

RECEIVED

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

2009 MAR 25 PM 7 29

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 14,906

VERIFIED STATEMENT OF LANDMAN

Mark A. Oates, being duly sworn upon his oath, deposes and states:

1. I am a landman for Devon Energy Production Company, L.P., and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule 1210.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition is expected because the working interest owner being pooled is unlocatable.

(b) A plat outlining the spacing unit being pooled, and marking the location of the subject well, is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NW/4NW/4 of Section 32, Township 18 South, Range 32 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Querecho Plains-Lower Bone Spring Pool.

The unit is to be designated to the proposed Hulkster Well No. 1, to be drilled at a location 990 feet from the north and west lines of Section 32.

(c) The party being pooled and his working interest in the well unit are as follows:

Richard Rogers
Address unknown

1.11607142%

(d) A proposal letter was not sent to the uncommitted working interest owner because he was unlocatable. Applicant has examined the Lea County records, telephone

Oil Conservation Division
Case No. 1
Exhibit No. 1

directories, and internet directories, but has been unable to locate Mr. Rogers. The last instrument of record in his name in Lea County was recorded in 1980.

(e) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against the non-consenting interest owner.

(f) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit B. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other directional wells of this depth drilled in this area of Lea County.

(g) Overhead charges of \$4,500.00/month for a drilling well, and \$450.00/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for well of this depth. Applicant requests that the rates be adjusted pursuant to the COPAS accounting procedure.

(h) Applicant requests that it be designated operator of the well.

VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

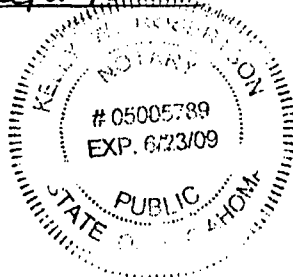
Mark A. Oates, being duly sworn upon his oath, deposes and states that: He is a landman for Devon Energy Production Company, L.P.; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Mark A. Oates
Mark A. Oates, Sr. Staff Landman

SUBSCRIBED AND SWORN TO before me this 4th day of March, 2008 by
Mark A. Oates, Sr. Staff Landman for Devon Energy Production Company, L.P.

My Commission Expires: 6/23/09

Kelly W. Robertson
Notary Public



State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N Broadway Oklahoma City, OK 73102		2. OGRID Number 6137
		3. API Number 30-025-38446
4. Property Code 36549	5. Property Name HULKSTER	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	32	18S	32E	D	990	N	990	W	LEA

8. Pool Information

LUSK BONE SPRING, NORTH	41450
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3694
14. Multiple N	15. Proposed Depth 10245	16. Formation Bone Spring	17. Contractor	18. Spud Date 8/1/2007
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 40000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1150	960	0
Int2	12.25	8.625	32	5400	1795	0
Prod	7.875	5.5	17	10245	760	0

Casing/Cement Program: Additional Comments

Cement 13 3/8" csg w/ lead 710 sx 35.65 Poz Class C; tail w/ 250 sx Class C. Cement 8 5/8" csg with lead 1495 sx 50.50 Poz Class C and tail with 300 sx 60.40 Poz Class C. Cement 5 1/2" casing with lead 325 sx 35.65 Poz Class H and tail with 435 15.61:11 Poz Class C. Mud Program: 0-1150', 8.9 - 9.4, Visc. 32-34, NC fluid loss, fresh water; 1150-5400', 9.8-10.2, Visc. 28-30, NC fluid loss, Brine Water; 5400-8300', 8.4-9.0, Visc. 28, NC fluid loss, Cut Brine; 8300-10,245', 9.0-9.3, Visc. 30-32, 12 fluid loss, Cut Brine. BOP: A 3000 psi BOP stack will be NU on 13 3/8" casing and tested to 1200 psi with the rig pump. A 5000 psi BOP stack will be NU on the 8 5/8" casing and tested to 5000 psi with an independent tester.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
DoubleRam	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOCB guidelines ☐ a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Linda Guthrie

Title: Sr. Regulatory Specialist

Email Address: linda.guthrie@dvn.com

Date: 6/20/2007

Phone: 405-228-8209

OIL CONSERVATION DIVISION

Approved By: Paul Kautz

Title: Geologist

Approved Date: 6/21/2007

Expiration Date: 6/21/2008

Conditions of Approval Attached

EXHIBIT **A**

DISTRICT I
1005 N. French Dr., Hobbs, NM 88240

DISTRICT II
1001 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1000 S. St. Francis Dr., Santa Fe, NM 87508

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2006

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Lusk; Bone Spring
Property Code	Property Name	Well Number
	HULKSTER	1
OGRID No. 6137	Operator Name	Elevation
	DEVON ENERGY PRODUCTION COMPANY LP	3694'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	18 S	32 E		990	NORTH	990	WEST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>Lat - N32°42'30.9" Long - W103°47'37.9" (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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 6/15/07</p> <p>Norvella Adams Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>APR 26 2007</p> <p>Date Surveyed by Jones Signature of Gary L. Jones Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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GAS _____
OIL _____

DRILLING _____
COMPLETION _____



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

EXHIBIT **B**

AFE NO.: 134502
Lease Name - Well #: Hulkster 1
Legal Description: NW/4 Sec. 32-T18S-R32E

County/Parish: Lea
State: New Mexico
Prepared By: Greenlees, Bill

AUTHORITY REQUESTED TO:

To drill and complete the Hulkster #1.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	2,000	0	0	2,000
012	COMPL-SURF DAMAGES/RIGHTOFWAY	0	7,000	0	7,000
012	DRILL-SURF DMGS/RJGHT OF WAY	5,000	0	0	5,000
013	COMP-LOCATION, ROADS, PITS, FNS	0	10,000	0	10,000
013	DRILL-LOCATION,ROADS, PITS, FNCS	35,000	0	0	35,000
014	ARCHEOLOGICAL TESTING	2,000	0	0	2,000
019	DRILL-OTHER SITE PREPARATION	10,000	0	0	10,000
019	OTHER SITE PREPARATION	0	1,000	0	1,000
043	DAYWORK	506,000	66,000	0	572,000
044	DRILL-MOB/DEMOBILIZATION	92,000	0	0	92,000
101	DRILL BITS	55,000	0	0	55,000
102	COMPLETION FLUIDS	0	14,000	0	14,000
102	DRILL-DRILLING FLUIDS	18,500	0	0	18,500
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	25,000	0	0	25,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air ui	0	30,000	0	30,000
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	0	12,000	0	12,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	25,000	0	0	25,000
109	DRILL-OTHER MATRLS & SUPPLIES	2,000	0	0	2,000
109	OTHER MATERIALS & SUPPLIES	0	1,000	0	1,000
201	DRILL-WELD, ROUTABOUT & OTHER	31,000	0	0	31,000
201	WELDING, ROUSTABOUTS & OTHER SERV	0	46,500	0	46,500
202	COMPL-DIRT WORK & HEAVY EQUIPN	0	6,000	0	6,000
202	DIRT WORK & HEAVY EQUIPMENT	3,000	0	0	3,000
203	DRILL-TRUCKING & HOTSHOT	20,000	0	0	20,000
203	TRUCKING & HOTSHOT	0	6,000	0	6,000
204	PIPELINE INSTALLATION	0	10,000	0	10,000
251	CEMENT & CEMENTING SERVICES	53,500	30,000	0	83,500
254	FLOWBACK EQUIP-TESTING SERVICES	0	24,000	0	24,000
255	DRILL-LOGGING	90,000	0	0	90,000
255	LOGGING	0	29,000	0	29,000
257	DRILL-OPEN HOLE EVALUATION	20,000	0	0	20,000
259	CASING & TUBULAR SERVICES	12,000	0	0	12,000
263	DRILL-FLUID DISPOSAL	7,500	0	0	7,500
263	FLUID DISPOSAL	0	12,000	0	12,000
265	STIMULATION & GRAVEL PACK	0	200,000	0	200,000
269	COMPL - CONSULTANTS	0	14,500	0	14,500
269	CONSULTANTS	37,500	0	0	37,500
281	COMMUNICATION SERVICES	2,500	0	0	2,500
302	DRILL-WATER	50,000	0	0	50,000
302	WATER	0	5,000	0	5,000
306	DRILL-POWER & FUEL	65,000	0	0	65,000

Please include/attach well requirement data with ballot.

GAS _____
OIL _____

DRILLING _____
COMPLETION _____



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 134502
Lease Name - Well #: Hulkster 1
Legal Description: NW/4 Sec. 32-T18S-R32E

County/Parish: Lea
State: New Mexico
Prepared By: Greenlees, Bill

AUTHORITY REQUESTED TO:

To drill and complete the Hulkster #1.

Code	Intangible	Drilling	Completion	Dry Hole	Total
	Description	Costs	Costs	Costs	Costs
501	PULLING & SWABBING UNITS	0	63,000	0	63,000
503	BACKFILL PITS/RESTORE LOCATION	50,000	0	0	50,000
552	DRILL-SAFETY EQUIP & TRAINING	2,500	0	0	2,500
559	DRILL-ENVMNT & SAFETY MISC	15,000	0	0	15,000
Total Intangibles		1,237,000	587,000	0	1,824,000

Code	Tangible	Drilling	Completion	Dry Hole	Total
	Description	Costs	Costs	Costs	Costs
282	COMPL-SCADA	0	10,000	0	10,000
901	SURFACE CASING	36,800	0	0	36,800
902	INTERMEDIATE CASING	109,900	0	0	109,900
903	PRODUCTION CASING	0	188,000	0	188,000
915	TUBING	0	72,600	0	72,600
921	SUCKER RODS	0	32,000	0	32,000
925	SUBSURFACE EQUIP	0	7,000	0	7,000
931	WELLHEAD VALVES & EQUIPMENT	10,000	13,500	0	23,500
935	ARTIFICIAL LIFT EQUIPMENT	0	110,000	0	110,000
941	TANKS	0	70,000	0	70,000
945	TREATING EQUIPMENT	0	24,000	0	24,000
964	COMPL-METERS AND FITTINGS	0	29,000	0	29,000
Total Tangibles		156,700	556,100	0	712,800

TOTAL ESTIMATED COSTS		1,393,700	1,143,100	0	2,536,800
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Note: Costs and participations are generally estimates. Billings will be based on actual expenditures

WORKING INTEREST OWNER APPROVAL

Company name:

Signature: _____ Print Name: _____

Title: _____

Date: _____

Email: _____

Please include/attach well requirement data with ballot.

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of 1
_____ weeks.

Beginning with the issue dated
January 29 2008
and ending with the issue dated
January 29 2008

Kathi Bearden
PUBLISHER

Sworn and subscribed to before
me this 29th day of

January 2008
[Signature]

Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

LEGAL NOTICE
January 29, 2008

To: Richard Rodgers, or his heirs, devisees, or successors: Devon Energy Production Company, L.P. has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NW/4NW/4 of Section 32, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, to form a standard 40 acre oil spacing and proration unit for all formations developed on 40 acre spacing. The unit is to be dedicated to the Hulkster Well No. 1, to be drilled at an orthodox oil well location. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, March 6, 2008 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 10 miles south-southwest of Majamar, New Mexico.

#23807

Oil Conservation Division
Case No. 2
Exhibit No. 2

01101711000 02598102
JAMES BRUCE, ATTORNEY AT LAW
P.O. BOX 1056
SANTA FE, NM 87504

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of 1
_____ weeks.

Beginning with the issue dated

February 1 2008
and ending with the issue dated

February 1 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this 1st day of

February 2008

Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DOÑA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

LEGAL NOTICE

February 1, 2008

To: Richard Rogers, or his heirs, devisees, or successors: Devon Energy Production Company, L.P. has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NW/4NW/4 of Section 32, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, to form a standard 40 acre oil spacing and proration unit for all formations developed on 40 acre spacing. The unit is to be dedicated to the Hulkster Well No. 1, to be drilled at an orthodox oil well location. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, March 6, 2008 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 10 miles south-southwest of Maljamar, New Mexico.

#23813

Oil Conservation Division

Case No. 3

Exhibit No. 3

01101711000

02598141

JAMES BRUCE, ATTORNEY AT LAW
P.O. BOX 1056
SANTA FE, NM 87504