State College, PA 16801 Attn: Land Manager Buchanan Ingersoll & Rooney, PC (Bankruptcy Receiver – Attorney for Rex Energy I, LLC) One Oxford Center 301 Grant Street, 20th Floor Pittsburgh, PA 73102

Attn: James Newell



June 6, 2019

XTO Energy Inc.
Land Dept. Loc. 115
22777 Springwoods Village Pkwy
Spring TX 77389-1425
832-625-2905 Direct Phone
Carlos_Delagarza@xtoenergy.com

VIA FEDEX & EMAIL: verl.brown@dvn.com DELIVERY CONFIRMATION REQUESTED

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

Remuda North 31 State 113H – AFE# 1701989 SHL: Section 31-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat)

Eddy County, NM

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,640' TVD and 23,140' TMD well targeting the Wolfcamp formation at a surface location of 2,020' FSL and 2,360' FWL of Section 31, T23S-R30E and a bottom hole location of 200' FNL and 2,200' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$2,904,000 with a completion cost of \$9,331,000 for a total of \$12,235,000 as evidenced on the enclosed Authority for Expenditure (AFE). Our title research shows Devon Energy Production Company, L.P. owning a **6.00%** working interest in the proposed well. The ownership in the proposed well may be subject to change based on any required title curative or adjustments made as the result of any subsequent title examination and completion operations.

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

XTO ENERGY INC.

Carlos de la Garza
Landman

____ELECT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 31 State 113H well.

___ELECT NOT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 31 State 113H well.

Devon Energy Production Company, L.P.

Signed _______

By: _______

Title:



AFE NO.:

1701989

AFE DESC: D&C IN WOLFCAMP Y

DATE:

04/11/2017

AFE TYPE: DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674791001

WELL NAME:

REMUDA NORTH 31 STATE 113H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.900000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Part_WellCasing,Surface	24,000.00	0.00	0.00	0.00	24,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	89,000.00	0.00	0,00	0.00	89,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	313,000.00	0.00	0.00	313,000.00
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0.00	25,000.00	0.00	0.00	25,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	65,000.00	0.00	0.00	65,000.00
Ex,V,Gd,Part_DrillBit	59,000.00	3,000.00	0.00	0.00	62,000.00
Ex,V,Gd,Part_DrillMud	225,000.00	0.00	0.00	0.00	225,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0,00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	56,000.00	0,00	0.00	0.00	56,000.00
Ex,V,Fuel,Purch_Othr	180,000.00	0,00	0,00	0.00	180,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,Ml	769,000.00	25,000.00	0.00	0.00	794,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	90,000.00	65,000,00	0.00	0.00	155,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	113,000.00	225,000.00	0.00	0.00	338,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	25,000.00	0.00	0.00	25,000.00
Ex,V,ContractLabor,Technical	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,ContractLabor,Fabrication	59,000.00	0.00	0,00	0.00	59,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	350,000.00	0.00	0.00	350,000.00
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Serv,Eng_O&GWellDrill	144,000.00	60,000.00	0,00	0.00	204,000.00
Ex,V,Srv,Site_SitePrep,DrilPadConst	50,000.00	0.00	0.00	0.00	50,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	45,000.00	10,000.00	0.00	0.00	55,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0,00	120,000.00	0.00	0.00	120,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	293,000.00	0.00	0.00	0.00	293,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	130,000.00	0.00	0.00	130,000.00
Ex,V,Srv,WasteMgmt_Oth,ComplFluidTrnsp	0.00	550,000.00	0.00	0.00	550,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	45,000.00	0,00	0.00	0.00	45,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	150,000.00	0.00	0.00	150,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	6,575,000,00	0.00	0,00	6,575,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Serv,O&GWell,Othr	268,000.00	0.00	0.00	0.00	268,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	280,000.00	0.00	0.00	0.00	280,000.00
Ex,V,Serv,O&GWell,MudLogging	37,000.00	0.00	0.00	0,00	37,000.00



AFE NO.: AFE DESC: 1701989

D&C IN WOLFCAMP Y

DATE:

04/11/2017

AFE TYPE:

DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674791001

WELL NAME:

REMUDA NORTH 31 STATE 113H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.900000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Serv,O&GWell,Fishing	0.00	25,000.00	0.00	0.00	25,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	20,000,00	0,00	0.00	0,00	20,000.00
Ex,V,Srv,O&GWell,Casing,Production	0,00	20,000.00	0.00	0.00	20,000.00
Ex,V,Serv,O&GWell,Completion	0.00	225,000.00	0.00	0.00	225,000.00
Ex,E,O&GJVOvrhd,CombinedFxdRate,FieldOps,Dril	8,000,00	0.00	0.00	0.00	8,000.00
TOTAL:	2,904,000.00	9,331,000.00	0.00		12,235,000.00

TOTAL THIS AFE: 2,904,000.00 9,331,000.00 12,235,000.)0
---	----

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS:

D&C 13000 LATERAL IN THE WOLFCAMP Y. THE SUBJECT WELL WILL BE DRILLED TO A TD OF +/-24425'MD/10635"TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE, DRILLING COSTS

BASED ON 45 SPUD TO RR WITH A 2 DAY RIG MOVE

			Non Operator Approval
Prepared By:	ROBIN ANDERSON	DATE	
		COMPANY	
Approved By:	TERRY PERKINS	BY	
Signature:		TITLE	·

RECEIVED

District 1 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 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

400

State of New Mexico

Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

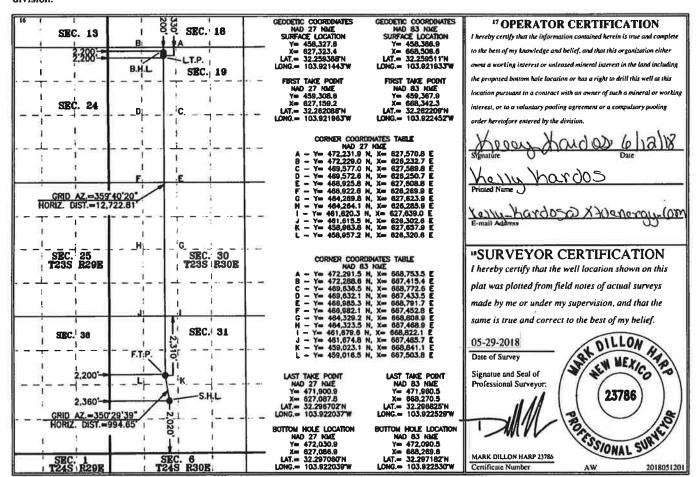
1220 South St. Francis Dr.

Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

T	API Number	,	T	² Pool Code		³ Pool Name			
30.0	15.4	4413	198	1468	$ \omega $	C-0156-05	5523303	51K: [25)	CMDI
4 Property	Code				5 Property N				Vell Number
3184	231			R	EMUDA NORTI	H 31 STATE			113H
7 OGRID	No.				8 Operator N	lame			Elevation
0053	80 I				XTO ENERG	Y, INC.			3,215'
	.,,,,,				¹⁰ Surface I	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
к	31	23 S	30 E		2,020	SOUTH	2,360	WEST	EDDY
"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
С	19	23 S	30 E		200	NORTH	2,200	WEST	EDDY
12 Dedicated Acres	s 23 Joint o	r Infill 14 Co	nsolidation (Code 15 Ord	ler 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.





June 6, 2019

XTO Energy Inc. Land Dept. Loc. 115 22777 Springwoods Village Pkwy Spring TX 77389-1425 832-625-2905 Direct Phone Carlos_Delagarza@xtoenergy.com

VIA FEDEX & EMAIL: verl.brown@dvn.com **DELIVERY CONFIRMATION REQUESTED**

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

> Remuda North 31 State 123H - AFE# 1701986 SHL: Section 31-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat) **Eddy County, NM**

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,867' TVD and 23,367' TMD well targeting the Wolfcamp formation at a surface location of 2,020' FSL and 2,330' FWL of Section 31, T23S-R30E and a bottom hole location of 200' FNL and 1,690' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$2,904,000 with a completion cost of \$9,331,000 for a total of \$12,235,000 as evidenced on the enclosed Authority for Expenditure (AFE). Our title research shows Devon Energy Production Company, L.P. owning a 6.00% working interest in the proposed well. The ownership in the proposed well may be subject to change based on any required title curative or adjustments made as the result of any subsequent title examination and completion operations.

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

Carlos de la Garza

XTO ENERGY INC.

Landman ELECT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 31 State 123H well. ELECT NOT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 31 State 123H well. Devon Energy Production Company, L.P. By: Title:



AFE NO.:

1701986

AFE DESC:

D&C IN WOLFCAMP A

DATE:

04/11/2017

AFE TYPE: DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674801001

WELL NAME:

REMUDA NORTH 31 STATE 123H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.900000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	20,000.00	0.00	0.00	0.00	20,000.0
Ex,V,Gd,Part_Wellhead,Completion	0.00	15,000.00	0.00	0.00	15,000.0
Ex,V,Gd,Part_WellCasing,Surface	24,000.00	0.00	0.00	0,00	24,000.0
Ex,V,Gd,Part_WellCasing,Intermediate	89,000.00	0,00	0.00	0,00	89,000.0
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	313,000,00	0.00	0,00	313,000.0
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0,00	0.00	0.00	20,000.0
Ex,V,Gd,Part_WellFlowLn,Main	0,00	25,000.00	0.00	0,00	25,000.0
Ex,V,Gd,Part_WellTubing, XTOWellwork	0,00	65,000,00	0.00	0.00	65,000.0
Ex,V,Gd,Part_DrillBit	59,000.00	3,000.00	0.00	0,00	62,000.0
Ex,V,Gd,Part_DrillMud	225,000.00	0.00	0.00	0.00	225,000.0
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	20,000.00	0.00	0.00	20,000.0
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0,00	120,000.00	0.00	0.00	120,000.0
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	15,000.00	0.00	0.00	15,000.0
Ex,V,Gd,Suppl,Misc,NonWellwork	56,000.00	0.00	0.00	0.00	56,000.0
Ex,V,Fuel,Purch_Othr	180,000,00	0,00	0.00	0,00	180,000.0
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	769,000.00	25,000.00	0.00	0,00	794,000.0
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	90,000.00	65,000.00	0.00	0.00	155,000.0
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	113,000.00	225,000.00	0.00	0.00	338,000.0
Ex,V,Rnt&Lse,Op,Eq,Misc Oth,Frac Tanks	0.00	25,000.00	0.00	0.00	25,000.0
Ex,V,ContractLabor,Technical	0.00	50,000.00	0.00	0.00	50,000.0
Ex,V,ContractLabor,Fabrication	59,000.00	0.00	0,00	0.00	59,000.0
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	350,000.00	0.00	0.00	350,000.0
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000.0
Ex,V,Serv,Eng_O&GWellDrill	144,000.00	60,000.00	0.00	0.00	204,000.0
Ex,V,Srv,Site_SitePrep,DrilPadConst	50,000.00	0.00	0.00	0,00	50,000.0
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	45,000.00	10,000.00	0.00	0.00	55,000.0
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	120,000.00	0.00	0.00	120,000.0
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	293,000.00	0.00	0.00	0.00	293,000.0
Ex,V,Srv,WasteMgmt Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.0
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	130,000.00	0.00	0,00	130,000.0
Ex,V,Srv,WasteMgmt_Oth,ComplFluidTrnsp	0.00	550,000.00	0.00	0.00	550,000.0
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	45,000.00	0.00	0.00	0.00	45,000.0
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	150,000.00	0.00		150,000.0
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	6,575,000.00	0.00		6,575,000.0
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0.00		50,000.0
Ex,V,Serv,O&GWell,Othr	268,000.00	0,00	0.00		268,000.0
Ex,V,Serv,O&GWell,DirectionalDrill	280,000.00	0.00	0.00	0.00	280,000.0
Ex,V,Serv,O&GWell,MudLogging	37,000.00	0.00	0.00		37,000.00



AFE NO.: 1701986 DISTRICT: DELAWARE AFE DESC: D&C IN WOLFCAMP A FIELD: REMUDA DATE: 04/11/2017 ACCOUNTING ID: 1674801001

AFE TYPE: DEVELOPMENT DRILLING WELL NAME: REMUDA NORTH 31 STATE 123H

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331 STATE/COUNTY: New Mexico / Eddy SURVEY/ABSTRACT: XTO WI DECIMAL: 0.900000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Serv,O&GWell,Fishing	0.00	25,000.00	0,00	0.00	25,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	20,000,00	0,00	0,00	0.00	20,000.00
Ex,V,Srv,O&GWell,Casing,Production	0,00	20,000,00	0,00	0.00	20,000.00
Ex,V,Serv,O&GWell,Completion	0.00	225,000.00	0,00	0.00	225,000.00
Ex,E,O&GJVOvrhd,CombinedFxdRate,FieldOps,Dril	8,000.00	0,00	0.00	0.00	8,000.00
TOTAL:	2,904,000.00	9,331,000.00	0.00	* — · · · · · · · · · · · · · · · · ·	12,235,000.00

TOTAL THIS AFE: 2,904,000.00 9,331,000.00 12,235,000.00

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS; D&C 13000 LATERAL IN THE WOLFCAMP A. THE SUBJECT WELL WILL BE DRILLED TO A TD OF

+/-24425'MD/10800'TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS

BASED ON 45 SPUD TO RR WITH A 2 DAY RIG MOVE

			Non Operator Approval
Prepared By:	ROBIN ANDERSON	DATE	
Ammound Day	TEDDY DEDVING	COMPANY	
Approved By:	TERRY PERKINS	BY	
Signature:		TITLE	

<u>District 1</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (375) J93-6161 Fax: (375) J93-0720
<u>District 11</u>
Artist 11, 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

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

District (V 1220 S. St. Francis D	r., Santo Fe, NM	87503		•	Saina PC, INIV	1 87505			
Phone: (505) 476-346	60 Fax: (505) 476	5-3462							
		W	ELL LO	CATION	AND ACRE	AGE DEDICA	TION PLAT	·	
	API Numbe	r .		² Pool Code	805-003	523303/1	Pool Name	14190	
30-0	15-4	4414	98	241	U)	C 233051	7531 LW	CMD7/C	
4 Property	Code	1112			⁵ Property Na	me		,, M	ell Number
3180	123 1			R	EMUDA NORTH	31 STATE			123H
7 OGRII	No.				8 Operator Na	me		9	Elevation
005	380				XTO ENERGY	, INC.	- 0		3,215'
					¹⁰ Surface Lo	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
к	31	23 S	30 E		2,020	SOUTH	2,330	WEST	EDDY
		***	" Bott	om Hole	Location If I	Different From	Surface		
U1. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
С	19	23 S	30 E		200	NORTH	1,690	WEST	EDDY
12 Dedicated Acr	es IJ Joint o	r Infill 14 C	onsolidation C	ode 15 Ord	ler 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.

SEC. 10 8	SEC. 18	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 458,327.4 GEODETIC COORDINATES NAD 83 NME NAD 83 NME V= 458,326.7	17 OPERATOR CERTIFICATION 1 hereby certify that the information contained herein is true and complete
1;898:= B.H.L.	LIP SEC 19	X= 627,293.4 X= 668,476.6 LAT.= 32.259388'N LAT.= 32.259511'N LONG.= 103.921540'W LONG.= 103.922030'W	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
, o	LT.P. SEC., 19	FIRST TAKE POINT FIRST TAKE POINT NAD 27 NME NAD 83 NME	the proposed bottom hale location or has a right to drill this well at this
SEC. 24		Y= 459,308.7 X= 626,649.2 LAT.= 32,282087N	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
3 SEC. 24		LONG 103.923812W LONG 103.924102W	neder heretofore entered by the division.
		CORNER COORDINATES TABLE NAD 27 NME A - Y= 472,231.9 N, X= 627,570.8 E	Stephens Standas (1) 18
* * * * * * * * * * * * * * * * * * *		B - Y- 472,229.0 N, X- 626,232.7 E C - Y- 469,577.0 N, X- 627,589.8 E	N
GRID AZ,=359'40'20"	1 5	O - Y= 469,572.6 N, X= 628,250.7 E E - Y= 468,925.8 N, X= 827,808.8 E F - Y= 468,922.6 N, X= 620,288.9 E	Printed Name y hardos
HORIZ. DIST.=12,723.55		G - Y- 464,269.8 N, X- 627,823.9 E H - Y- 484,284.1 N, X- 626,285.9 E I - Y- 461,820.3 N, X- 627,639.0 E	Xelly-Kardosox 70 enorgy, Com
188 267		J - Y= 461,615.5 N, X= 626,302.6 E K - Y= 458,963.8 N, X= 627,657.9 E L - Y= 458,957.2 N, X= 628,320.8 E	E-mail Addresk
SEC. 25	SEC. 30	CORNER COORDINATES TABLE	"SURVEYOR CERTIFICATION
T295 R29E	T238 R30E	MAD 83 MME A - Y= 472,291.5 N, X= 668,783.5 E B - Y= 472,288.8 N, X= 667,415.4 E	I hereby certify that the well location shown on this
	7 16	C - Y = 469,638.5 N, X = 668,772.6 E D - Y = 469,632.1 N, X = 667,433.5 E E - Y = 466,933.3 N, X = 667,433.5 E	plat was plotted from field notes of actual surveys made by me or under my supervision, and that the
	1	F - Y = 468,882.1 N, X = 667,452.8 E G - Y = 484,329.2 N, X = 668,806.9 E H - Y = 484,323.5 N, X = 667,466.9 E	same is true and correct to the best of my belief.
SEC. 38	SEC. 31	1 - Y= 461,679.6 N, X= 888,822.1 E J - Y= 461,674.8 N, X= 667,485.7 E K - Y= 459,023.1 N, X= 668,841.1 E	06-06-2018 DILLON
F.T.P.	310'	L - Y= 459,016.5 N, X= 667,503.8 E	Onte of Survey
1,690'-	₩	LAST TAKE POINT LAST TAKE POINT NAD 27 NME NAD 83 NME Y= 471,899.8 Y= 471,959.4	Professional Surveyor:
2,330'	S.H.L.	X= 626,577.6 X= 687,780.5 LAT.= 32,296705'N LAT.= 32,296827'N	(23786)
GRIO AZ,=326'39'40"/ HORIZ. DIST.=1,172.25'	200	BOTTOM HOLE LOCATION BOTTOM HOLE LOCATION	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
,		NAD 27 NME NAD 63 NME Y= 472,029.6 Y= 472,069.4 X= 626,576.9 X= 667,759.8	SS/ONAL SUR
SEC. 1 T248 R29E	SEC. 6 T245 R30E	LAT.= 32.297082'N LONG.= 103.923889'W LONG.= 103.924181'W	MARK DILLON HARP 23786 Certificate Number AW 2018051197



June 6, 2019

XTO Energy Inc.
Land Dept. Loc. 115
22777 Springwoods Village Pkwy
Spring TX 77389-1425
832-625-2905 Direct Phone
Carlos_Delagarza@xtoenergy.com

VIA FEDEX & EMAIL: verl.brown@dvn.com DELIVERY CONFIRMATION REQUESTED

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

Remuda North 31 State 124H – AFE# 1701987 SHL: Section 31-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat) Eddy County, NM

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,876' TVD and 23,376' TMD well targeting the Wolfcamp formation at a surface location of 2,020' FSL and 2,390' FWL of Section 31, T23S-R30E and a bottom hole location of 200' FNL and 2,350' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$2,904,000 with a completion cost of \$9,331,000 for a total of \$12,235,000 as evidenced on the enclosed Authority for Expenditure (AFE). Our title research shows Devon Energy Production Company, L.P. owning a **6.00%** working interest in the proposed well. The ownership in the proposed well may be subject to change based on any required title curative or adjustments made as the result of any subsequent title examination and completion operations.

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

XTO ENERGY INC.

Carlos de la Garza Landman



AFE NO.: 1701987 DISTRICT: DELAWARE

AFE DESC: D&C IN WOLFCAMP A FIELD: REMUDA
DATE: 04/11/2017 ACCOUNTING ID: 1674811001

AFE TYPE: DEVELOPMENT DRILLING WELL NAME: REMUDA NORTH 31 STATE 124H

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331 STATE/COUNTY: New Mexico / Eddy SURVEY/ABSTRACT: XTO WI DECIMAL: 0.900000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	20,000.00	0,00	0.00	0.00	20,000.00
Ex,V,Gd,Part_Wellhead,Completion	0,00	15,000,00	0.00	0.00	15,000.00
Ex,V,Gd,Part_WellCasing,Surface	24,000.00	0.00	0.00	0.00	24,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	89,000.00	0.00	0.00	0.00	89,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	313,000.00	0.00	0.00	313,000.00
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0.00	25,000.00	0.00	0.00	25,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0,00	65,000.00	0.00	0.00	65,000.00
Ex,V,Gd,Part_DrillBit	59,000.00	3,000.00	0.00	0,00	62,000.00
Ex,V,Gd,Part_DrillMud	225,000.00	0.00	0,00	0.00	225,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWel	0.00	20,000.00	0.00	0,00	20,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0,00	15,000.00	0.00	0,00	15,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	56,000.00	0,00	0.00	0.00	56,000.00
Ex,V,Fuel,Purch_Othr	180,000.00	0.00	0.00	0.00	180,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	769,000.00	25,000.00	0.00	0.00	794,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	90,000.00	65,000.00	0.00	0.00	155,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	113,000.00	225,000.00	0.00	0.00	338,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	25,000.00	0.00	0.00	25,000,00
Ex,V,ContractLabor,Technical	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,ContractLabor,Fabrication	59,000.00	0,00	0.00	0.00	59,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	350,000.00	0.00	0.00	350,000.00
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Serv,Eng_O&GWellDrill	144,000.00	60,000.00	0.00	0.00	204,000.00
Ex,V,Srv,Site_SitePrep,DrilPadConst	50,000.00	0.00	0.00	0.00	50,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	45,000.00	10,000.00	0.00	0.00	55,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	120,000.00	0.00	0.00	120,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	293,000.00	0.00	0.00	0.00	293,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0,00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	130,000.00	0.00	0.00	130,000.00
Ex,V,Srv,WasteMgmt_Oth,ComplFluidTrnsp	0.00	550,000.00	0.00	0.00	550,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	150,000.00	0.00	0,00	150,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	6,575,000.00	0.00	0.00	6,575,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Serv,O&GWell,Othr	268,000.00	0.00	0.00	0.00	268,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	280,000.00	0.00	0.00	0.00	280,000.00
Ex,V,Serv,O&GWell,MudLogging	37,000.00	0.00	0.00	0.00	37,000.00



AFE NO.: 1701987

AFE DESC: D&C IN WOLFCAMP A

DETAIL OF EXPENDITURES

DATE: 04/11/2017

AFE TYPE: DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674811001

WELL NAME:

REMUDA NORTH 31 STATE 124H

TOTAL

STATE/COUNTY:

EQUIP/

TIE-IN

New Mexico / Eddy

SUPPLEMENT

XTO WI DECIMAL: 0.900000000

TOTAL:	2,904,000.00	9,331,000.00	0.00	0.00	12,235,000.00
Ex,E,O&GJVOvrhd,CombinedFxdRate,FieldOps,Dril	8,000.00	0,00	0.00	0.00	8,000.00
Ex,V,Serv,O&GWell,Completion	0,00	225,000,00	0.00	0.00	225,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Serv,O&GWell,Fishing	0,00	25,000.00	0.00	0,00	25,000.00

COMPLETION

TOTAL THIS AFE:	2,904,000.00	9,331,000.00	0.00	0.00 12,235,000.00

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

DRYHOLE

REMARKS:

D&C 13000 LATERAL IN THE WOLFCAMP A. THE SUBJECT WELL WILL BE DRILLED TO A TD OF

+/-24425'MD/10800'TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE, DRILLING COSTS

BASED ON 45 SPUD TO RR WITH A 2 DAY RIG MOVE

			Non Operator Approval
Prepared By:	ROBIN ANDERSON	DATE	
4 ID	TED BY BEDYING	COMPANY	
Approved By:	TERRY PERKINS	BY	
Signature:		TITLE	

District 1 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 1V

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DESCRIPTION D Pepartifient

Revised August 1, 2011

N

DISTRICT II-ARTESISMENT one copy to appropriate

1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102

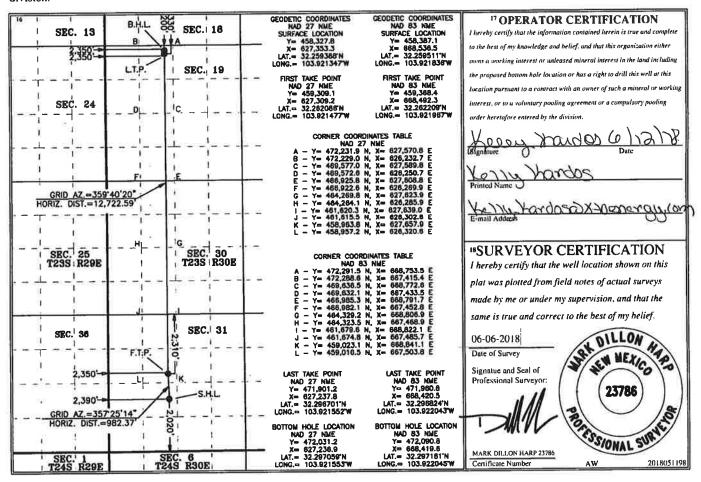
MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Numbe	er ,	² Pool Code		3 Pool Name	
30-015-4	C1441	198241	INC-015G-05	5233031X	Wolfamo
4 Property Code			Property Name	7	⁶ Well Number
318423		REMUD	A NORTH 31 STATE		124H
7 OGRID No.			Operator Name		9 Elevation
005380		XTO	D ENERGY, INC.		3,215'
<u> </u>		10 St	irface Location		
PIR AA C-Ai-	Tamashia	Punga Lot Idn Res	1 from the North/South line	Feet from the E.	ast/West line County

EDDY SOUTH 2,390 WEST 2,020 30 E 23 S K 31 "Bottom Hole Location If Different From Surface East/West line County Lot Idn North/South line Feet from the Feet from the UL or lot no. Section Township Range WEST **EDDY NORTH** 2,350 200 C19 23 S 15 Order No. 12 Dedicated Acres ¹³ Joint or Infill Consolidation Code

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.





June 6, 2019

XTO Energy Inc.
Land Dept. Loc. 115
22777 Springwoods Village Pkwy
Spring TX 77389-1425
832-625-2905 Direct Phone
Carlos_Delagarza@xtoenergy.com

VIA FEDEX & EMAIL: verl.brown@dvn.com DELIVERY CONFIRMATION REQUESTED

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Attn: Verl Brown

RE: New Well Proposal

Remuda North 31 State 164H – AFE# 1701983 SHL: Section 31-23S-30E (See Attached Plat) BHL: Section 19-23S-30E (See Attached Plat)

Eddy County, NM

Dear Verl:

XTO Energy Inc., on behalf of XTO Holdings, LLC, hereby proposes the drilling of an approximate 10,538' TVD and 23,038' TMD well targeting the Wolfcamp formation at a surface location of 2,020' FSL and 2,420' FWL of Section 31, T23S-R30E and a bottom hole location of 200' FNL and 2,310' FWL of Section 19, T23S-30E, Eddy County, New Mexico.

The approximate cost for drilling is \$3,557,000 with a completion cost of \$8,790,000 for a total of \$12,347,000 as evidenced on the enclosed Authority for Expenditure (AFE). Our title research shows Devon Energy Production Company, L.P. owning a **6.00%** working interest in the proposed well. The ownership in the proposed well may be subject to change based on any required title curative or adjustments made as the result of any subsequent title examination and completion operations.

If you wish to participate with your interest, please provide your election herein by executing this letter and AFE and returning an executed copy to my attention within thirty (30) days of receipt of this proposal. A Joint Operating Agreement (JOA) using a \$7,500 drilling/\$750 producing well rate will be sent for your execution. The JOA should be executed within thirty (30) days of your election to participate in this proposal.

Should you have any questions, please contact me at (832) 625-2905. For technical questions, please contact Pedro Mora-Sivira at (832) 484-2016.

Sincerely,

Landman

XTO ENERGY INC.

Carlos de la Garza

ELECT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 31 State 164H well.

ELECT NOT TO PARTICIPATE in the proposed drilling and completion of the Remuda North 31 State 164H well.

Devon Energy Production Company, L.P.

Signed	
By:	
Title:	



AFE NO.:

1701983

AFE DESC:

D&C IN WOLFCAMP DE

DATE:

04/11/2017

AFE TYPE:

DEVELOPMENT DRILLING

OPERATOR: 99994331 - XTO ENERGY INC.-RU4331

SURVEY/ABSTRACT:

DISTRICT:

DELAWARE

FIELD:

REMUDA

ACCOUNTING ID:

1674841001

WELL NAME:

REMUDA NORTH 31 STATE 164H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.900000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	10,000,00	0,00	0,00	0,00	10,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	15,000.00	0.00	0.00	15,000.00
Ex,V,Gd,Part_WellCasing,Surface	27,000.00	0.00	0.00	0.00	27,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	343,000.00	0,00	0.00	0.00	343,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0,00	545,000.00	0.00	0,00	545,000.00
EX,V,GD,PART_WELLCASING,OTHER	20,000.00	0.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	65,000.00	0,00	0.00	65,000.00
Ex,V,Gd,Part_DrillBit	84,000,00	5,000,00	0,00	0.00	89,000.00
Ex,V,Gd,Part_DrillMud	288,000.00	0,00	0,00	0.00	288,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	15,000,00	0.00	0.00	15,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	28,000.00	0,00	0.00	0.00	28,000.00
Ex,V,Fuel,Purch_Othr	192,000.00	0.00	0.00	0.00	192,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	1,104,000.00	25,000.00	0.00	0.00	1,129,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	72,000.00	70,000.00	0.00	0.00	142,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	144,000,00	300,000.00	0.00	0.00	444,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex,V,ContractLabor,Technical	0.00	60,000.00	0.00	0.00	60,000.00
Ex,V,ContractLabor,Fabrication	60,000.00	0.00	0,00	0.00	60,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	480,000.00	0,00	0.00	480,000.00
Ex,V,Serv,LandOverhead,BrokerFee	10,000.00	0,00	0,00	0,00	10,000.00
Ex,V,Serv,Eng_O&GWellDrill	308,000,00	70,000.00	0.00	0.00	378,000.00
Ex,V,Srv,Site_SitePrep,DrilPadConst	50,000.00	0.00	0,00	0.00	50,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	48,000.00	10,000.00	0.00	0.00	58,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0,00	220,000.00	0,00	0.00	220,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	264,000.00	0.00	0,00	0,00	264,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0,00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	140,000.00	0.00	0.00	140,000.00
Ex,V,Srv,WasteMgmt Oth,ComplFluidTrnsp	0.00	550,000.00	0.00	0.00	550,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	120,000,00	0,00	0.00	0.00	120,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	80,000,00	0.00	0.00	80,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0,00	5,498,000.00	0,00	0.00	5,498,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0,00	50,000.00	0.00	0.00	50,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	322,000.00	0.00	0.00		322,000.00
Ex,V,Serv,O&GWell,MudLogging	43,000.00	0.00	0.00	0.00	43,000.00
Ex,V,Serv,O&GWell,Fishing	0.00	25,000,00	0,00	0,00	25,000.00



AFE NO.: 1701983 DISTRICT: DELAWARE AFE DESC: D&C IN WOLFCAMP DE FIELD: REMUDA

DATE: 04/11/2017 ACCOUNTING ID: 1674841001
AFE TYPE: DEVELOPMENT DRILLING WELL NAME: REMUDA N

AFE TYPE: DEVELOPMENT DRILLING WELL NAME: REMUDA NORTH 31 STATE 164H
OPERATOR: 99994331 - XTO ENERGY INC.-RU4331 STATE/COUNTY: New Mexico / Eddy

SURVEY/ABSTRACT: XTO WI DECIMAL: 0.900000000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Srv,O&GWell,Casing,Surf Int	20,000.00	0,00	0,00	0.00	20,000.00
Ex,V,Srv,O&GWell,Casing,Production	0,00	12,000.00	0.00	0.00	12,000.00
Ex,V,Serv,O&GWell,Completion	0,00	240,000.00	0,00	0,00	240,000,00
TOTAL:	3,557,000.00	8,790,000.00	0.00	0.00	12,347,000.00

TOTAL THIS AFE:	3,557,000.00	8,790,000.00	0.00	0.00 12,347,000.00

*** This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS: D&C 2.5 MILE LATERAL IN THE WOLFCAMP E. THE SUBJECT WELL WILL BE DRILLED TO A TD OF

+/-25000'MD/11400'TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE, DRILLING COSTS

BASED ON 48 SPUD TO RR WITH A 1 DAY RIG MOVE.

			Non Operator Approval
Prepared By:	ROBIN ANDERSON	DATE	
Approved By:	MELISSA BOND	COMPANY	
Approved By:	MELISSA BOND	ВУ	
Signature:		TITLE	

NM OIL CONSERVATION

ARTESIA DISTRICT

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

tos 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

OCT 09 2018

Form C-102

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

RECEIVED to appropriate

Revised August 1, 2011

1220 South St. Francis Dr.

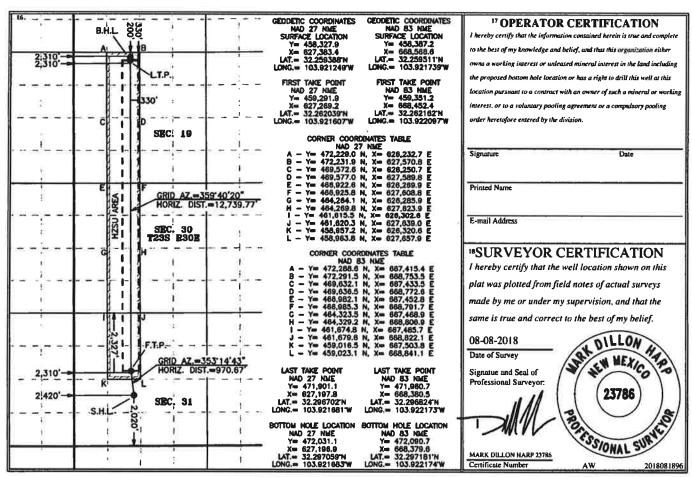
District Office

Santa Fe, NM 87505

AMENDED REPORT

1	API Numbe	г		^z Pool Code			³ Pool Nam	ie	4 t per \$188 in service proof to the service of the service proof to the
⁴ Property	Code			F	⁵ Property N REMUDA NORTH			6,	Well Number
7 OGRID	No.				* Operator N XTO ENERG	оте	5 - 511 25-2	7/	Elevation 3,215
					[™] Surface L	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	31	23 S	30 E		2,020	SOUTH	2,420	WEST	EDDY
			" Bo	ttom Hol	e 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
C	19	23 S	30 E	1	200	NORTH	2,310	WEST	EDDY
12 Dedicated Acres	Joint o	r Infili 14 C	Consolidation (Code 15 Or	der 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.



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

APPLICATION OF XTO ENERGY INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20635 and 20636

AFFIDAVIT OF ARTURO AYALA
IN SUPPORT OF CASE NOS. 20635 AND 20636

Arturo Ayala, of lawful age and being first duly sworn, declares as follows:

1. My name is Arturo Ayala. I work for XTO Energy Inc. ("XTO") as a geologist.

2. I have not previously testified before the New Mexico Oil Conservation

Division as an expert witness in petroleum geology matters. I graduated from the

University of Florida with a B.S. in Geology in 2017. Since 2018, I have worked with

XTO as a Geologist in the Permian Basin since 2018. I seek to have my credentials

accepted by the Division as an expert petroleum geologist.

3. I am familiar with the applications filed by XTO in these cases and I have conducted

a geologic study of the targeted Wolfcamp Y, Wolfcamp A, and Wolfcamp E structures within the

Wolfcamp formation underlying the subject acreage.

4. XTO is targeting Wolfcamp Y structure within the Wolfcamp formation with its

proposed Remuda North 30 State No. 111H, Remuda North 30 State No. 112H, and

Remuda North 31 State No. 113H Wells.

5. XTO Exhibit No. B-1 is a structure map, with a 25' contour interval, that I prepared

for the Wolfcamp Y that is representative of the targeted interval within the Wolfcamp formation.

The proposed wellbores for the Remuda North 30 State No. 111H, Remuda North 30 State

BEFORE THE OIL CONSERVATION DIVISION

No. 112H, and Remuda North 31 State No. 113H Wells are depicted by red lines. The structure map shows that the formation is gently dipping to the east in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted Wolfcamp Y with a horizontal well in this area.

- 6. XTO Exhibit No. B-1 also overlays a cross-section line in blue consisting of two wells penetrating the Wolfcamp Y formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.
- 7. **XTO Exhibit No. B-2** is a cross section using the representative wells depicted on Exhibit B-1. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp Y is labeled as the Y Target interval on the exhibit and the cross-section demonstrates that the targeted interval extends across the proposed unit.
- 8. XTO is targeting Wolfcamp A structure within the Wolfcamp formation with its proposed Remuda North 30 State No. 121H Well, Remuda North 30 State No. 122H Well, Remuda North 31 State No. 123H Well, and Remuda North 31 State No. 124H Well.
- 9. XTO Exhibit No. B-3 is a structure map, with a 25' contour interval, that I prepared for the Wolfcamp A that is representative of the targeted interval within the Wolfcamp formation. The proposed wellbores for the Remuda North 30 State No. 121H Well, Remuda North 30 State No. 122H Well, Remuda North 31 State No. 123H Well, and Remuda North 31 State No. 124H Well are depicted by red lines. The structure map shows that the formation is gently dipping to the east in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted Wolfcamp A with a horizontal well in this area.

- 10. **XTO Exhibit No. B-3** also overlays a cross-section line in blue consisting of two wells penetrating the Wolfcamp A formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.
- 11. **XTO Exhibit No. B-4** is a cross section using the representative wells depicted on Exhibit B-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp A is labeled as the A Target interval on the exhibit and the cross-section demonstrates that the targeted interval extends across the proposed unit.
- 12. XTO is targeting Wolfcamp E structure within the Wolfcamp formation with its proposed Remuda North 31 State No. 164H Well.
- 13. XTO Exhibit No. B-5 is a structure map, with a 25' contour interval, that I prepared for the Wolfcamp E that is representative of the targeted interval within the Wolfcamp formation. The proposed wellbore for the Remuda North 31 State No. 164H Well is depicted by red line. The structure map shows that the formation is gently dipping to the east in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted Wolfcamp E with a horizontal well in this area.
- 14. XTO Exhibit No. B-5 also overlays a cross-section line in blue consisting of two wells penetrating the Wolfcamp E formation that I used to construct a stratigraphic cross-section from B to B'. I consider these wells to be representative of the geology in the area.
- 15. **XTO Exhibit No. B-6** is a cross section using the representative wells depicted on Exhibit B-5. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp E is labeled as the Target interval on the exhibit and the cross-section demonstrates that the targeted interval extends across the proposed unit.

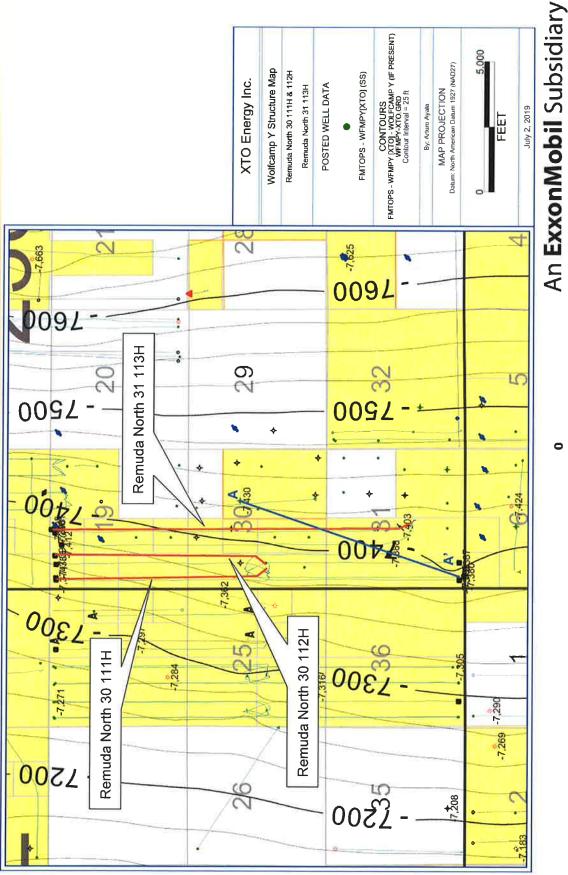
- 16. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.
- 17. Based on my geologic study, the Wolfcamp formation underlying the subject area, including the targeted intervals of the formation, is suitable for development by horizontal wells and the acreage comprising the proposed spacing and proration units will contribute more-or-less equally to the production from the wellbores.
- 18. In my opinion, the granting of XTO's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 19. XTO Exhibit Nos. B-1 through B-6 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

STATE OF TEXAS)	
COUNTY OF HARRIS)	
SUBSCRIBED and S	ORN to before me this day of July 2019	by Arturo
Ayala.		
	NOTARY PUBLIC	
My Commission Expires:		
61819090	ASHLEY EVANS Notery Public, State of Texas Comm. Expires 06-08-2020 Notary ID 130692375	

Wolfcamp Y Structure Map

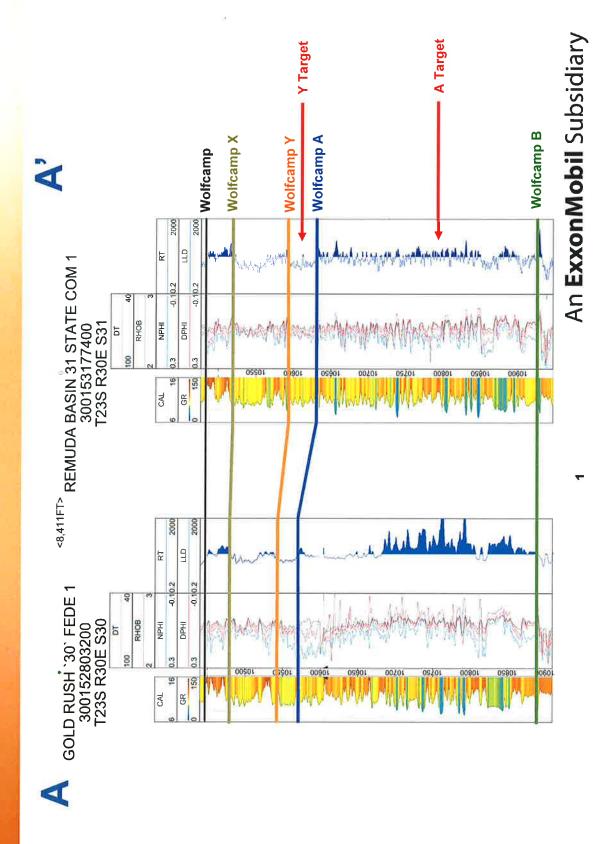




BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-1
Submitted by: XTO ENERGY INC.
Hearing Date: July 11, 2019
Case # 20635 & 20636

Stratigraphic Cross Section

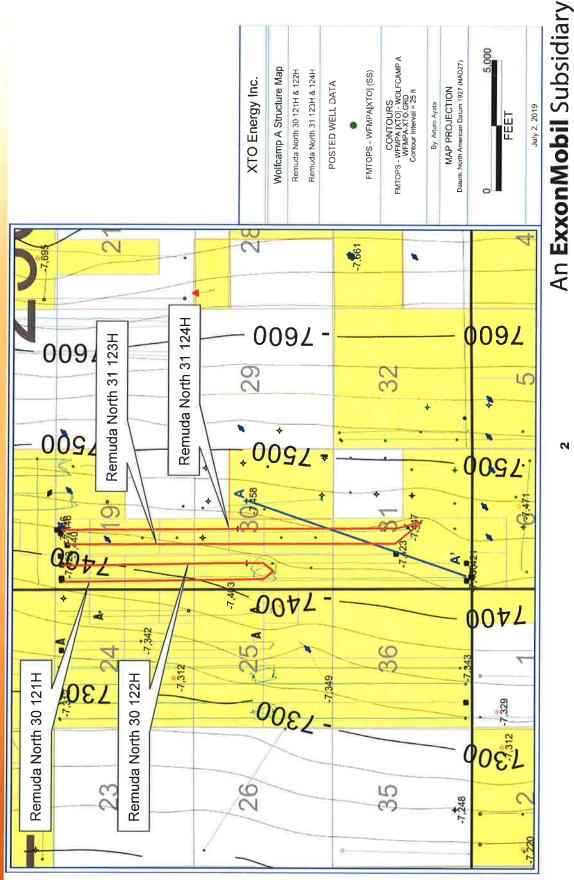




Santa Fe, New Mexico
Exhibit No. B-2
Submitted by: XTO ENERGY INC.
Hearing Date: July 11, 2019
Case # 20635 & 20636

Wolfcamp A Structure Map





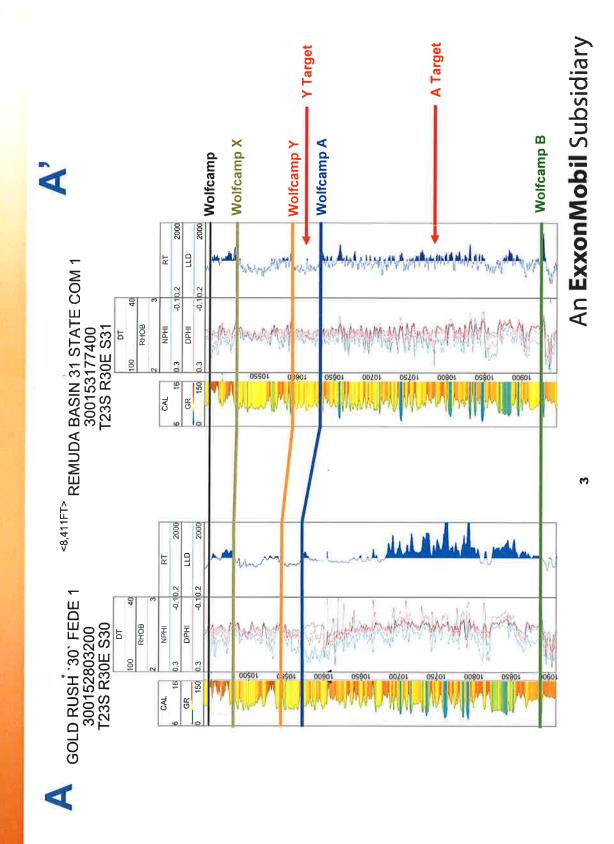
2

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. B-3 Submitted by: XTO ENERGY INC. Hearing Date: July 11, 2019 Case # 20635 & 20636

Stratigraphic Cross Section



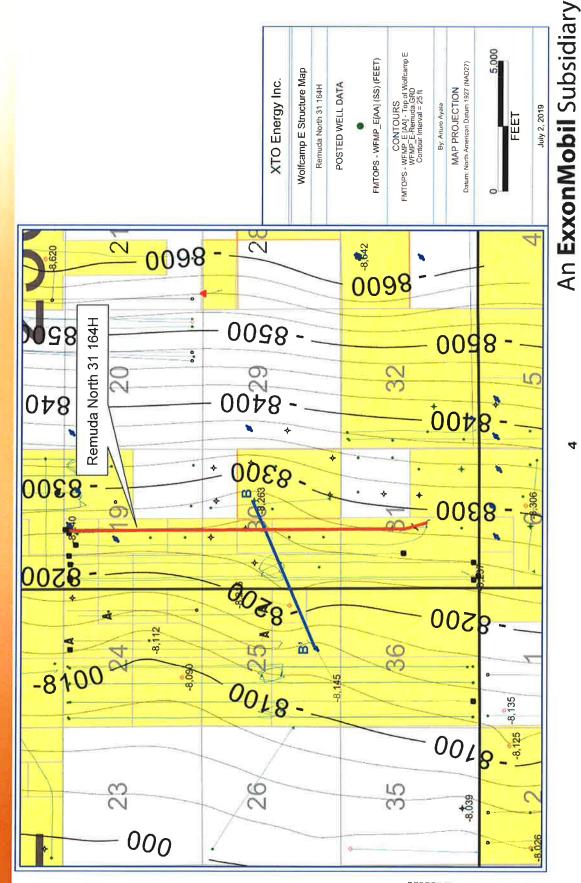


Santa Fe, New Mexico
Exhibit No. B-4
Submitted by: XTO ENERGY INC.

Hearing Date: July 11, 2019

Case # 20635 & 20636



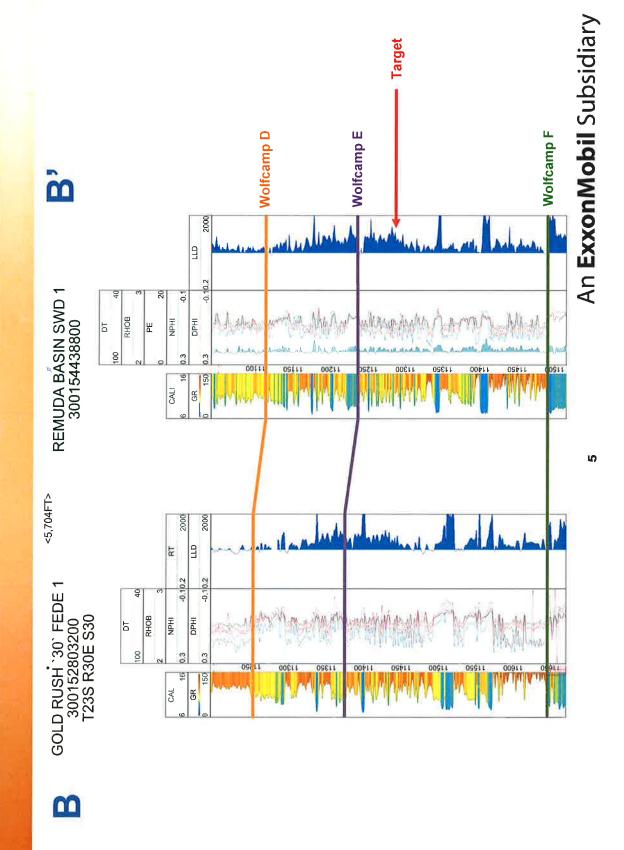


BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. B-5
Submitted by: XTO ENERGY INC.
Hearing Date: July 11, 2019
Case # 20635 & 20636

Stratigraphic Cross Section





Santa Fe, New Mexico
Exhibit No. B-6
Submitted by: XTO ENERGY INC.
Hearing Date: July 11, 2019
Case # 20635 & 20636

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

APPLICATION OF XTO ENERGY INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20635 and 20636

AFFIDAVIT

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

Kaitlyn A. Luck, attorney in fact and authorized representative of XTO Energy Inc., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this ______ day of July 2019 by Kaitlyn A. Luck.

Notary Public

My Commission

Expires: 4454st 26, 2021

Case # 20635 & 20636



Michael H. Feldewert
Recognized Specialist in the
Area of Natural Resources —
Oil and Gas Law — New Mexico Board
of Legal Specification
mfeldewert@hollandhart.com

June 21, 2019

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL POOLED PARTIES

Re: Application of XTO Energy Inc. for Compulsory Pooling, Eddy County, New

Mexico.

Remuda North 30 State Nos. 111H, 112H, 121H, 122H Wells

Ladies & Gentlemen:

This letter is to advise you that XTO Energy Corp. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 11, 2019 and the status of the hearing can be monitored through the Division's website at http://www.emnrd.state.nm.us/ocd/. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Carlos de la Garza, at (832) 625-2905 or Carlos_delaGarza@xtoenergy.com.

Sincerely,

Michael H. Feldewer

ATTORNEY FOR XTO ENERGY INC



Michael H. Feldewert Recognized Specialist in the Area of Natural Resources – Oil and Gas Law – New Mexico Board of Legal Specification mfeldewert@hollandhart.com

June 21, 2019

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL POOLED PARTIES

Re: Application of XTO Energy Inc. for Compulsory Pooling, Eddy County, New

Mexico.

Remuda North 30 State Nos. 113H, 123H, 124H, 164H Wells

Ladies & Gentlemen:

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If you have any questions about this matter please contact Carlos de la Garza, at (832) 625-2905 or Carlos_delaGarza@xtoenergy.com.

incerely.

Michael H. Feldewert

ATTORNEY FOR XTO ENERGY INC

POSTAL DELIVERY REPORT

XTO/Remuda North 30 State No. 111H Well XTO/Remuda North 31 State No. 113H Well CASE NOS. 20635 & 20636

TrackingNo	TransactionDate	TransactionDate ToCompanyName	ToName	DeliveryAddress City	City	State Zip		USPS Status
			BUCHANAN					
		Tiffany King, Plan	INGERSOLL &				15219-	Your item has been delivered to an agent at 10:46
9414810898765037644552 06/20/2019	06/20/2019	Administrator	ROONEY, PC Re	1 Oxford Ctr Fl 20 Pittsburgh	Pittsburgh	PA	1400	am on June 27, 2019 in PITTSBURGH. PA 15219.
			REX ENERGY I,	476 Rolling Ridge			16801-	Your item was delivered at 1:41 pm on July 1.
9414810898765037644545 06/20/2019	06/20/2019		TIC	Dr Ste 300	State College PA		7639	2019 in TYRONE, PA 16686.
			DEVON ENERGY					
			PRODUCTION	333 W Sheridan	Oklahoma		73102-	Your item was delivered at 8:05 am on June 24.
9414810898765037644538 06/20/2019	06/20/2019		COMPANY, L.P.	Ave	City	ŏ	5010	2019 in OKLAHOMA CITY, OK 73102