BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING OCTOBER 31, 2019

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

Case No. 20793

Sneaky Snake 24 Fed Com 11H Well Sneaky Snake 24 Fed Com 12H Well Sneaky Snake 24 Fed Com 13H Well Sneaky Snake 24 Fed Com 14 H Well

Case No. 20794

Sneaky Snake 24 Fed Com 1H Well Sneaky Snake 24 Fed Com 2H Well Sneaky Snake 24 Fed Com 3H Well Sneaky Snake 24 Fed Com 4H Well

Devon Energy Production Company, L.P.

HEARING EXHIBITS

Reference: Reference: Application - Case No. 20793 Application - Case No. 20794

Case No. 20793

Exhibit I-1:

Affidavit of Andy D. Bennett, Landman, and Supporting Documents

Exhibit I-2:

Affidavit of John Green, Geologist, and Supporting Documents

Exhibit I-3:

Notice Affidavit

Case No. 20794

Exhibit II-1: Affidavit of Andy D. Bennett, Landman, and Supporting Documents

Exhibit II-2: Affidavit of Thomas Peryam, Geologist, and Supporting Documents

Exhibit II-3: Notice Affidavit

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

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

Case No. 20793

AFFIDAVIT OF JOHN GREEN

STATE OF OKLAHOMA)	
) ss	•
COUNTY OF OKLAHOMA)	

- I, being duly sworn on oath, state the following:
- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the geology involved.
- 3. This affidavit is submitted in connection with the filing by Devon of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1), (6) NMAC.
- 4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
 - a. I hold a Bachelor's degree in Geology obtained from Oklahoma State
 University, and a Master's degree in Geology from Oklahoma State University.
 I completed my education in 2011.
 - b. I have been employed as a petroleum geologist with Devon since April, 2011.
- 5. Exhibit A is a Bone Spring structure map. The unit being pooled is outlined by red rectangle. Strata dip approximately 25' eastward across section 24. The apparent structural dip





along the proposed Sneaky Snake wellbores is around 0.25°. No major structural hazards exist at this location.

- 6. **Exhibit A** identifies wells in the vicinity of the proposed well, with a cross-section line running from A to A'.
 - 7. Exhibit A shows that the structure dips down to the east.
- 8. Exhibit B is a Bone Spring stratigraphic cross-section hung on the First Bone Spring Limestone. The cross-section shows consistent target thickness in wells near the Sneaky Snake sections. The well logs on the cross-section give a representative sample of the Bone Spring formation in the area and demonstrate reasonable well control. The target zone for the 11H and 12H is the Leonard Formation, while the 13H and 14H are targeting the Second Bone Spring Sandstone, as indicated by the blue lines in Exhibit B. The target zones are continuous across the well unit.
- 9. **Exhibit C** is a gross isochore of the Leonard target formation. The map shows thickness for the "11H-12H Target" indicated in **Exhibit B**. The Leonard target interval is uniform across the proposed well unit.
- 10. **Exhibit D** is a gross isochore of the Second Bone Spring Sandstone formation. The map shows thickness for the "13H-14H Target" indicated in **Exhibit B**. The Second Bone Spring Sandstone is uniform across the proposed well unit.
 - 11. I conclude from the attached exhibits that:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.

- Each quarter-quarter section in the unit will contribute more or less equally to production.
- 12. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly E-W.
- 13. The Exhibits to this Affidavit were prepared by me, or compiled from Devon's company business records under my supervision.
- 14. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
 - 15. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

John Green

Subscribed to and sworn before me this 28th day of October, 2019.

07004034 EXP. 05/07/23 EXP. 05/07/23

Notary Public

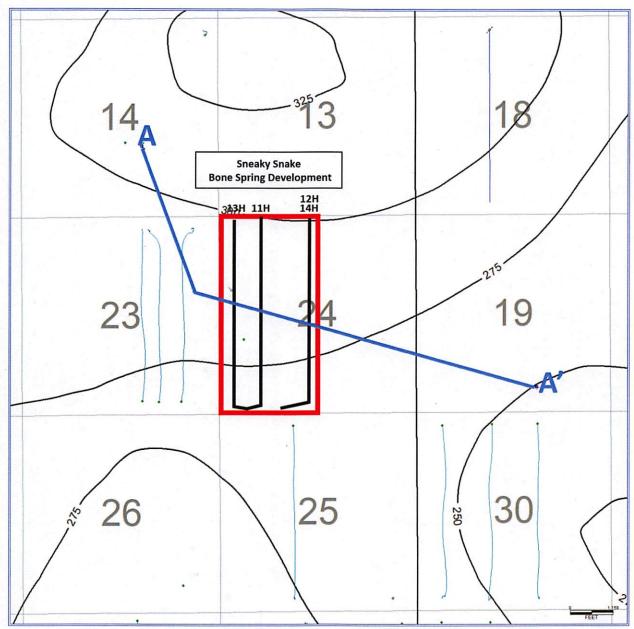


Exhibit A: Bone Spring structure map. Contour interval = '. Cross-section indicated by blue line labeled A to A'. The red rectangle indicates the unit being pooled.



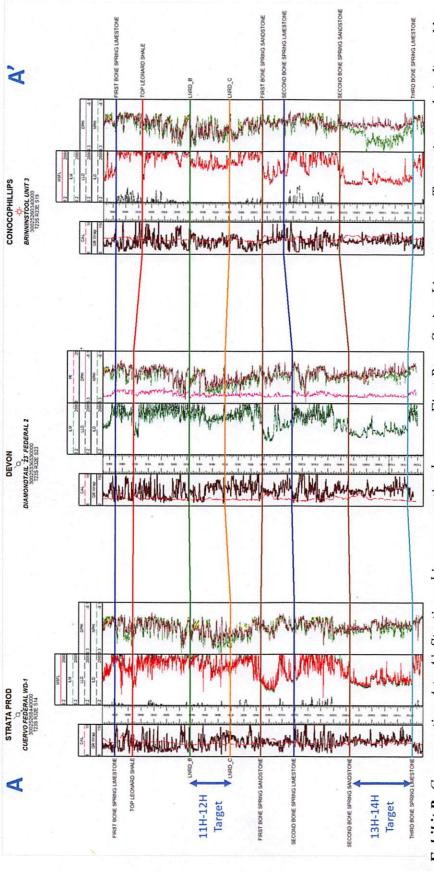


Exhibit B: Cross-section A to A'. Stratigraphic cross-section hung on First Bone Spring Limestone top. Target intervals indicated by blue arrows.

EXHIBIT 1-2B



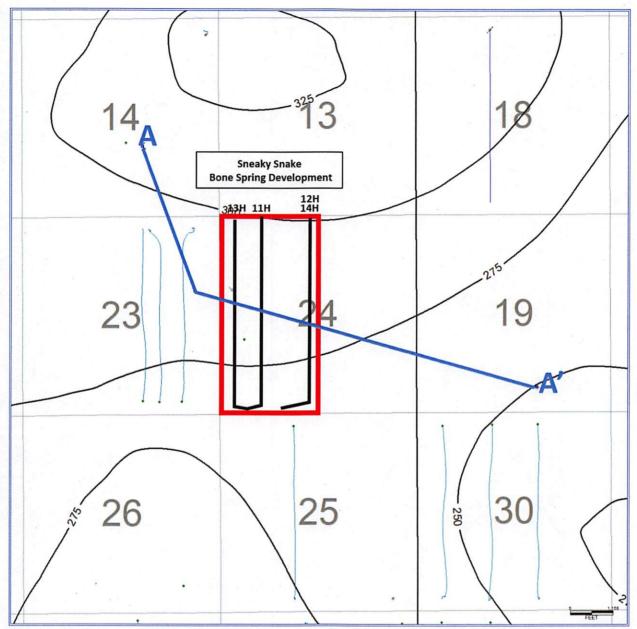


Exhibit C: Isochore thickness of upper target interval indicated on cross-section (Exhibit B). Cross-section indicated by blue line labeled A to A'. The red rectangle indicates the unit being pool.



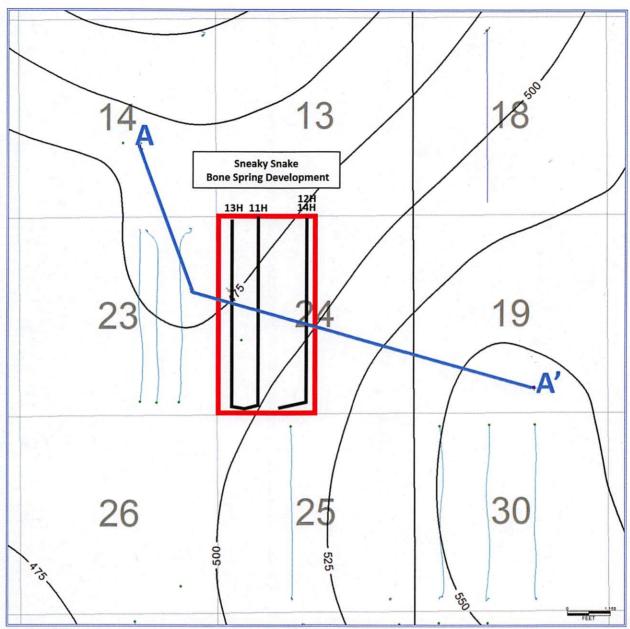


Exhibit D: Isochore thickness of lower target interval indicated on cross-section (Exhibit B). Cross-section indicated by blue line labeled A to A'. The red rectangle indicates the unit being pool



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

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

Case No. 20793

AFFIDAVIT OF NOTICE

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

Darin C. Savage, attorney and authorized representative of Devon Energy Production. Company, L.P., the Applicant herein, being first duly sworn, upon oath, states that the above referenced Applications were under a notice letter and that proof of receipt attached hereto.

Darin C. Savage

SUBSCRIBED AND SWORN to before me this 29th day of October, 2019, by Darin C. Savage.



Aug. 1, 2023

My Commission Expires:

EXHIBIT T-3

48)

Transaction Report Details - CertifiedPro.net Date Created= 9/01/2019 - 10/25/2019 Generated: 10/25/2019 7:10:38 AM

2019-09-10 1:48 PM BS-20793 Chisos Minerals LLC Houston TX 77002 2019-09-10 1:47 PM BS-20793 Jareed Partners LTD Midland TX 79710-1451 2019-09-10 1:45 PM BS-20793 Jareed Partners LTD Midland TX 79705 2019-09-10 1:44 PM BS-20793 JOHN KYLE THOMA PEYTON CO 80831-0558 2019-09-10 1:39 PM BS-20793 Crownrock Minerals LP Midland TX 79710 2019-09-10 1:38 PM BS-20793 C. Mark Wheeler. MSU Midland TX 79701
2019-09-10 1:48 PM BS-20793 Chisos Minerals LLC Houston TX 77002 Delivered 2019-09-10 1:47 PM BS-20793 Jareed Partners LTD Midland TX 79710-1451 Delivered 2019-09-10 1:45 PM BS-20793 Jareed Partners LTD Midland TX 79705 To be Returned 2019-09-10 1:43 PM BS-20793 JOHN KYLE THOMA PEYTON CO 80831-0558 Delivered 2019-09-10 1:39 PM BS-20793 Crownrock Minerals LP Midland TX 79710 To be Returned 2019-09-10 1:38 PM BS-20793 Crownrock Minerals LP Midland TX 79710 To be Returned
2019-09-10 1:48 PM BS-20793 Chisos Minerals LLC Houston TX 77002 2019-09-10 1:47 PM BS-20793 Jareed Partners LTD Midland TX 79710-1451 2019-09-10 1:45 PM BS-20793 Jareed Partners LTD Midland TX 79705 2019-09-10 1:44 PM BS-20793 JOHN KYLE THOMA PEYTON CO 80831-0558 2019-09-10 1:39 PM BS-20793 Crownrock Minerals LP Midland TX 79710 2019-09-10 1:38 PM BS-20793 C. Mark Wheeler. MSU Midland TX 79701
2019-09-10 1:48 PM BS-20793 Chisos Minerals LLC Houston TX 2019-09-10 1:47 PM BS-20793 Jareed Partners LTD Midland TX 2019-09-10 1:45 PM BS-20793 Jareed Partners LTD Midland TX 2019-09-10 1:44 PM BS-20793 Paul R. Barwis, MSU Midland TX 2019-09-10 1:39 PM BS-20793 Crownrock Minerals LP Midland TX 2019-09-10 1:38 PM BS-20793 C. Mark Wheeler, MSU Midland TX
2019-09-10 1:48 PM BS-20793 Chisos Minerals LLC Houston 2019-09-10 1:47 PM BS-20793 Jareed Partners LTD Midland 2019-09-10 1:45 PM BS-20793 Jareed Partners LTD Midland 2019-09-10 1:44 PM BS-20793 Paul R. Barwis, MSU Midland 2019-09-10 1:39 PM BS-20793 Crownrock Minerals LP Midland 2019-09-10 1:38 PM BS-20793 C. Mark Wheeler, MSU Midland
2019-09-10 1:48 PM BS-20793 Chisos Minerals LLC 2019-09-10 1:47 PM BS-20793 Jareed Partners LTD 2019-09-10 1:45 PM BS-20793 Jareed Partners LTD 2019-09-10 1:44 PM BS-20793 Paul R. Barwis, MSU 2019-09-10 1:39 PM BS-20793 Crownrock Minerals LP 2019-09-10 1:38 PM BS-20793 C. Mark Wheeler, MSU
2019-09-10 1:48 PM BS-20793 C 2019-09-10 1:47 PM BS-20793 J; 2019-09-10 1:45 PM BS-20793 J; 2019-09-10 1:44 PM BS-20793 P 2019-09-10 1:43 PM BS-20793 J; 2019-09-10 1:39 PM BS-20793 C 2019-09-10 1:38 PM BS-20793 C
9314869904300063146930 9314869904300063146893 9314869904300063146510 9314869904300063146442 9314869904300063146350 9314869904300063146015 9314869904300063146015
9314869904300063146930 9314869904300063146893 9314869904300063146410 9314869904300063146442 9314869904300063146107 9314869904300063146015 9314869904300063146015





September 10, 2019

VIA CERTIFIED MAIL

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy production Company, L.P., for horizontal

spacing and compulsory pooling, Lea County, New Mexico

Sneaky Snake 24 Fed Com 11H Well Sneaky Snake 24 Fed Com 12H Well Sneaky Snake 24 Fed Com 13H Well Sneaky Snake 24 Fed Com 14H Well

Case No. 20793

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application, Case No. 20793, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation underlying the W/2 of Section 24-23S-32E, NMPM, Lea County, New Mexico, encompassing 320 acres, more or less.

A hearing has been requested before a Division Examiner on October 3, 2019, and the status of the hearing can be monitored through the Division's website. 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 NMAC 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 Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated September 14, 2019 and ending with the issue dated September 14, 2019.

Publisher

Sworn and subscribed to before me this 14th day of September 2019.

Business Manager

My commission expires

January 29, 2023 OFFICIAL SEAL Gussie Black Notary Public State of New Me My Commission Expires

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

LEGAL NOTICE SEPTEMBER 14, 2019

CASE No. 20793: Notice to all affected parties and persons having any right, title interest or claim to this case, including overriding royalty interest owners, as well as the known and unknown heirs, devisees and successors of COG OPERATING LLC, CONCHO RESOURCES INC., C. MARK WHEELER, CROWNROCK MINERALS, L.P. JOHN KYLE THOMA, TRUSTEE OF THE CORNERSTONE FAMILY TRUST, PAUL R. BARWIS, JAREED PARTNERS, LTD, CHISOS MINERALS, LLC, ONRR ROYALTY MANAGEMENT PROGRAM of Devon Energy Production Company, L.P.'s applications for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on October 3, 2019, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Section24, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (DIAMONDTAIL; BONE SPRING [17644]) underlying the unit. Said horizontal spacing unit is to be dedicated to the proposed Sneaky Snake 24 Fed Com 11H Well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit M) of Section 24 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24; (2) the Sneaky Snake 24 Fed Com 13H Well to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit M) of Section 24 to a bottom hole location in the NE/4 NW/4 (Unit M) of Section 24 to a bottom hole location in the NE/4 NW/4 (Unit M) of Section 24 to a bottom hole location in the NE/4 NW/4 (Unit M) of Section 24 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24. The completed intervals and first take and last take points for all wells proposed in the unit meet the Division's statewide setback requir

67115820

KAIYA TOOP **ABADIE SCHILL** 214 McKENZIE SANTA FA NM, NM 87501

00233484

