

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

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

Case No. 20160

SUPPLEMENTAL AFFIDAVIT OF CARI ALLEN

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 Land Advisor for Devon Energy Production Company, L.P.
("Devon").
3. This affidavit is submitted in connection with the filing by Devon of the above-referenced compulsory pooling applications pursuant to 19.15.14.12(A)(1) NMAC. I am familiar with the subject applications and the lands involved.
4. In Case No. 20160, Devon seeks an order pooling all mineral interests in the Wolfcamp horizontal spacing units underlying Sections 13 and 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, to be dedicated to a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13 and the N/2 N/2 of Section 14, Township 21, South, Range 27 East, NMPM, Eddy County, New Mexico to its Lone Tree Draw 14-13 State Com 621H well.
5. I have conducted an additional search of the ownership interests in the S/2N/2 of Sections 13 and 14.

**EXHIBIT No. 1
Devon Energy Production Company
Lone Tree Draw
Case Nos. 20160
April 18, 2019 Hearing**

6. My search revealed there are only five overriding royalty interest owners who hold interests in the S/2N/2, but not in the N/2N/2, however, those overriding royalty interest owners also are working interest owners in the N/2N/2 as follows:

- a. Chi Energy, Inc.
- b. David H. Essex
- c. Hayes Revocable Trust
- d. Jamie Huber Owen
- e. McCombs Energy Ltd.

7. All ownership interests in the S/2N/2 of Sections 13 and 14 received notice of the application in this case.

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

FURTHER AFFIANT SAYETH NAUGHT

Cari Allen
Cari Allen

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

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



Clint Dake
Notary Public

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 20160

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

Case No. 20161

AMENDED AFFIDAVIT OF SUSAN ESTES

Susan Estes, of lawful age and being first duly sworn, declares as follows:

1. My name is Susan Estes. I work for Devon Energy Production Company L.P. ("Devon") as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Devon Energy Production Company, L.P. in this case and I have conducted a geologic study of the Bone Spring Formation underlying the subject acreage.
 - a. In Case No. 20160, Devon seeks to dedicate a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13 and the N/2 N/2 of Section 14, Township 21, South, Range 27 East, NMPM, Eddy County, New Mexico to its Lone Tree Draw 14-13 State Com 621H well.

**EXHIBIT No. 2
Devon Energy Production Company
Lone Tree Draw
Case Nos. 20160
April 18, 2019 Hearing**

- b. In Case No. 20161, Devon seeks to dedicate a standard 640-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 13 and the S/2 of Section 14, Township 21, South, Range 27 East, NMPM, Eddy County, New Mexico to its Lone Tree Draw 14-13 State Com 623H well.
- c. In both cases, Devon is targeting the Upper Wolfcamp Formation, which is an oil formation (gas oil ratios (GORs) in the area generally run in the volatile oil range of ~ 1,750-3,200 cfg/bbl). The wells will be located in the Alacran Hills Upper Wolfcamp Oil Pool; Pool Code 98314.

5. **Exhibits A-1 and A-2** are subsea structure maps that I prepared for the top of the Wolfcamp Y Sand. The proposed Standard Horizontal Spacing Unit for the wells is depicted by the blue outline or box. The contour interval is 50 feet and the proposed wellbore paths for the wells are depicted by red lines, with the BHL being indicated by red circles. The structure map shows that overall, the area is dipping to the east and into the basin but includes a localized structural component on roughly the western half of the map. From west to east, the contours show the Wolfcamp Y Sand dipping down into the basin which then transition back up to a localized structural high (deep seated, 4-way closure) that trends SW/NE. The contours then continue down-dip off the eastern flank of the localized structural high and into the basin. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

6. **Exhibits B-1 and B-2** are gross isopach maps that I prepared for the Wolfcamp Y Sand. As in the previous map, the proposed Standard Horizontal Spacing Unit for the wells are depicted by blue outlines or boxes, the proposed wellbore paths are denoted by red lines and the BHLs are indicated by red circles. The contour interval is 10 feet and thickness of the Wolfcamp

Y Sand interval over the Lone Tree Draw development block ranges from approximately 50-80 feet. Also shown on the maps are two (2) lines of section for cross-sections that I prepared to illustrate the consistent and contiguous nature of the Wolfcamp Y Sand. The red line (A-A') is a strike section of type wells that penetrate the Wolfcamp within and offsetting the Lone Tree Draw development block; the blue line (B-B') is a dip section of type logs that penetrate the Wolfcamp within and offsetting the Lone Tree Draw development block.

7. **Exhibits B-1A and B-2A** are locator maps with lines of section for the Lone Tree Draw 14-13 State Com 621H and Lone Tree Draw 14-13 State Com 623H wells. As in previous maps, the proposed Standard Horizontal Spacing Unit for each well is depicted by blue outlines or boxes, the proposed wellbore paths are denoted by red lines and the BHLs are indicated by red circles. Also shown on the maps are two (2) lines of section for cross-sections that I prepared to illustrate the consistent and contiguous nature of the Wolfcamp Y Sand. The red line (A-A') is a strike section of type wells that penetrate the Wolfcamp within and offsetting the Lone Tree Draw development block; the blue line (B-B') is a dip section of type logs that penetrate the Wolfcamp within and offsetting the Lone Tree Draw development block.

8. **Exhibits C-1 and C-2** are south to north strike sections (A-A') illustrating the type wells (wells that are representative of the area) within and offsetting the Lone Tree Draw development block that penetrate the Wolfcamp Formation; the line of section is shown on the inset map. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed Wolfcamp Y Sand target interval is labeled and depicted by the yellow shading. The cross-section demonstrates that the targeted interval extends across the proposed spacing and proration unit (i.e. is laterally contiguous) and is consistent in thickness and log character.

9. **Exhibits D-1 and D-2** are west to east dip sections (B-B') illustrating the type wells

(wells that are representative of the area) within and offsetting the Lone Tree Draw development block that penetrate the Wolfcamp Formation; the line of section is shown on the inset map. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed Wolfcamp Y Sand target interval is labeled and depicted by the yellow shading. The cross-section demonstrates that the targeted interval extends across the proposed spacing and proration unit (i.e. is laterally contiguous) and is consistent in thickness and log character.

10. **Exhibits E-1 and E-2** are gun-barrel diagrams (similar to a cross-section) illustrating how Devon is being proactive in order to mitigate potential communication issues between the 3rd Bone Spring and the Upper Wolfcamp Formations. Since public data suggests that there is apparent communication between the two formations, Devon is doing everything possible to mitigate that risk and be a prudent operator. Since it is unknown how much these two formations communicate with each other, Devon is approaching the Lone Tree Draw development block as a pilot or appraisal program so that we can obtain data to inform future decisions in our remaining acreage position. This data will allow us to optimize spacing patterns (wells per section) and production, as well as prevent both waste and over-capitalization. If the data collected supports drilling the Upper Wolfcamp sands, Devon will be co-developing the 3rd Bone Spring and the Wolfcamp Y due to these potential communication issues. Further clarification may be found in the Affidavit of Karsan Sprague, Devon's reservoir engineer.

On the right side of the gun-barrel diagram is a wireline log showing the formation tops, log character and petrophysical attributes of the Lower 3rd Bone Spring Sand and the Upper Wolfcamp sands. On the left side of the diagram, the red and blue dots illustrate the approximate, planned vertical and horizontal spacing between the 3rd Bone Spring and Upper Wolfcamp laterals, running south to north in the 1-mile Lone Tree Draw development block and as also shown in the

small inset map to the right. The red dots represent the 3rd Bone Spring wells and the blue dots represent the Upper Wolfcamp wells. In a full development scenario, Devon is planning to stagger the laterals up to ~ 280 feet vertically between the 3rd Bone Spring and Wolfcamp Y targets and between ~ 660-880 feet horizontally between targets so as to put as much distance as possible between the two formations to avoid potential interference issues. On a planar (same target formation) basis, the laterals will be spaced ~ 1,540-1,640 feet apart across the development block from south to north. Additionally, Devon is planning to install down-hole gauges to monitor pressures between the two formations, as well as obtain DFIT and PVT data. This data will inform our reservoir and frac modeling, as well as our petrophysical models, which ultimately impacts future decisions in our core acreage position. Since Devon is planning to obtain data up-front on the Lone Tree development block, we are only planning on two (2) Wolfcamp wells in the block (versus three (3) wells in a full-development scenario) due to the timing of the data acquisition and subsequent evaluation.

11. In my opinion the west to east orientation of the proposed wells in the Bone Spring formation is appropriate in order to effectively drain the targeted reservoirs and is effectively perpendicular to the maximum stress regime observed in the area.

12. Based on my geologic study of the area, the Upper Wolfcamp Formation underlying the subject area 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.

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

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 NOT.

Susan Estes
SUSAN ESTES

STATE OF OKLAHOMA)

)

COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 16th day of March 2019 by Susan Estes.

Rachel Gerlach
NOTARY PUBLIC

My Commission Expires:

6/22/19



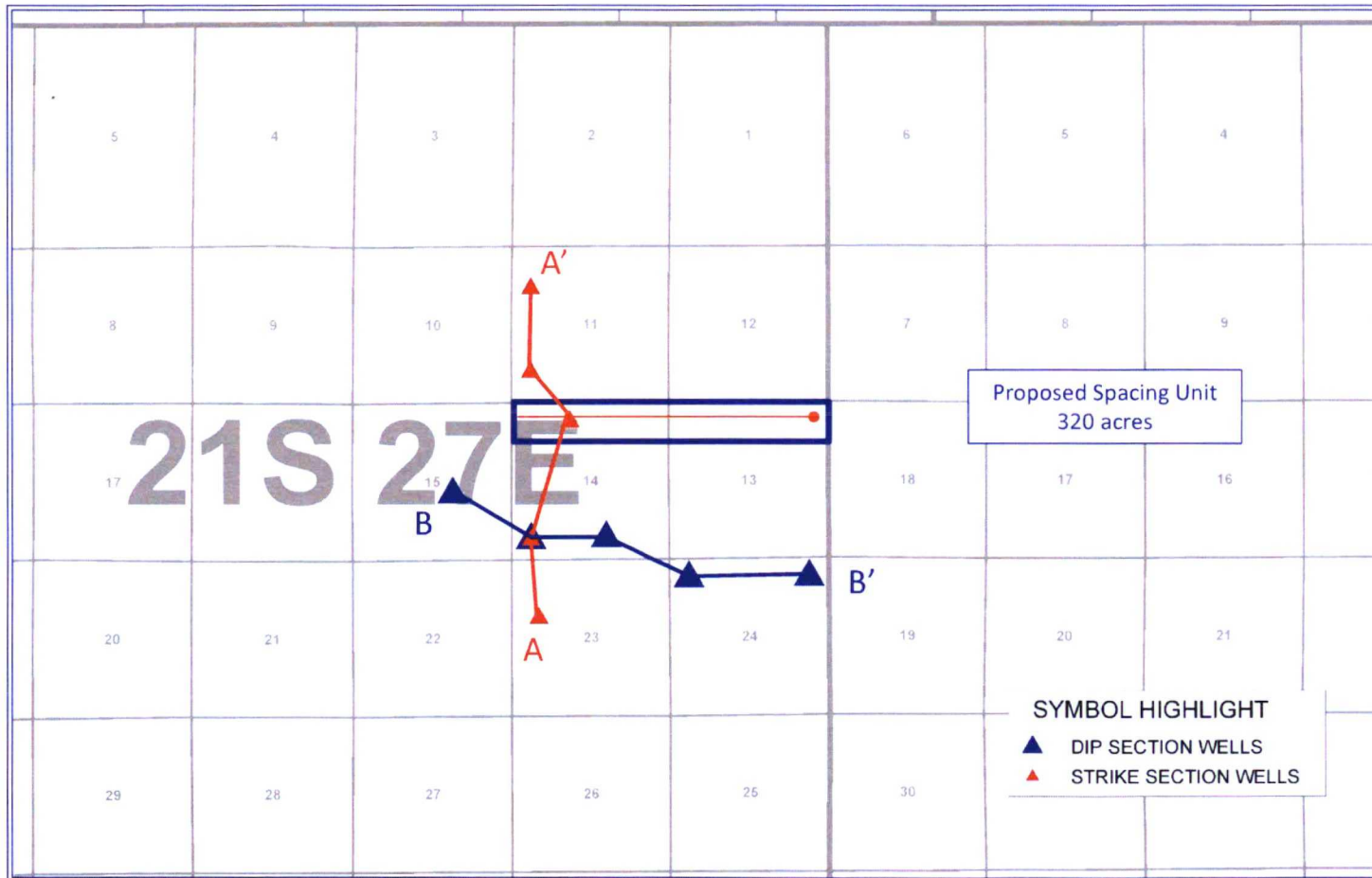
Wolfcamp

Locator Map w/Line of Sections



Devon Energy Corporation
Docket # 08-19
Case Numbers 20160
February 21, 2019
Exhibit # B-1A

Lone Tree Draw 14-13 State Com 621H



devon
Devon Energy
Docket # 08-19, Case #
Exhibit #
Locator Map w/Line of X-Sections
Eddy County, New Mexico

SYMBOL HIGHLIGHT
▲ DIP SECTION WELLS
▲ STRIKE SECTION WELLS

By: Susan Estes

0 3,165 6,370
FEET
March 4, 2019

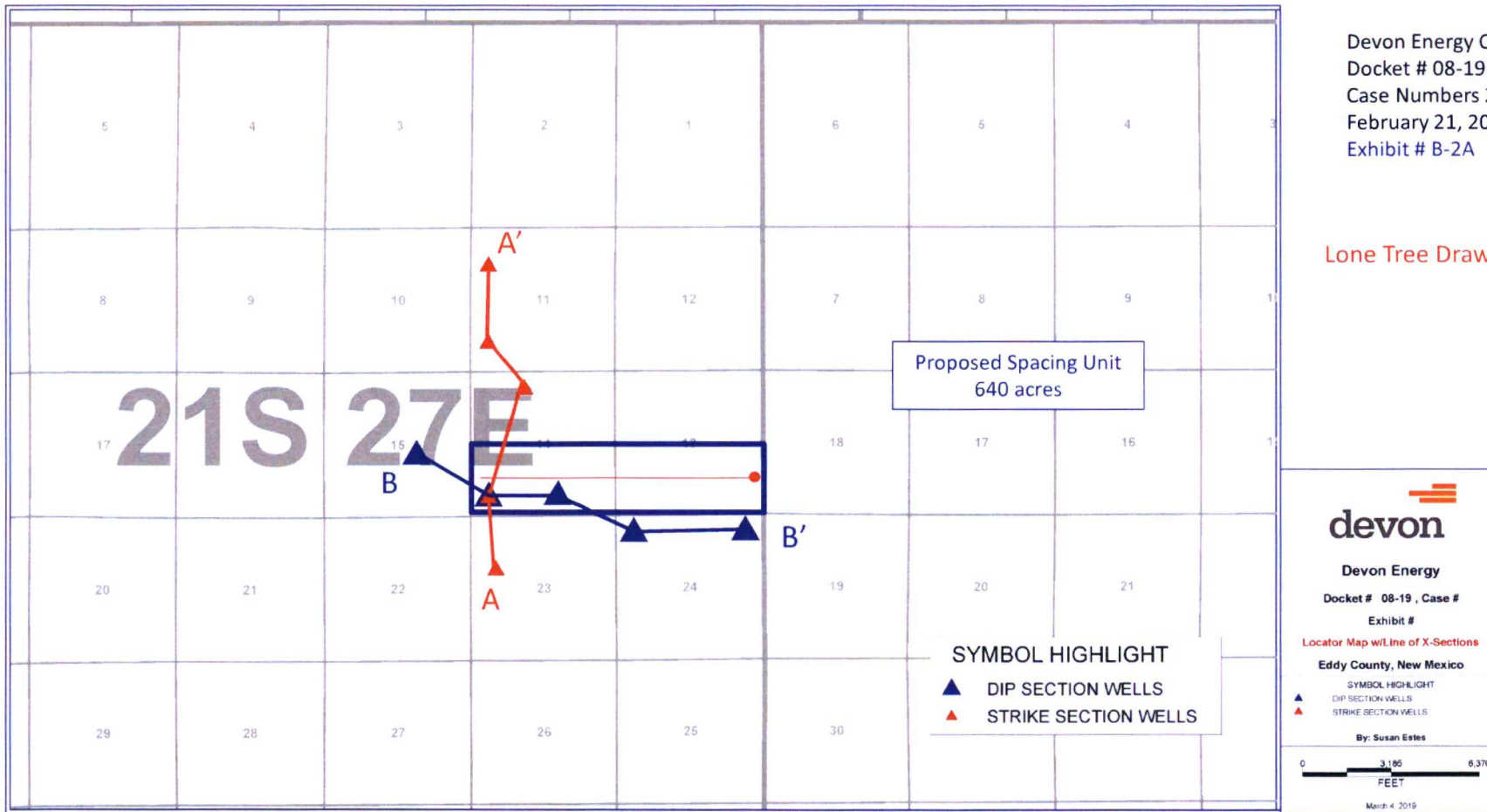
Wolfcamp

Locator Map w/Line of Sections



Devon Energy Corporation
Docket # 08-19
Case Numbers 20161
February 21, 2019
Exhibit # B-2A

Lone Tree Draw 14-13 State Com 623H



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98314	³ Pool Name ALACRAN HILLS UPPER WOLFCAMP OIL
⁴ Property Code	⁵ Property Name LONE TREE DRAW 14-13 STATE COM	⁶ Well Number 621H
⁷ OGRID No.	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation

¹⁰ Surface Location

UL or lot no. M	Section 14	Township 21 S	Range 27 E	Lot Idn	Feet from the 940	North/South line NORTH	Feet from the 225	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 13	Township 21 S	Range 27 E	Lot Idn	Feet from the 440	North/South line NORTH	Feet from the 230	East/West line EAST	County EDDY
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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

16				<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
				<p>¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

EXHIBIT No. 3

Devon Energy Production Company
Lone Tree Draw
Case Nos. 20160
April 18, 2019 Hearing

Intent ☒ As Drilled ☐

API #			
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.		Property Name: LONE TREE DRAW 14-13 STATE COM	Well Number 621H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
M	14	21S	27E		440	NORTH	100	WEST	EDDY
Latitude					Longitude				NAD

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
P	13	21S	27E		440	NORTH	330	EAST	EDDY
Latitude					Longitude				NAD

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.

API #			
Operator Name:		Property Name:	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
Phone: (505) 334-6178 Fax: (505) 334-6170
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1220 S. St. Francis Dr., Santa Fe, NM 87505
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State of New Mexico
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98314	³ Pool Name ALACRAN HILLS UPPER WOLFCAMP OIL
⁴ Property Code	⁵ Property Name LONE TREE DRAW 14-13 STATE COM	⁶ Well Number 623H
⁷ OGRID No.	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation

¹⁰ Surface Location

UL or lot no. M	Section 14	Township 21 S	Range 27 E	Lot Idn	Feet from the 2025	North/South line SOUTH	Feet from the 240	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 13	Township 21 S	Range 27 E	Lot Idn	Feet from the 1310	North/South line SOUTH	Feet from the 230	East/West line EAST	County EDDY
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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

16				<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number EXHIBIT No. 4</p>

Devon Energy Production Company
Lone Tree Draw
Case Nos. 20160
April 18, 2019 Hearing

Intent ☒ As Drilled ☐

API #

Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: LONE TREE DRAW 14-13 STATE COM	Well Number 621H
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Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL M	Section 14	Township 21S	Range 27E	Lot	Feet 440	From N/S NORTH	Feet 100	From E/W WEST	County EDDY
Latitude					Longitude				NAD

Last Take Point (LTP)

UL P	Section 13	Township 21S	Range 27E	Lot	Feet 440	From N/S NORTH	Feet 330	From E/W EAST	County EDDY
Latitude					Longitude				NAD

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.

API #

Operator Name:	Property Name:	Well Number
----------------	----------------	-------------

KZ 06/29/2018

From: [McMillan, Michael, EMNRD](#)
To: [Kaitlyn A. Luck](#)
Cc: [Brooks, David K, EMNRD](#); [Seth McMillan](#); [David Ortiz](#); [Jim Bruce](#)
Subject: RE: Devon - Case Nos. 21057, 20158, 20159, 20160 & 20161
Date: Monday, March 4, 2019 4:29:42 PM
Attachments: [image001.jpg](#)

After I looked at the Landman Exhibit in Case 20160 I am still left with the same questions. The Alacran Hills; Wolfcamp (Gas) is a statewide gas pool, in which the building blocks can either be 320-acres or quarter-sections
Devon is asking for only N/2 N/2 spacing unit.
Devon did not mention identical ownership in the N/2 N/2 and S/2 N/2 of Section 13 and 14.
Devon requested a standard spacing unit- the N/2 N/2 and S/2 N/2 of Section 13 and 14 is not.
Therefore, I would recommend that the case be Dismissed.
Devon should renote all affected parties and either request a non-standard spacing unit (N/2 N/2 Spacing Unit) or a standard spacing unit comprised of the N/2 of Section 13 and 14.
I would be agreeable to a conference
Mike

From: Kaitlyn A. Luck
Sent: Monday, March 4, 2019 2:55 PM
To: McMillan, Michael, EMNRD
Cc: Brooks, David K, EMNRD ; Seth McMillan ; David Ortiz
Subject: [EXT] RE: Devon - Case Nos. 21057, 20158, 20159, 20160 & 20161
Good afternoon, Hearing Examiners,
Attached please find:

1. **Supplemental Affidavit of Cari Allen to be entered into the record in Case No. 20160.**
This affidavit confirms the ownership in the S/2N/2 of Sections 13 and 14 is uniform to that of the N/2N/2. All parties entitled to notice received proper notice of the wells and the compulsory pooling.
2. **Additional Basic Isopach Maps for Case Nos. 20157, 20158, 20159:**
 - a. Exhibit C-1A – Lone Tree Draw 14-13 State Com 331H & 332H
 - b. Exhibit C-2A – Lone Tree Draw 14-13 State Com 333H
 - c. Exhibit C-3A – Lone Tree Draw 14-13 State Com 334H, 335H, & 336H
3. **Additional Basic Isopach Maps for Case Nos. 20160, 20161:**
 - a. Exhibit B-1A – Lone Tree Draw 14-13 State Com 621H
 - b. Exhibit B-2A – Lone Tree Draw 14-13 State com 623H

We ask that the above-referenced cases be supplemented with the attached additional exhibits that have been labeled accordingly.

If you have any questions, please let us know.

Best,



Kaitlyn A. Luck

Attorney at Law

EXHIBIT No. 5
Devon Energy Production Company
Lone Tree Draw
Case Nos. 20160
April 18, 2019 Hearing

Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
Direct Line: 505-986-2530
Fax: 505-982-4289

kluck@montand.com

THIS MESSAGE CONTAINS INFORMATION WHICH MAY BE CONFIDENTIAL AND PRIVILEGED. UNLESS YOU ARE THE ADDRESSEE (OR AUTHORIZED TO RECEIVE FOR THE ADDRESSEE), YOU MAY NOT USE, COPY OR DISCLOSE TO ANYONE THE MESSAGE OR ANY INFORMATION CONTAINED IN THE MESSAGE. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER BY REPLY E-MAIL TO kluck@montand.com AND DELETE THE MESSAGE. THANK YOU.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

Sent: Monday, February 25, 2019 4:46 PM

To: Kaitlyn A. Luck <Kluck@montand.com>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>

Subject: RE: Devon - Case No. 20161

Make sure David Brooks is involved in any discussions

Mike

From: Kaitlyn A. Luck <Kluck@montand.com>

Sent: Monday, February 25, 2019 4:43 PM

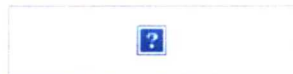
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Subject: [EXT] Devon - Case No. 20161

Mr. McMillan,

I apologize for the confusion on our end in this case. We will follow up with you tomorrow to confirm the number of acres of the horizontal spacing unit for this case.

Thanks,



Kaitlyn A. Luck

Attorney at Law
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
Direct Line: 505-986-2530
Fax: 505-982-4289

kluck@montand.com

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From: [McMillan, Michael, EMNRD](#)
To: [Kaitlyn A. Luck](#)
Cc: [Brooks, David K, EMNRD](#); [Seth McMillan](#); [David Ortiz](#); [Jim Bruce](#)
Subject: RE: Devon - Case Nos. 20160 & 20161
Date: Wednesday, March 6, 2019 7:56:11 AM
Attachments: [image001.jpg](#)

I want an affidavit from the geologist stating the target interval will be an oil well before I submit the Hearing Order for review

From: Kaitlyn A. Luck
Sent: Tuesday, March 5, 2019 3:37 PM
To: McMillan, Michael, EMNRD
Cc: Brooks, David K, EMNRD ; Seth McMillan ; David Ortiz ; Jim Bruce
Subject: [EXT] RE: Devon - Case Nos. 20160 & 20161

Mr. McMillan,

The following is the correspondence between Devon and Ray regarding the pool name.

Thanks!

From: Allen, Cari [<mailto:Cari.Allen@dvn.com>]
Sent: Tuesday, March 5, 2019 3:35 PM
To: Kaitlyn A. Luck <Kluck@montand.com>
Subject: FW: [EXTERNAL] RE: Sections 13 and 14, T21S-27E, Eddy County, NM
FYI – Please see new pool.

From: Podany, Raymond, EMNRD [<mailto:Raymond.Podany@state.nm.us>]
Sent: Tuesday, March 05, 2019 4:22 PM
To: Allen, Cari <Cari.Allen@dvn.com>
Subject: [EXTERNAL] RE: Sections 13 and 14, T21S-27E, Eddy County, NM

I have created an oil Pool ALACRAN HILLS UPPER WOLFCAMP OIL 98314 Use this in your pool applications and APDS. Use horizontal well rules setbacks or 100' for oil from line for take points.
RWP

From: Allen, Cari <Cari.Allen@dvn.com>
Sent: Tuesday, March 5, 2019 3:04 PM
To: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>
Subject: [EXT] Sections 13 and 14, T21S-27E, Eddy County, NM

Raymond,

What do you need from me to establish an oil pool for the captioned sections since Devon will be drilling the Wolfcamp XY (Oil)?

Thanks,

Cari Allen

Devon Energy Production Company, L.P.

333 W. Sheridan Avenue

Oklahoma City, OK 73102

(405) 228-4397



Kaitlyn A. Luck

Attorney at Law

EXHIBIT No. 6
Devon Energy Production Company
Lone Tree Draw
Case Nos. 20160
April 18, 2019 Hearing

Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
Direct Line: 505-986-2530
Fax: 505-982-4289

kluck@montand.com

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From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

Sent: Tuesday, March 5, 2019 1:32 PM

To: Kaitlyn A. Luck <Kluck@montand.com>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>; Seth McMillan <SMcMillan@montand.com>; David Ortiz <DOrtiz@montand.com>; Jim Bruce <jamesbruc@aol.com>

Subject: RE: Devon - Case Nos. 20160 & 20161

Be sure and have Devon supply the Engineering Bureau the conversation with Artesia District Office that names the new pool with corresponding pool code.

Mike

From: Kaitlyn A. Luck <Kluck@montand.com>

Sent: Tuesday, March 5, 2019 11:27 AM

To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>; Seth McMillan <SMcMillan@montand.com>; David Ortiz <DOrtiz@montand.com>; Jim Bruce <jamesbruc@aol.com>

Subject: [EXT] RE: Devon - Case Nos. 20160 & 20161

Mr. Bruce –

After our hearing this morning in Mewbourne/Catena, I met with Hearing Examiners McMillan and Brooks. I apologize for the ex parte proceeding as I did not realize at the time that you had entered an appearance in this matter because Seth had taken the lead on the presentation of the affidavits.

Hearing Examiners McMillan and Brooks were advised during the conference about the fact that Devon spoke with OCD this morning. OCD advised this morning that Devon did not have the correct pool code for Case Nos. 20160 and 20161 because the target formation is an oil pool in the Wolfcamp. For that reason, these wells come within the rules for oil wells. We'll be submitting a supplemental affidavit from our geologist stating that the completed intervals for these wells is in the Wolfcamp oil pool. On Case No. 20161, we are continuing for notice purposes, to amend our application to reflect that we're seeking to bring in the proximity tracts to create 40-acre building blocks for the spacing unit.

Let us know if you have any questions.

Thanks for your time and understanding.

Best,


Kaitlyn A. Luck

Attorney at Law
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
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From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

Sent: Monday, March 4, 2019 4:30 PM

To: Kaitlyn A. Luck <Kluck@montand.com>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>; Seth McMillan <SMcMillan@montand.com>; David Ortiz <DOrtiz@montand.com>; Jim Bruce <jamesbruc@aol.com>

Subject: RE: Devon - Case Nos. 21057, 20158, 20159, 20160 & 20161

After I looked at the Landman Exhibit in Case 20160 I am still left with the same questions. The Alacran Hills; Wolfcamp (Gas) is a statewide gas pool, in which the building blocks can either be 320-acres or quarter-sections
Devon is asking for only N/2 N/2 spacing unit.
Devon did not mention identical ownership in the N/2 N/2 and S/2 N/2 of Section 13 and 14.
Devon requested a standard spacing unit- the N/2 N/2 and S/2 N/2 of Section 13 and 14 is not.
Therefore, I would recommend that the case be Dismissed.
Devon should renote all affected parties and either request a non-standard spacing unit (N/2 N/2 Spacing Unit) or a standard spacing unit comprised of the N/2 of Section 13 and 14.
I would be agreeable to a conference
Mike

From: Kaitlyn A. Luck <Kluck@montand.com>

Sent: Monday, March 4, 2019 2:55 PM

To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>; Seth McMillan <SMcMillan@montand.com>; David Ortiz <DOrtiz@montand.com>

Subject: [EXT] RE: Devon - Case Nos. 21057, 20158, 20159, 20160 & 20161

Good afternoon, Hearing Examiners,
Attached please find:

1. **Supplemental Affidavit of Cari Allen to be entered into the record in Case No. 20160.**
This affidavit confirms the ownership in the S/2N/2 of Sections 13 and 14 is uniform to that of the N/2N/2. All parties entitled to notice received proper notice of the wells and the compulsory pooling.
2. **Additional Basic Isopach Maps for Case Nos. 20157, 20158, 20159:**

- a. Exhibit C-1A – Lone Tree Draw 14-13 State Com 331H & 332H
 - b. Exhibit C-2A – Lone Tree Draw 14-13 State Com 333H
 - c. Exhibit C-3A – Lone Tree Draw 14-13 State Com 334H, 335H, & 336H
3. **Additional Basic Isopach Maps for Case Nos. 20160, 20161:**
- a. Exhibit B-1A – Lone Tree Draw 14-13 State Com 621H
 - b. Exhibit B-2A – Lone Tree Draw 14-13 State com 623H

We ask that the above-referenced cases be supplemented with the attached additional exhibits that have been labeled accordingly.

If you have any questions, please let us know.

Best,



Kaitlyn A. Luck

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From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

Sent: Monday, February 25, 2019 4:46 PM

To: Kaitlyn A. Luck <Kluck@montand.com>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>

Subject: RE: Devon - Case No. 20161

Make sure David Brooks is involved in any discussions

Mike

From: Kaitlyn A. Luck <Kluck@montand.com>

Sent: Monday, February 25, 2019 4:43 PM

To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Subject: [EXT] Devon - Case No. 20161

Mr. McMillan,

I apologize for the confusion on our end in this case. We will follow up with you tomorrow to confirm the number of acres of the horizontal spacing unit for this case.

Thanks,



Kaitlyn A. Luck

Attorney at Law

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From: [Kaitlyn A. Luck](#)
To: "McMillan, Michael, EMNRD"
Cc: [Brooks, David K, EMNRD](#); [Seth McMillan](#); [David Ortiz](#); [Jim Bruce](#)
Subject: RE: Devon - Case Nos. 20160 & 20161
Date: Thursday, March 7, 2019 10:49:24 AM
Attachments: [image001.jpg](#)
[Susan Estes Devon Lone Tree Draw WFMP Amended Geo-Affidavit 3-6-2019.pdf](#)
[Lone Tree Draw 14-13 State Com 331H - C-102.pdf](#)
[Lone Tree Draw 14-13 State Com 332H - C-102.pdf](#)
[Lone Tree Draw 14-13 State Com 333H - C-102.pdf](#)
[Lone Tree Draw 14-13 State Com 334H - C-102.pdf](#)
[Lone Tree Draw 14-13 State Com 621H - C-102.pdf](#)
[Lone Tree Draw 14-13 State Com 623H - C-102.pdf](#)

Good morning,

Attached are the following:

1. *Amended* Geologist Affidavit reflecting the correct pool code and explaining the gas oil ratio in the target interval.
2. C-102s.

We are filing our Second Amended Application in Case No. 20161 today, with a request to re-open for notice purposes, to be continued to the next available docket after the notice period is complete.

If you have any questions or require anything further, please let us know.

Thanks,



KAITLYN A. LUCK

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From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Wednesday, March 6, 2019 7:56 AM

To: Kaitlyn A. Luck

Cc: Brooks, David K, EMNRD ; Seth McMillan ; David Ortiz ; Jim Bruce

Subject: RE: Devon - Case Nos. 20160 & 20161

I want an affidavit from the geologist stating the target interval will be an oil well before I submit the Hearing Order for review

From: Kaitlyn A. Luck <kluck@montand.com>

Sent: Tuesday, March 5, 2019 3:37 PM

To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>; Seth McMillan <SMcMillan@montand.com>; David Ortiz <DOrtiz@montand.com>; Jim Bruce <jamesbruc@aol.com>

EXHIBIT No. 7
Devon Energy Production Company
Lone Tree Draw
Case Nos. 20160
April 18, 2019 Hearing

Subject: [EXT] RE: Devon - Case Nos. 20160 & 20161

Mr. McMillan,

The following is the correspondence between Devon and Ray regarding the pool name. Thanks!

From: Allen, Cari [<mailto:Cari.Allen@dvn.com>]

Sent: Tuesday, March 5, 2019 3:35 PM

To: Kaitlyn A. Luck <Kluck@montand.com>

Subject: FW: [EXTERNAL] RE: Sections 13 and 14, T21S-27E, Eddy County, NM

FYI – Please see new pool.

From: Podany, Raymond, EMNRD [<mailto:Raymond.Podany@state.nm.us>]

Sent: Tuesday, March 05, 2019 4:22 PM

To: Allen, Cari <Cari.Allen@dvn.com>

Subject: [EXTERNAL] RE: Sections 13 and 14, T21S-27E, Eddy County, NM

I have created an oil Pool ALACRAN HILLS UPPER WOLFCAMP OIL 98314 Use this in your pool applications and APDS. Use horizontal well rules setbacks or 100' for oil from line for take points. RWP

From: Allen, Cari <Cari.Allen@dvn.com>

Sent: Tuesday, March 5, 2019 3:04 PM

To: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>

Subject: [EXT] Sections 13 and 14, T21S-27E, Eddy County, NM

Raymond,

What do you need from me to establish an oil pool for the captioned sections since Devon will be drilling the Wolfcamp XY (Oil)?

Thanks,

Cari Allen

Devon Energy Production Company, L.P.

333 W. Sheridan Avenue

Oklahoma City, OK 73102

(405) 228-4397



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Subject: RE: Devon - Case Nos. 21057, 20158, 20159, 20160 & 20161

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We ask that the above-referenced cases be supplemented with the attached additional exhibits that have been labeled accordingly.

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Best,



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Sent: Monday, February 25, 2019 4:46 PM

To: Kaitlyn A. Luck <Kluck@montand.com>

Cc: Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>

Subject: RE: Devon - Case No. 20161

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From: Kaitlyn A. Luck <Kluck@montand.com>

Sent: Monday, February 25, 2019 4:43 PM

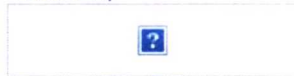
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Subject: [EXT] Devon - Case No. 20161

Mr. McMillan,

I apologize for the confusion on our end in this case. We will follow up with you tomorrow to confirm the number of acres of the horizontal spacing unit for this case.

Thanks,



KAITLYN A. LUCK

Attorney at Law

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- a. In Case No. 20160, Devon seeks to dedicate a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13 and the N/2 N/2 of Section 14, Township 21, South, Range 27 East, NMPM, Eddy County, New Mexico to its Lone Tree Draw 14-13 State Com 621H well.
- b. In Case No. 20161, Devon seeks to dedicate a standard 640-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 13 and the S/2 of Section 14, Township 21, South, Range 27 East, NMPM, Eddy County, New Mexico to its Lone Tree Draw 14-13 State Com 623H well.

5. I have completed an analysis for Wolfcamp XY using OBO wells in the Township of 23S 27E to understand performance of wells that are in a comparable reservoir to Sections 13 & 14, 21S 27E. The wells in the analog field had a wide range of spacing that indicate that the WFMP XY should be spaced at 3-4 Wells per Section (WPS) to be commercially viable projects. See **Exhibits A-1 and A-2** attached hereto.

6. I have also completed an analysis for the 3rd Bone Spring Formation using both Devon Operated Wells (Parkway West Unit) and wells operated by others (OBO) in the area surrounding Sections 13 & 14, 21S 27E. That analysis is attached to my affidavit submitted in Case Nos 20157, 20158, and 20159.

7. In my opinion, the upper Wolfcamp formation (Wolfcamp XY Sands) and the Lower Bone Spring Formation (3rd Bone Spring Sand) will have communication between horizontally-landed wellbores and should be drilled simultaneously. There are no examples that show communication in either the 3rd Bone Spring analog wells or the Wolfcamp XY analog wells that were used to predict performance for Sections 13 & 14, 21S, but Devon plans on testing the landings to know the commercial viability of both formations drilled in tandem.

