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

IN THE MATTER OF THE APPLICATION OF SM ENERGY COMPANY FOR DESIGNATION OF A NON-STANDARD OIL SPACING AND PRORATION UNIT AND FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 15018

STATE OF NEW MEXICO )  ) ss.  COUNTY OF SANTA FE )	
COUNTY OF SANTA FE )	
J. SCOTT HALL, attorney and authorized representative of SM E	nergy Company, the
Applicant in NMOCD Case No. 15018, being first duly sworn, upon oat	h states that he sent
copies of this Application to the parties as specified on the attached Exhibit A	<b>A.</b> ·
7.30	on you
J. SCOTT HA	LL

**AFFIDAVIT** 

SUBSCRIBED AND SWORN to before me this 9th day of July, 2013.

Notary Public

My Commission Expires: 9/22/14

4831855

NMOCD CASE NO. 15018
JULY 11, 2013
SM ENERGY EX. NO. 6

## **EXHIBIT A**

Dean Kinsolving P.O. Box 325 Tatum, NM 88257-0325

DeVargas Street LLC 4613 Los Poblanos Cir., NW Albuquerque, NM 87107

Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, OK 73102-5015

Mewbourne Oil Company P.O. Box 7698 Tyler, TX 75711



Office: (505) 986-2646
Email: shall@montand.com
Reply To: Santa Fe Office

www.montand.com

June 14, 2013

DeVargas Street LLC 4613 Los Poblanos Cir., NW Albuquerque, NM 87107 CERTIFIED MAIL/
RETURN RECEIPT REQUESTED

Re: NMOCD Case No. 15018: Application of SM Energy Company for Designation of a Non-Standard Oil Spacing and Proration Unit and for Compulsory Pooling, Eddy County, New Mexico

Dear Sir or Madam:

Please be advised that SM Energy Company has filed an Application with the New Mexico Oil Conservation Division for an order consolidating the 40-acre spacing units within the N/2 N/2 of Section 34, Township 19 South Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the N/2 N/2 of Section 34 to be dedicated to its Osage "34" Federal No. 1H Well to be drilled horizontally from a standard surface location in the NE/4 NE/4 (Unit A) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34 to a depth sufficient to test the Bone Spring formation, Parkway Bone Spring pool (49622). Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of SM Energy Company as operator and a charge for risk involved in drilling the well.

A copy of SM Energy Co.'s Application is enclosed.

This Application will be set for hearing before a Division Examiner on July 11, 2013, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an

**REPLY TO:** 

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

DeVargas Street LLC June 14, 2013 Page 2

owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

Enclosure

cc: Joseph Davis



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J. Scott Hall

**Enclosure** 

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MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

**Enclosure** 

cc: Joseph Davis



Office: (505) 986-2646 Email: shall@montand.com

Reply To: Santa Fe Office www.montand.com

June 14, 2013

Dean Kinsolving P.O. Box 325 Tatum, NM 88257-0325 CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. 15018: Application of SM Energy Company for Designation of a Non-Standard Oil Spacing and Proration Unit and for Compulsory Pooling, Eddy County, New Mexico

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J. Scott Hall

**Enclosure** 

cc: Joseph Davis



87	U.S. Postal Service MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)
47	For delivery information visit our website at www.usps.com
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. <b>ம</b> ்	Devon Energy (orporation)
707	Street, Apr. No.; 333 W. Sheridan Aul
	City, State, ZIP+4 Oklahoma City OK 73102
	PS Form 3800, August 2006 A See Reverse for Instructions

(Domestic Mail Only; No Insurance Coverage Provided)  For delivery information visit our website at www.usps.com  OFFCAL  Postage  Certified Fee (Endorsement Required)  Restricted Delivery Fee (Endorsement Required)  Total Post  Sent To  De Vargas Street LLC
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Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Post
Sent To De Vargas Street L. C.
Sineel Apt 4613 Los Poblanos Cir., NW Albuquerque, NM 87107



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> </ul> Dean Kinsolving	A Signature    Agent   Addressee     Addressee     B. Received by (Printer Name)   C. Date of Delivery     C. Date of Delivery
P.O. Box 325 Tatum, NM 88257-0325	3. Service Type  **I Certifled Mail
	4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number 7013 01	400 0002 2194 5736 .
SENDER: COMPLETE THIS SECTION  Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	COMPLETE THIS SECTION ON DELIVERY  A. Signature  X. Agent  Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery
Attach this card to the back of the mailpiece, or on the front if space permits.  Article Addressed to:	D. Is delivery address different from item 1?  \( \subseteq \text{Yes} \)  If YES, enter delivery address below:  \( \subseteq \text{No} \)
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Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:  De wargas Street LLC 4613 Los Poblanos Cir., NW Albuquerque, NM 87107	D. Is delivery address different from item 1?
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Domestic Return Receipt

102595-02-M-1540 (

PS Form 3811, February 2004