

Devon Energy Production Company 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102 Phone: (405)-552-7970 Erin.Workman@dvn.com

February 1, 2021

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Interest Owners

Re: Central Tank Battery Boundary Raider 7 CTB 2 Sec.,T, R: SWSE, 07-23S-32E Lease: NMNM018848, NMNM0559539, NMNM139370

Pool: 53800-SAND DUNES; BONE SPRING; 53805-SAND DUNES; BONE SPRING, SOUTH

County: Eddy Co., New Mexico

To whom it may concern:

This is to advise you that Devon Energy Production Company, L.P., is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery for the below mentioned wells.

Well Name	API/UWI
PURRITO 18 FED COM 213H	3002546249
PURRITO 18 FED COM 214H	3002546250
PURRITO 18-19 FED COM 210H	3002546786
PURRITO 18-19 FED COM 211H	3002546787
PURRITO 18-19 FED COM 212H	3002546788

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Please contact the undersigned at (405) 552-6560 should you have any questions or need anything further. Sincerely,

Jenny Hannis

Jenny Harms Regulatory Compliance Professional Work Phone: (405)552-6560 Jennifer.harms@dvn.com Devon Energy Center-Tower

333 West Sheridan Avenue Oklahoma City OK 73102-5015

Enclosure

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)								
OPERATOR NAME: Devon Energy Production Co., L.P.								
OPERATOR ADDRESS: 333 W Sheridan Avenue, Oklahoma City, OK 73102								
APPLICATION TYPE:								
Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)								
LEASE TYPE: Fee	State X Fede							
Is this an Amendment to existing Order								
Have the Bureau of Land Management ☐ Yes ☐ No	(BLM) and State Land	d office (SLO) been not	ified in writing of	of the proposed comm	ingling			
(A) POOL COMMINGLING Please attach sheets with the following information								
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes			
See attachments								
		1						
(3) Has all interest owners been notified by the same of the same	Other (Specify)		▼Yes □No. be why commingli	ing should be approved				
	` '	SE COMMINGLINGS with the following in						
 Pool Name and Code. Is all production from same source of Has all interest owners been notified by Measurement type: Metering 	certified mail of the proj		∑ Yes □N	0				
	(C) POOL and	LEASE COMMIN	GLING					
	Please attach sheet	s with the following in	nformation					
(1) Complete Sections A and E.								
(1)	,	ORAGE and MEA						
		ets with the following	information					
(1) Is all production from same source of(2) Include proof of notice to all interest of	— —	0						
(E) AI		PRMATION (for all		vpes)				
(1) A schematic diagram of facility, inclu-		s with the following in	normation					
(2) A plat with lease boundaries showing (3) Lease Names, Lease and Well Numbe	all well and facility locat	ions. Include lease numbe	ers if Federal or Sta	ate lands are involved.				
I hereby certify that the information above is	s true and complete to the	best of my knowledge an	d belief.					
SIGNATURE: June Hon	MA /	ITLE: Regulatory Special		1				
TYPE OR PRINT NAME Jenny Harms				EPHONE NO.: 405-552	2-6560			
E-MAIL ADDRESS: jenny.harms@dvn.com	n							

	RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	12	NEW MEXICO OIL - Geological & E 220 South St. Francis	Engineering Bure	N DIVISION eau –	
		ADMINISTRATIVE			
		IS MANDATORY FOR ALL ADMINI REGULATIONS WHICH REQUIRE PR		OR EXCEPTIONS TO DIVISION RULES AND N LEVEL IN SANTA FE	
a۸	plicant: Devon Ene	rgy Production Co., I	L.P.	OGRID Number: 6137	
		hments for muliple w		API:	
	ol: <u>53800-SAND DU</u>			Pool Code:	
,				O PROCESS THE TYPE OF APPLICATION	N
1)		N: Check those which cing Unit – Simultaneou Inspect AREA	us Dedi <u>cation</u>	ITION UNIT)	
	\square DHC [II] Injection – I	ng – Storage – Measure CTB PLC Disposal – Pressure Inci	□PC □OLS	☑OLM I Oil Recovery □ PPR FOR OCD ONL	γ
2)	A. Offset opera B. Royalty, ove C. Application D. Notification E. Notification F. Surface own	above, proof of notific	revenue owners ice proval by SLO proval by BLM	Notice Complet Application Content Complete tion is attached, and/or,	
3)	administrative approunderstand that no a	oval is accurate and co	emplete to the be	ed with this application for est of my knowledge. I also until the required information and	
	Note: State	ment must be completed by a	n individual with manag	erial and/or supervisory capacity.	
				2-1-2021 ate	
	enny Harms			ii.e	
Priı	nt or Type Name				
				405-552-6560 none Number	
	Sonny Honnis				
	Survey Mario		 ie	enny.harms@dvn.com	
Sig	ınature			mail Address	

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

Do not use the	SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.								
SUBMIT IN	TRIPLICATE - Other ins	tructions on	page 2		7. If Unit or CA/Agree	ment, Name and/or No.			
Type of Well ☐ Gas Well ☐ Oth	ner				8. Well Name and No. PURRITO 18 FED	COM 213H			
Name of Operator DEVON ENERGY PRODUCT	Contact:	JENNIFER Harms@dvn.com	IARMS		9. API Well No. 30-025-46249				
3a. Address 333 W SHERIDAN AVE OKLAHOMA CITY, OK 73102	2	3b. Phone No Ph: 405-55	o. (include area code) 52-6560		10. Field and Pool or E SAND DUNES;	Exploratory Area BONE SPRING			
4. Location of Well (Footage, Sec., T		1)			11. County or Parish, S	State			
Sec 18 T23S R32E NENE 71	FNL 1196FEL				LEA COUNTY, I	NM			
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE OI	F NOTICE,	REPORT, OR OTH	IER DATA			
TYPE OF SUBMISSION			TYPE OF	ACTION					
Notice of Intent ■ Notice of Intent Notice of	☐ Acidize	□ Dee	pen	☐ Product	ion (Start/Resume)	☐ Water Shut-Off			
_	☐ Alter Casing	□ Нус	lraulic Fracturing	□ Reclam	ation	■ Well Integrity			
☐ Subsequent Report	□ Casing Repair	□ Nev	v Construction	□ Recomp	olete	Other			
☐ Final Abandonment Notice	☐ Change Plans	☐ Plu	g and Abandon	□ Tempor	arily Abandon	Subsurface Commingli			
	☐ Convert to Injection	☐ Plug	g Back	☐ Water I	Disposal	C			
13. Describe Proposed or Completed Ope If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final At determined that the site is ready for final APPLICATION FOR CENTRA	ally or recomplete horizontally, it will be performed or provide l operations. If the operation re bandonment Notices must be fi- inal inspection.	, give subsurface e the Bond No. o esults in a multip led only after all	locations and measur n file with BLM/BIA. le completion or recor requirements, includi	red and true ve Required sul impletion in a ing reclamatio	ertical depths of all pertino besequent reports must be new interval, a Form 3160	ent markers and zones. filed within 30 days 0-4 must be filed once			
& STORAGE									
Proposal for: Boundary Raide	r 7 CTB 2, is located in S	WSE, 07-235	3-32E in Eddy Co	unty, New N	Mexico.				
Devon Energy Production Cor Measurement for the following	mpany, L.P. is requesting g wells:	approval for	a Lease Commin	gle & Off-Le	ease				
Well Name API/UWI STR PURRITO 18 FED COM 213H PURRITO 18 FED COM 214H PURRITO 18-19 FED COM 2	1 3002546250 A-18-23S-	32E							
14. I hereby certify that the foregoing is	true and correct. Electronic Submission # For DEVON ENERG	516405 verifie GY PRODUCTI	d by the BLM Well ON COMPAN, ser	Information to the Hob	n System obs				
Name(Printed/Typed) JENNIFE	R HARMS		Title REGUL	ATORY CO	MPLIANCE ANALYS	ST			
Signature (Electronic S	Submission)		Date 05/22/20)20					
	THIS SPACE FO	OR FEDERA	AL OR STATE (OFFICE U	SE				
Approved By			Title			Date			
Conditions of approval, if any, are attache certify that the applicant holds legal or equwhich would entitle the applicant to condu	uitable title to those rights in th		Office						

(Instructions on page 2)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

^{**} OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional data for EC transaction #516405 that would not fit on the form

32. Additional remarks, continued

PURRITO 18-19 FED COM 211H 3002546787 C-18-23S-32E PURRITO 18-19 FED COM 212H 3002546788 C-18-23S-32E

APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE

Proposal for Boundary Raider 7 CTB 2

Devon Energy Production Company, LP is requesting approval for a Lease Commingle & Off-Lease Measurement for the following wells:

Well Name	API/UWI	STR	FORMATION	2ND POOL CODE	LEASES	LEASES
		A-18-	53800 -SAND		NMNM	NMNM
PURRITO 18 FED COM		23S-	DUNES; BONE	53805-SAND DUNES;	018848-	0559539-
213H	3002546249	32E	SPRING	BONE SPRING, SOUTH	12.5%	12.5%
		A-18-	53800 -SAND		NMNM	NMNM
PURRITO 18 FED COM		23S-	DUNES; BONE	53805-SAND DUNES;	018848-	0559539-
214H	3002546250	32E	SPRING	BONE SPRING, SOUTH	12.5%	12.5%
		C-18-	53800 -SAND		NMNM	
PURRITO 18-19 FED COM		23S-	DUNES; BONE	53805-SAND DUNES;	018848-	
210H	3002546786	32E	SPRING	BONE SPRING, SOUTH	12.5%	
		C-18-	53800 -SAND		NMNM	
PURRITO 18-19 FED COM		23S-	DUNES; BONE		018848-	
211H	3002546787	32E	SPRING		12.5%	
		C-18-	53800 -SAND		NMNM	NMNM
PURRITO 18-19 FED COM		23S-	DUNES; BONE		139370-	018848-
212H	3002546788	32E	SPRING		12.5%	12.5%

CA's:

- Purrito 18 Fed Com 213H (Single CA)
- Purrito 18 Fed Com 214H (Single CA)
- Purrito 18-19 Fed Com 210, 211, 212H (under one CA)

Oil & Gas metering:

The central tank battery, Boundary Raider 7 CTB 2, is located in SWSE, 07-23S-32E in Eddy County, New Mexico.

Each well is routed to its own 3-phase separator where the full well stream is separated into gas, oil, and water streams. For each well, after separation, gas is measured with an independent, designated orifice meter for the purpose of allocation, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas orifice sales meter(s) for the purpose of Federal Measurement Point/Sales/Royalty Payment. The oil from the 3-phase separator is measured with an independent, designated Coriolis Meter for the purpose of allocation. It then combines with the oil production from the other wells, flows into the heater treater(s), then into the Ultra-Low Pressure Separator(s) (ULPS), and into one of the oil tanks. The oil is then pumped out of the common tanks to an oil sales meter (LACT unit) for the purpose of Federal Measurement Point/Sales/Royalty Payment. The water from the 3-phase separator is measured with an independent, designated Mag meter for allocation, combines with the water from the other wells, then flows into the gun barrel, and into one of the produced water tanks. Flash gas that exits the heater treater(s) and ULPS(s) flows to the Vapor Recovery Unit (VRU). After exiting the VRU, the gas will be measured through a designated orifice meter for allocation.

The central tank battery will have 4 oil tanks and 3 water tanks that all wells will utilize. All wells will have 1 common gas delivery point(s) on location. They will also share 1 common oil delivery point(s) (LACT) on or directly adjacent to location.

Meter Owner / Serial Number:

Well Name	Gas Allocation Meter	Oil Allocation Meter	Gas FMP	Oil FMP	Water Allocation Meter	VRU Allocation Meter
PURRITO 18 FED COM 213H	DVN*	DVN*	DCP*	DVN*	DVN*	DVN*
PURRITO 18-19 FED COM 211H	DVN*	DVN*	DCP*	DVN*	DVN*	DVN*
PURRITO 18-19 FED COM 212H	DVN*	DVN*	DCP*	DVN*	DVN*	DVN*
PURRITO 18-19 FED COM 210H	DVN *	DVN *	DCP*	DVN *	DVN *	DVN *
PURRITO 18 FED COM 214H	DVN*	DVN*	DCP*	DVN*	DVN*	DVN*

^{*} Meter serial numbers to be provided after construction of facility.

The total of all oil sales meters will be allocated to each well based on the oil allocation meter located downstream of each well's 3-phase separator. Devon will continue to operate and maintain the Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regards to proving the Coriolis Meter to meet applicable BLM standards. The total of all gas sales meters will be allocated to each well based on the gas allocation meter located downstream of each well's 3-phase separator and the VRU allocation meter. The VRU allocation meter volumes will be allocated to each well based on the oil allocation meter of each well. The BLM and OCD will be notified of any future changes to the facilities.

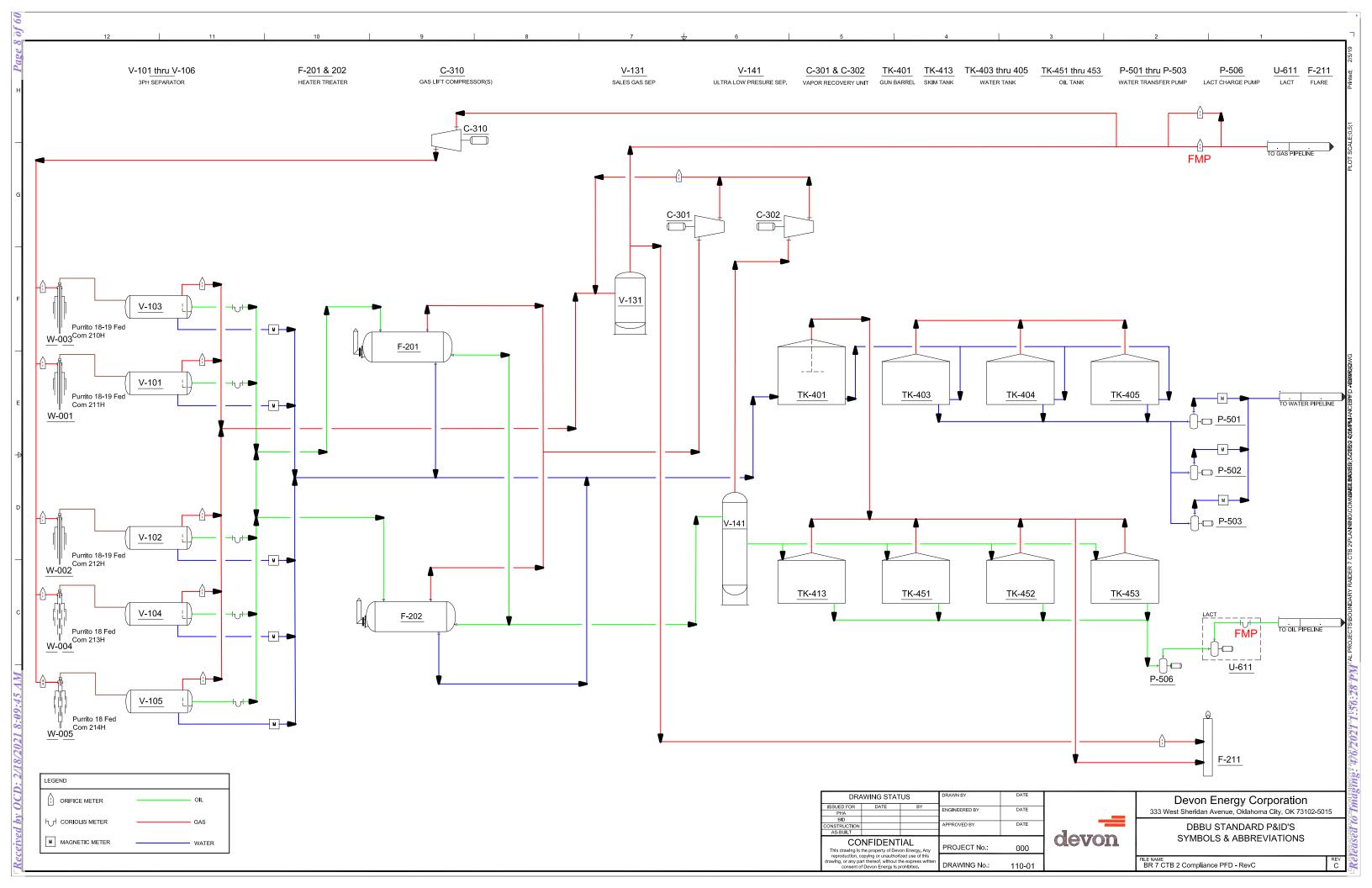
Process and Flow Descriptions:

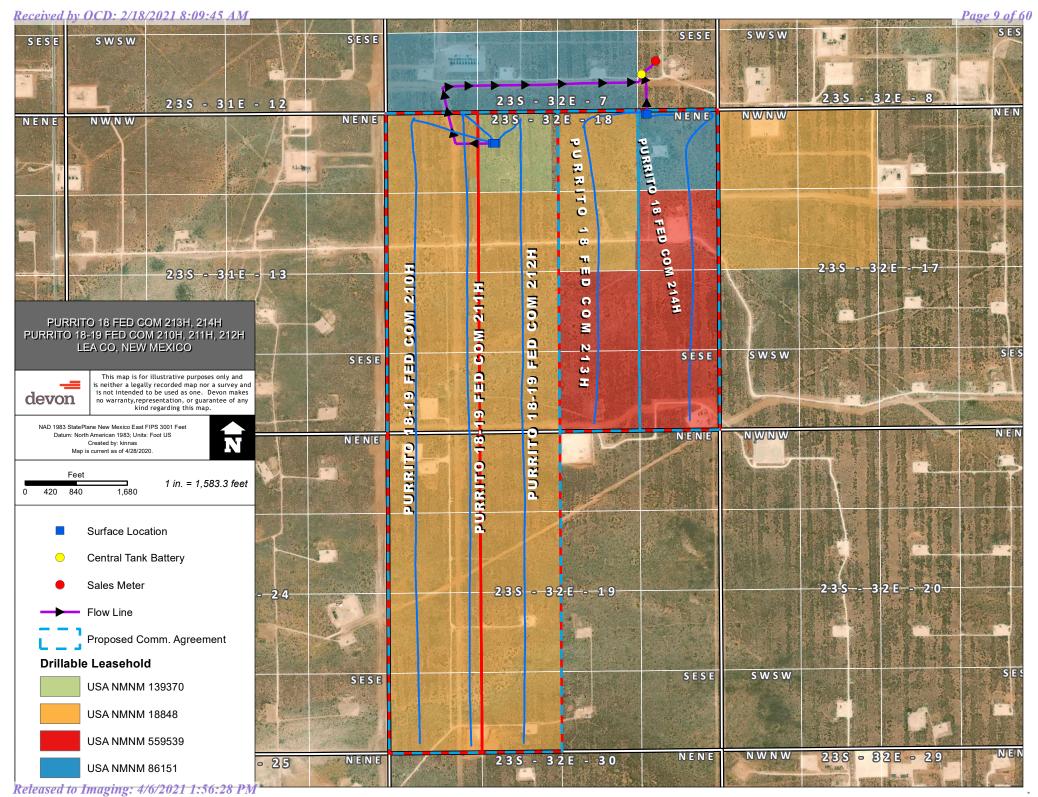
The flow of produced fluids is described above and shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter.

The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).







Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, OK 73102-5010

February 18, 2021

Dean McClure
Petroleum Specialist
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive Santa Fe, New Mexico 87505
(505) 476-3471

Re: Central Tank Battery Boundary Raider 7 CTB 2

Sec., T, R: SWSE, 07-23S-32E

Lease: NMNM018848, NMNM0559539, NMNM139370 Pool: 53800-SAND DUNES; BONE SPRING;

53805-SAND DUNES; BONE SPRING, SOUTH

County: Eddy Co., New Mexico

Dear Mr. McClure:

Please find attached the OCD Form C-107-B Notice of Intent for a Central Tank Battery of the aforementioned wells. This is application is necessary due to diverse leases.

The royalty, overriding royalty owners, revenue owners are not identical, therefore notifications have been sent.

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 552-6560.

Sincerely,

Jenny Harms

Regulatory Compliance Professional
Work Phone: (405)552-6560

Jennifer.harms@dvn.com

Devon Energy Center-Tower
333 West Sheridan Avenue Oklahoma City OK 73102-5015

Enclosures

Page	
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of	
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CustomerReference	AttentionTo	Organization	Address1	Address2	Address3	City	Region	Country	Phone	Email	Notes	Residential	DUNS	PostalCode
USPS CERTIFIED MAIL	STATUS													
9414 8149 0152 7181 9093 04	Delivered	ANDRA COCCIMIGLIO			PO BOX 712091	SALT LAKE CITY	Utah	US						84171-2091
9414 8149 0152 7181 9093 11	Delivered	MORRIS E SCHERTZ			PO BOX 2588	ROSWELL	New Mexico	US						88202-2588
9414 8149 0152 7181 9093 28	Delivered	THE OAKASON JR CO LC BANK OF AMERICA NA AGENT			PO BOX 840738	DALLAS	Texas	US						75284-0738
9414 8149 0152 7181 9093 35	Delivered	ONRR ROYALTY MANAGEMENT PROGRAM			PO BOX 25627	DENVER	Colorado	US						80225-0627
9414 8149 0152 7181 9093 42	Delivered	RICHARDSON MINERAL & ROYALTY LLC			PO BOX 2423	ROSWELL	New Mexico	US						88202
9414 8149 0152 7181 9093 59	Delivered	JEAN C OAKASON MEMORIAL LLC DAVID L PATTERSON & LANI A	BERCROMBIE MANA	GERS % LANI ABERCE	3018 E KSEL DR	SANDY	Utah	US						84092
9414 8149 0152 7181 9093 66	Delivered	INNERARITY FAMILY MINERALS LLC			PO BOX 313	MIDLAND	Texas	US						79702
9414 8149 0152 7181 9093 73	Delivered	EILEEN M GROOMS TTEE OF EMG REVOCABLE TRUST			1000 4TH ST	ROSWELL	New Mexico	US						88201
9414 8149 0152 7181 9093 80	Delivered	JUSTIN T CRUM			PO BOX 3598	ROSWELL	New Mexico	US						88202
9414 8149 0152 7181 9093 97	Delivered	TD MINERALS LLC			8111 WESTCHESTER	DALLAS	Texas	US						75225
9414 8149 0152 7181 9094 03	Delivered	PEGASUS RESOURCES LLC			PO BOX 470698	FORT WORTH	Texas	US						76147
9414 8149 0152 7181 9094 10	Delivered	MCMULLEN MINERALS LLC			PO BOX 470857	FORT WORTH	Texas	US						76147
9414 8149 0152 7181 9094 27	Delivered	PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO GEORGE OV	/ERBEY COO		4245 N CENTRAL EX	DALLAS	Texas	US						75205
9414 8149 0152 7181 9094 34	Delivered	MERPEL LLC PONY OIL OPERATING LLC JOHN PAUL MERRITT CEC	& GEORGE OVERBE	Y COO AGENTS	3100 MONTICELLO	DALLAS	Texas	US						75205
9414 8149 0152 7181 9094 41	Delivered	DRAGOON CREEK MINERALS LLC			PO BOX 470857	FORT WORTH	Texas	US						76147
9414 8149 0152 7181 9094 58	Delivered	PEGASUS RESOURCES NM LLC			PO BOX 470698	FORT WORTH	Texas	US						76147

District. J 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District. III 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District. III 1000 Rio Brazos Road, Azzec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Sama 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 DHOBBS OCD

Santa Fe, NM 87505

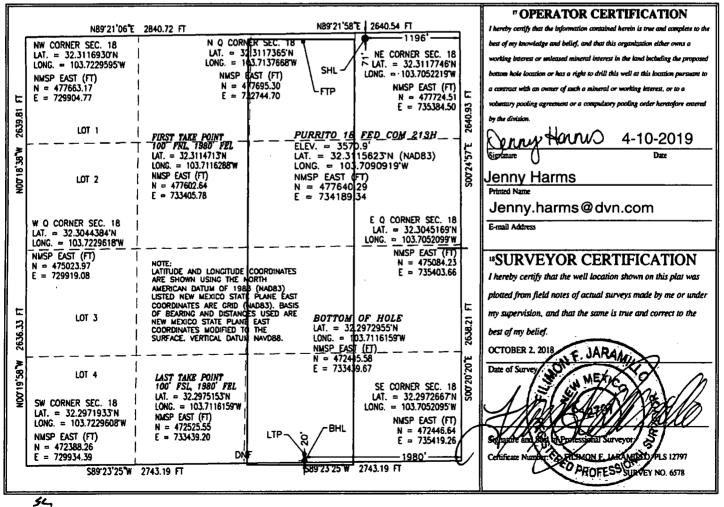
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

| WELL LOCATION AND ACREAGE DEDICATION BY | 30-025-46249 | 53800 | 54N) Dane; BONESPRING | Well Number | 325954 | PURRITO 18 FED COM | 213H | OGRID No. | Operator Name | Clevation | 6137 | DEVON ENERGY PRODUCTION COMPANY, L.P. | 3570.9

 Surface Location UL or lot no. Section Township Range Feet from the North/South line Feet from the East/West line County 71 NORTH 1196 **EAST** 32 E LEA 18 23 S A Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Feet from the North/South line East/West line County **SOUTH** 20 1980 **EAST** 18 23 S 32 E LEA " Joint or Infill Dedicated Acres Consolidation Code Order No. 160

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.



1625 N. French Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (373) 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., Samia Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

District I

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

HOBBS OCD
Revised August 1, 2011

Form C-102
Revised August 1, 2011

Revised August 1, 2011

District Office

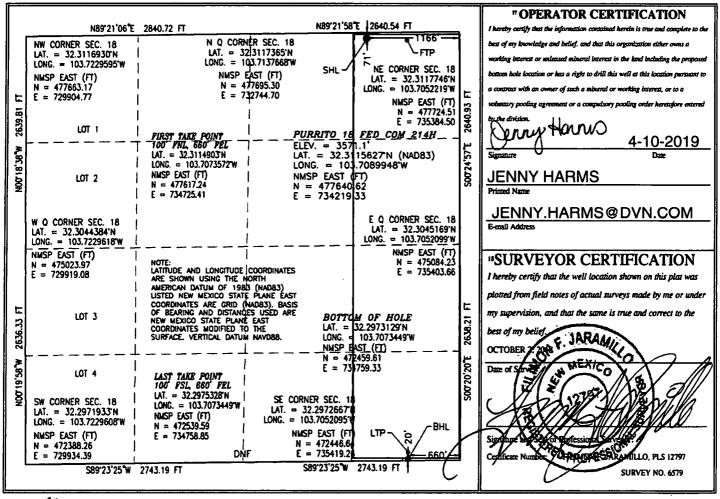
WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 530-025-46250	' Pool Code 93800	GHND DUNES: BONE S	PRING
Property Code		perty Name 18 FED COM	⁴ Well Number 214H
OGRID No. 6137		rator Name DUCTION COMPANY, L.P.	'Elevation 3571.1

Surface Location

Feet from the UL or lot no. Section Township Range Lot Idn North/South line Feet from the East/West line County 23 S 32 E 71 NORTH 1166 EAST Α 18 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 18 23 S 20 SOUTH P 32 E 660 **EAST** LEA U Dedicated Acres U Joint or Infill Consolidation Code Order No. 160

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.



Page 14 of 6
B/F/F

District.1
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District.11
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District.111
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District.117
1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no.

Section

Township

Range

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

County

LEA

WELL LOCATION AND ACREAGE DEDICATION PLAT

70-025-46786 53805					SA	SAND DUNES; BONE SPRING, SOUTH					
'Property Code 'Property Name PURRITO 18-19 FED COM								* Well Number 210H			
'OGRID ! 6137	Vo.		DEV						'Elevation 3555.5		
	-				* Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
C	18	23S	32E		525	NORTH	1760	WEST	LEA		
			" B	ottom Ho	ole Location	If Different Fr	om Surface	<u></u>			

North/South line

Feet from the

East/West line

4 19 23S 32E 4 20 SOUTH 480 WEST

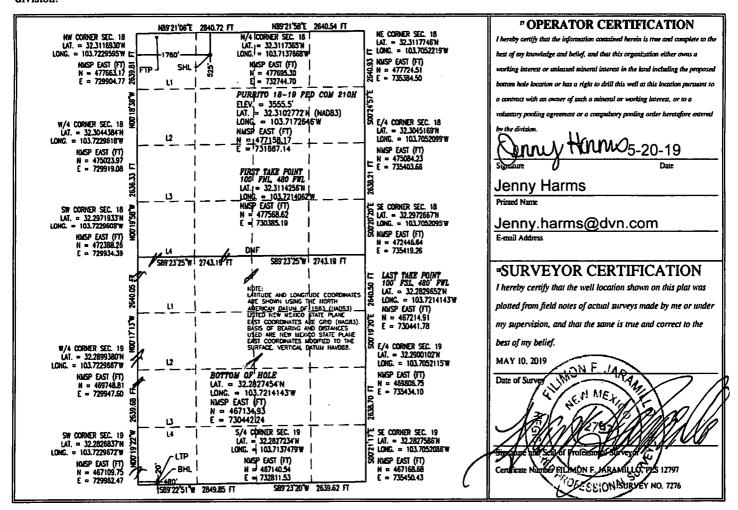
" Dedicated Acres | " Joint or Infill | " Consolidation Code | " Order No.

Feet from the

320 345,08

Lot Idn

NMOCD REQUESTED TWO PLATS TO SHOW TWO DIFFERNT POOL CODES IN THE WELLBORE
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.



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

Form C-102

Energy, Minerals & Natural Resources Department

CONSERVATION DIVISION

Submit one copy to appropriate

District Office

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

☐ AMENDED REPORT

JAN 21 2020 RECEIVED WELL LOCATION AND ACREAGE DEDICATION

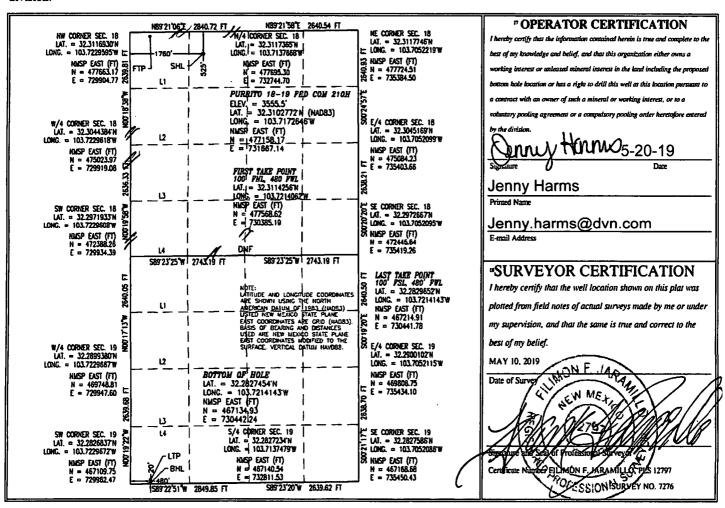
'API Number 30-025_46786	³ Pool Code 53800	SAND DUNES;BONE SPRING			
¹ Property Code 327016	PURRI	PURRITO 18-19 FED COM			
⁷ OGRID №. 6137	DEVON ENERGY I	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			

Surface Location Feet from the UL or lot no. Section Township Range Lot Idn North/South line Feet from the East/West line County **23S** C 18 32E 525 NORTH 1760 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			
4	19	23S	32E	4	20	SOUTH	480	WEST	LEA			
Dedicated Acre	S Joint , 44,28	2	Consolidatio	n Code	<u>.</u>		¹⁵ Order No.					

NMOCD REQUESTED TWO PLATS TO SHOW TWO DIFFERNT POOL CODES IN THE WELLBORE
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.



Inten	t X	As Dril	led									
API#		6786]									
	rator Nar					Property N	lame:					Well Number
DEV	ON ENE	RGY PRO	DUCTIO	v co.,	L.P.	PU	RRITC	18-19	9 FED CO	M	!	210H
				-								
(ick C	off Point (KOP)										
UL O	Section 18	Township 23S	Range 32E	Lot 1	Feet 200	From I FNL		Feet 573	From	i E/W	County	
Latitu	1 ide 311189			1	Longitu	ude 3.721101			<u>l</u>		NAD 83	
32.					1 -100					 	100	
irst T	ake Poin	t (FTP)										
UL D	Section 18	Township 235	Range 32E	Lot 1	Feet 100	From I	N/S	Feet 480	From WE	E/W	County LEA	
Latitu	ide		32E	+	Longitu	ıde			. VVE	<u> </u>	NAD	· ·
	32.311	4256				103.721	4062				83	
ast T	ake Point	(LTP)										
UL	Section 19	Township 235	Range 32E	Lot 4	Feet 100	From N/S SOUTH	Feet 480	;	From E/W WEST	Count	Dy .	
Latitu	de	329652	<u> </u>	~	Longitu		1			NAD	83	
	32.20	323032			l	103.721	14143			<u> </u>		
s this	well the	defining w	ell for the	Horizo	ontal Spa	icing Unit?		no				
s this	well an ii	nfill well?		yes	3							
	I is yes p ng Unit.	lease prov	ide API i	f availa	able, Op	erator Nam	e and	well n	umber fo	r Defii	ning well	for Horizontal
API#		-										
Oper	rator Nan	ne:	l			Property N	lame:					Well Number
											· · · · · · · · · · · · · · · · · · ·	KZ 06/29/2018

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 Bruzos 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

19

08

Dedicated Acres

320

U Joint or Infill

23 S

32 E

Consolidation Code

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

WEST

1360

Order No.

☐ AMENDED REPORT

LEA

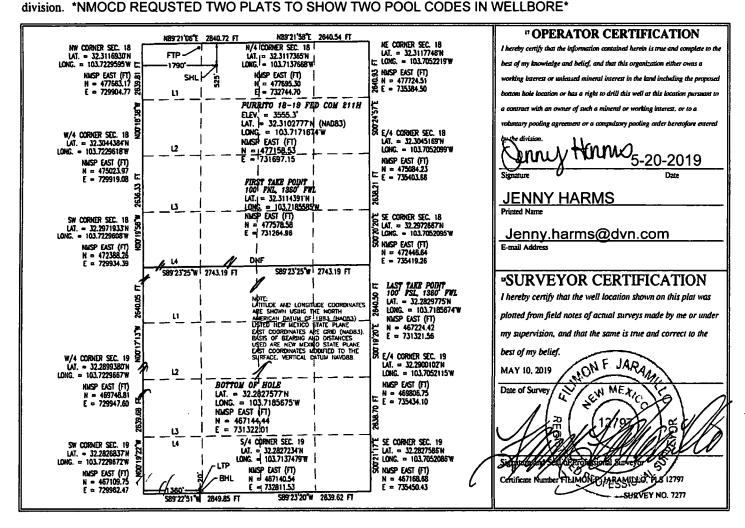
WELL LOCATION AND ACREAGE DEDICATION PLAT

30-021	API NUMBE		53	53805 Come SAND DUNES; BONE SPRING, SOUTH									
⁴ Property				⁵ Property Name									
3270	16			P	211H								
'OGRID	No.		••		* Elevation								
6137	'		DEVON ENERGY PRODUCTION COMPANY, L.P.										
		<u>-</u>			□ Surface	e Location							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County			
C	18	23 S	32 E		525	NORTH	1790	WE	ST	LEA			
			" B	ottom H	ole Location	If Different Fr	om Surface						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County			

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

SOUTH

20



ntent	: <u>X</u>	As Drill	led									
API#	025.	46787										
Ope	rator Nan					Property	Name:					Well Number
DEV	ON ENE	RGY PRO	DUCTION	1 CO.,	L.P.	P	URRITO	18 -:	19 FED (MO		211H
			<u> </u>	-		-		•				·
				-								
ick C	off Point (кор)										
UL D	Section	Township	Range 32E	Lot 1	Feet 200	From	n N/S	Feet 13		rom E/W =WL	County	
Latitu	18 de	23S	32E	<u></u>	Longitu			13	60 I	- VVL	LEA NAD	
32.311178 -103.718553										·		
	aka Deira	· /ETO\										
UL I	ake Point	Township	Range	Lot	Feet	From	n N/S	Feet	l e	rom E/W	County	
D	18	23S	32E	1	100	NO	RTH	136		VEST	LEA	
Latitu	de 32.311	4391			Longitu	103.71	85585	;			NAD 83	
UL	Section 19	Township 23S	Range 32E	Lot 4	Feet 100	From N/S			From E/\ WEST	V Coun	ty	
Latitu		329775			Longitu	<u> </u>		4		NAD	83	. <u>.</u>
this	well the (defining w	ell for the	Horizo	ontal Spa	cing Unit?	[YES]			
this	well an ir	nfill well?		NO]							
	l is yes p ng Unit.	lease prov	ide API if	availa	ble, Ope	erator Nai	me and	well	number	for Defi	ning well	for Horizontal
API#												
Oper	ator Nam	ie:	l			Property	Name:			· · ·		Well Number

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District.111
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District.1V
1220 S. St. Francis Dr., Sama Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no.

C

Township

23 S

Section

18

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

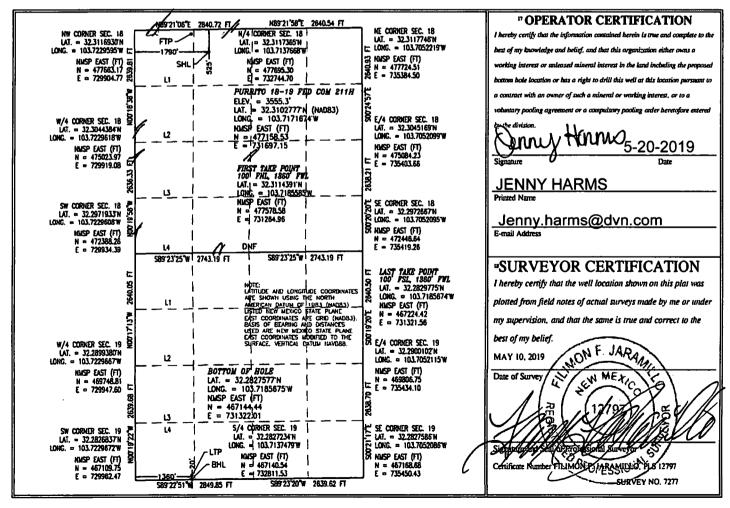
API Numb		SAND DUNES; BONE SPRIN	G
⁴ Property Code		⁵ Property Name	6 Well Number
327016	PU	TRRITO 18-19 FED COM	211H
'OGRID No.		Operator Name	* Elevation
6137	DEVON ENER	GY PRODUCTION COMPANY, L.P.	3555.3
	-	□ Surface Location	

Range Lot Idn Feet from the North/South line Feet from the East/West line County
32 E NORTH 1790 WEST LEA

" Bottom Hole Location If Different From Surface

			" B	ottom Ho	ole Location	it Different Fr	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	19	23 S	32 E	Ì	20	SOUTH	1360	WEST	LEA
¹² Dedicated Acre	s ¹³ Joint	or Infill 14 (Consolidatio	n Code			¹⁵ Order No.		
320 244	4,28								

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. *NMOCD REQUSTED TWO PLATS TO SHOW TWO POOL CODES IN WELLBORE*



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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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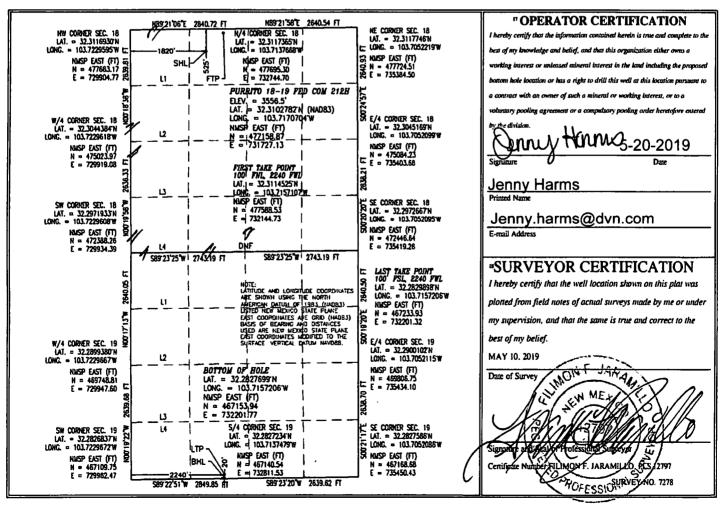
WELL LOCATION AND ACREAGE DEDICATION PLAT

30-024 Yo	53800	Pool Code SAND DUNES:BONE	Pool Name SPRING
⁴ Property Code 72-7 <i>016</i>		'Property Name PURRITO 18-19 FED COM	⁶ Well Number 212H
'OGRID No. 6137	DEVON	Operator Name NENERGY PRODUCTION COMPANY, L.F	* Elevation 3556.5

Surface Location

Dedicated Acr	es ¹¹ Joint	or Infill "	Consolidation	n Code			¹⁵ Order No.		
N	19	23 S	32 E		20	SOUTH	2240	WEST	LEA
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
			" B	ottom Ho	ole Location	If Different Fr	om Surface		
UL or lot no.	18	23 S	Range 32 E		525	North/South line NORTH	Feet from the 1820	East/West line WEST	County

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

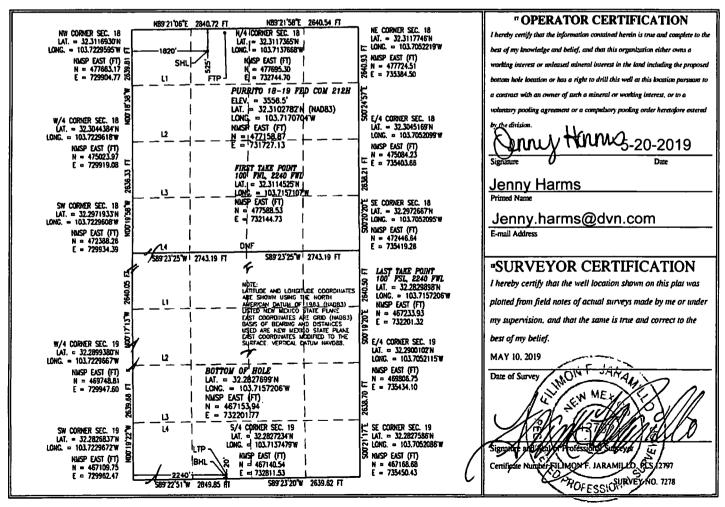
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

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WELL LOCATION AND ACREAGE DEDICATION PLAT

⁴ Property	Code		•		5 Property	G, SOUTH	* Well Number						
3270	1/			P	URRITO 18-19	FED COM			212H				
'OGRID			Operator Name Operator Name						* Elevation				
6137	'		DEV	ON ENER	GY PRODUC	CTION COMPA	NY, L.P.		3556.5				
					» Surface	Location							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
C	18	23 S	32 E		525	NORTH	1820	WEST	LEA				
			" B	ottom Ho	ole Location	If Different Fr	om Surface						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
N	19	23 S	32 E		20	SOUTH	2240	WEST	LEA				
² Dedicated Acre	es U Joint	or Infill "	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. *NMOCD REQUESTED TWO PLATS TO SHOW TWO POOL CODES IN WELLBORE*



nten	t X	As Dril	led									
API#		46788										
	rator Nar		·			Property N	lame:			_		Well Number
DE	VON ENE	RGY PRO	DUCTIO	v co.,	L.P.	PUI	RRITO	18-1	19 FED C	ОМ		212H
											·	
ick (Off Point (KOP)										
UL C	Section 18	Township 23S	Range 32E	Lot	Feet 200	From	I/S	Feet 224		om E/W WL	County	
400 745705										NAD 83		
irst 1	Take Poin	(FTP)		-								
UL C	Section 18	Township 23S	Range 32E	Lot	Feet 100	From N	ı/s TH	Feet 224	O Fr	om E/W /EST	County	
Latitu		· · · · · · · · · · · · · · · · · · ·		<u> </u>	Longitu				<u>*</u> . *'		NAD 83	
est T	Section 19	(LTP) Township 23S	Range 32E	Lot	Feet 100	From N/S SOUTH	Feet 224	0	From E/W	Coun	ty	
Latitu	ıqe	329898		<u> </u>	Longitu	<u> </u>				NAD	83	
	s well the	defining wo	ell for the	Horizo	ontal Spa	cing Unit?		NO]			
	ng Unit.	lease prov	ide API i	f availa	ble, Ope	erator Name	e and	well	number :	for Defi	ning well	for Horizontal
Ope	rator Nan	ne:				Property N	ame:					Well Number
												KZ 06/29/201

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Federal Communitization Agreement

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ontract	77777
Contract	707777

between the parties subscribing, ratifying, or consenting hereto, such parties being THIS AGREEMENT entered into as of the 1st day of December, 2019 by and hereinafter referred to as "parties hereto."

WITNESSETH:

pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing WHEREAS, the parties hereto own working, royalty or other leasehold interests, program established for the field or area in which said lands are located; and WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement: NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows: The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows: ij,

Township 23 South, Range 32 East, N.M.P.M W/2 E/2 of Section 18 Lea County, New Mexico

Containing 160.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

- ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands "A", a plat designating the communitized area and, Exhibit "B", designating the Attached hereto, and made a part of this agreement for all purposes is Exhibit operator of the communitized area and showing the acreage, percentage and within the communitized area. d
- shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the 333 W Sheridan Avenue, Oklahoma City, OK 73102. All matters of operations The Operator of the communitized area shall be Devon Energy Company, L.P., working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer. 3
- area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty representative, with a log and history of any well drilled on the communitized due the United States, as specified in the applicable oil and gas operating Operator shall furnish the Secretary of the Interior, or his authorized regulations. 4
- comprising said area in the proportion that the acreage interest of each leasehold The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds bears to the entire acreage interest committed to this agreement. 5
- within the CA area are to be paid into the appropriate Unleased Lands Account or All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included Indian Trust Account by the designated operator until the land is leased or ownership is established.

6

agreement shall remain in full force and effect as originally made and issued. It is separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. individual leases. Payments of rentals under the terms of leases subject to this The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said Except as herein modified and changed, the oil and gas leases subject to this leases shall be determined and paid on the basis prescribed in each of the communitization agreement to which such lease may be committed, and such rate shall be determined separately as to production from each

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- their obligation to protect said communitized area from drainage of communitized in the same formation as covered by this agreement on separate component tracts of the diverse ownership thereof, but the lessees hereto shall not be released from any lessee be required to measure separately communitized substances by reason There shall be no obligation on the lessees to offset any well or wells completed into which the communitized area is now or may hereafter be divided, nor shall substances by a well or wells which may be drilled offsetting said area.
- production on each and all of the lands within and comprising said communitized The commencement, completion, continued operation, or production of a well or area, and operations or production pursuant to this agreement shall be deemed to wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or be operations or production as to each lease committed hereto.

∞

- forfeiture or be liable in damages for failure to comply with any of the provisions authorized person or regulatory body under applicable Federal or State statutes. of this agreement if such compliance is prevented by, or if such failure results conformity with allocation, allotments, and quotas made or fixed by any duly This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a Production of communitized substances and disposal thereof shall be in from, compliance with any such laws, orders, rules or regulations. 6
- duly authorized representative, and shall remain in force and effect for a period of requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated 2 years and for as long as communitized substances are, or can be, produced from terminate upon cessation of production if, within 60 days thereafter, reworking or whichever is earlier upon execution by the necessary parties, notwithstanding the the communitized area in paying quantities: Provided, that prior to production in The date of this agreement is December 1, 2019, and it shall become effective as conducted with reasonable diligence during the period of nonproduction. The 2at any time by mutual agreement of the parties hereto. This agreement shall not drilling operations on the communitized area are commenced and are thereafter date of execution, and upon approval by the Secretary of the Interior or by his year term of this agreement will not in itself serve to extend the term of any paying quantities from the communitized area and upon fulfillment of all of this date or from the onset of production of communitized substances, Federal lease which would otherwise expire during said period. 10.
- The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their 11.

7.

conveyance of any such land or interest subject hereto, whether voluntary or not, successors in interests until this agreement terminates and any grant, transfer, or Federal land shall be subject to approval by the Secretary of the Interior, or his hereunder by the grantee, transferee, or other successor in interest, and as to shall be and hereby is conditioned upon the assumption of all obligations duly authorized representative.

- It is agreed between the parties hereto that the Secretary of the Interior, or his duly State mineral operations within the communitized area to the extent necessary to applicable oil and gas regulations of the Department of the Interior relating to authorized representative, shall have the right of supervision over all Fee and monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to such production and measurement. 12.
- This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns. 13.
- needs to be executed by all parties, or may be ratified or consented to by separate This agreement may be executed in any number of counterparts, no one of which instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document. 14.
- to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are agreement, the operator agrees to comply with all the provisions of Section 202(1) Nondiscrimination. In connection with the performance of work under this hereby incorporated by reference in this agreement. 15.

agreement as of the day and year first above written and have set opposite their IN WITNESS WHEREOF, the parties hereto have executed this respective names the date of execution.

Devon Energy Production Company, L.P.

Operato

o

10/2020

perator/Vice President

ACKNOWLEDGEMENT

7° 7	of OKLAHOMA, personally appeared Catherine Lebsack , known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.
------	---

My Commission Expires

(SEAL)

EXHIBIT "A"

To Communitization Agreement dated December 1, 2019, embracing the following described land in W/2 E/2 of Section 18, Township 23 South, Range 32 East, N.M.P.M, Lea County, New Mexico

Purrito 18 Fed Com 213H

SHL: 71' FNL, 1,196' FEL BHL: 20' FSL, 1,980' FEL

18			
ı			
	Tract I NMNM 18848 80.00 acres	Tract 2 NMNM 559539 80.00 acres	

EXHIBIT "B"

To Communitization Agreement dated December 1, 2019, embracing the following described land in W/2 E/2 of Section 18, Township 23 South, Range 32 East, N.M.P.M, Lea County, New Mexico

Operator of Communitized Area: Devon Energy Production Company, L.P.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

USA NMNM 18848 Lease Serial Number: W/2 NE/4 of Section 18, Township 23 South, Range 32 Description of Land Committed:

East, N.M.P.M Lea County, New Mexico

80.00

Number of Acres:

Jean C. Oakason Memorial, LLC Chevron USA Inc. Record Title Owner - Lessee: Name of ORRI Owners:

Rolla R. Hinkle III, a single man The Oakason Jr. Company, LC Morris E. Schertz

The EMG Revocable Trust Havers Family Trust

Andra Coccimiglio

Richardson Mineral and Royalty, LLC

Madison M. Hinkle Justin T. Crum Pony Oil Operating, LLC MerPel, LLC

TD Minerals LLC

Devon Energy Production Company, L.P. - 100.00% Name of Working Interest Owners:

Tract No. 2

USA NIMNM 559539 Lease Serial Number: W/2 SE/4 of Section 18, Township 23 South, Range 32 East, N.M.P.M Lea County, New Mexico Description of Land Committed:

Number of Acres:

Record Title Owner – Lessee: Name of ORRI Owners: Name of Working Interest Owners:

80.00

Occidental Permian Limited Partnership Innerarity Family Investments, LLC Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

Percentage of Interest in Communitized Area	\$0.000%	20.0000%	100.000%
No. of Acres Committed	80.00	80.00	160.00
TRACT No.	Tract No. 1	Tract No. 2	Total

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

By: Catherine (

Name: Catherine Lebsack Title:

Vice President

ACKNOWLEDGEMENT

STATE OF OKLAHOMA

SS.

COUNTY OF OKLAHOMA

OKLAHOMA, personally appeared Catherine Lebsack, known to me to be the Vice President , 2020, before me, a Notary Public for the State of of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same. day of () ANWARD 世 On this

(SEAL)

10/21/125

My Commission Expires

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

By: Jand Wen	Name: Jacob Velasco Title: Chevron USA.Inc.
2/10/2020 Date	

ACKNOWLEDGEMENT

	Drugery, 2020, before me, a Notary Public	personally ,	appeared known to me to be the AHDV of Jack of Chevron USA Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.	PETRA KRISS WOOLDRIDGE Notary Public, State of Texas Comm. Expires 06-29-2022	Petro Moraldag & Notary Public
STATE OF TEXAS COUNTY OF MICHAND	On this 10th day of February	for the State of Lexas	appeared known to me to be the Chevron USA Inc., the corporation that me such corporation executed the same.	(SEAL)	La /2A /2022 My Commission Expires

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

7/9/2020 Date

By: John V. Shreider

Name: JOhn V. Marciorer Title: Occidental Permian Limited Partnership

ACKNOWLEDGEMENT

		; 2020, before me, a Notary Public
STATE OF	COUNTY OF HANG	On this 9th day of John

for the State of redaction, personally

Occidental Permian Limited Partnership., the corporation that executed the foregoing instrument Attornorty-Fact and acknowledged to me such corporation executed the same. Solu V. Soluci, der d___, known to me to be the appeared

DELEENA D. LANG
Notary Public, State of Texas
Comm. Expires 02-18-2022
Notary ID 128179978

My Commission Expires

Notary Public

Federal Communitization Agreement

Contract No.	
--------------	--

THIS AGREEMENT entered into as of the 1st day of December, 2019 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 23 South, Range 32 East, N.M.P.M E/2 E/2 of Section 18 Lea County, New Mexico

Containing 160.00 acres, and this agreement shall include only the <u>Bone Spring Formation</u> underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be Devon Energy Company, L.P., 333 W Sheridan Avenue, Oklahoma City, OK 73102. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
 - All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

- such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- The date of this agreement is December 1, 2019, and it shall become effective as 10. of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P.

Operator

Operator/Vice President

Date

ACKNOWLEDGEMENT

STATE OF <u>OKLAHOMA</u>	
) ss.	
COUNTY OF OKLAHOMA)	
of OKLAHOMA, personally appeared Cat	
Vice President of Devon Energy Producti	
executed the foregoing instrument and ack	nowledged to me such corporation executed
the same.	
(SEAL) 0 21 23	Lisa Other
My Commission Expires	Notary Public

EXHIBIT "A"

To Communitization Agreement dated December 1, 2019, embracing the following described land in E/2 E/2 of Section 18, Township 23 South, Range 32 East, N.M.P.M, Lea County, New Mexico

Purrito 18 Fed Com 214H

SHL: 71' FNL, 1,166' FEL BHL: 20' FSL, 660' FEL

	N 40	18 Tract 1 MNM 86151 .00 acres
		Tract 2 NMNM 559539 20.00 acres

EXHIBIT "B"

To Communitization Agreement dated December 1, 2019, embracing the following described land in E/2 E/2 of Section 18, Township 23 South, Range 32 East, N.M.P.M, Lea County, New Mexico

Operator of Communitized Area: Devon Energy Production Company, L.P.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:

USA NMNM 86151

Description of Land Committed:

NE/4 NE/4 of Section 18, Township 23 South, Range 32

East, N.M.P.M Lea County, New Mexico

Number of Acres:

40.00

Record Title Owner – Lessee:

Devon Energy Production Company, L.P

Name of ORRI Owners:

NONE

Name of Working Interest Owners:

Devon Energy Production Company, L.P. – 100.00%

Tract No. 2

Lease Serial Number:

USA NMNM 559539

Description of Land Committed:

SE/4 NE/4 and E/2 SE/4 of Section 18, Township 23

South, Range 32 East, N.M.P.M Lea County, New

Mexico

Number of Acres:

120.00

Record Title Owner – Lessee:

Occidental Permian Limited Partnership

Name and ORRI Owners:

Innerarity Family Investments, LLC

Name of Working Interest Owners:

Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

		Percentage of Interest in	
TRACT No.	No. of Acres Committed	Communitized Area	
Tract No. 1	40.00	25.0000%	
Tract No. 2	120.00	75.0000%	
Total	160.00	100.0000%	

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

1 /	
1/10	2020
Date	

By: Cotherine Vebrack

Name: Catherine Lebsack

Title: Vice President

ACKNOWLEDGEMENT

STATE OF OKLAHOMA

) ss.

COUNTY OF OKLAHOMA

19010630

On this day of day of 2020, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

Notary Public

My Commission Expires

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

Name:

ACKNOWLEDGEMENT

STATE OF Texas	
COUNTY OF HOUSE	
On this day of John , 2020, before me, a	Notary Public
for the State of, personally	
appeared, known to me to be the Attorney 14-Fact	of
Occidental Permian Limited Partnership., the corporation that executed the	foregoing instrument
and acknowledged to me such corporation executed the same.	
DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978	M
My Commission Expires Notary Public	

Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of December, 2019 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 23 South, Range 32 East, N.M.P.M

Lots 1 (46.02), Lot 2 (46.05), Lot 3(46.09) and Lot 4 (46.12) and E/2 W/2

of Section 18 and Lot 1 (46.17), Lot 2 (46.24), Lot 3 (46.30), and Lot 4 (46.37),

E/2 W/2 of Section 19, Lea County, New Mexico

Containing **689.36** acres, and this agreement shall include only the <u>Bone Spring Formation</u> underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be Devon Energy Company, L.P., 333 W Sheridan Avenue, Oklahoma City, OK 73102. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
 - All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

- such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is December 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

	Devon Energy Production Company, L.P.
	Operator
	By:
Date	Operator/Vice President

ACKNOWLEDGEMENT

STATE OF <u>OKLAHOMA</u>)
COUNTY OF <u>OKLAHOMA</u>) ss.
of OKLAHOMA, personally appeared Vice President of Devon Energy Production	, <u>2020</u> , before me, a Notary Public for the State <u>Catherine Lebsack</u> , known to me to be the <u>luction Company, L.P.</u> , the corporation that acknowledged to me such corporation executed
(SEAL)	
My Commission Expires	Notary Public

EXHIBIT "A"

To Communitization Agreement dated December 1, 2019, embracing the following described land in Lots 1 (46.02), Lot 2 (46.05), Lot 3(46.09) and Lot 4 (46.12) and E/2 W/2 of Section 18 and Lot 1 (46.17), Lot 2 (46.24), Lot 3 (46.30), and Lot 4 (46.37), E/2 W/2 of Section 19, N.M.P.M. Lea County, New Mexico.

Purrito 18-19 Fed Com 210H (Infill Well) SHL: 525' FNL, 1,760' FWL, Sec 18-23S-32E BHL: 20' FSL, 480' FWL, Sec 19-23S-32E

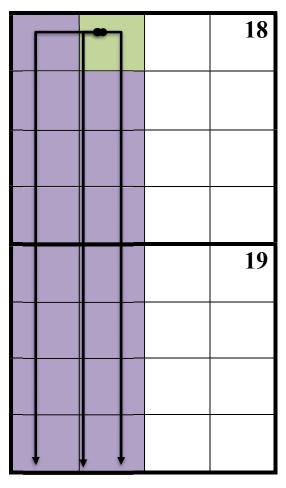
Purrito 18-19 Fed Com 211H (**Defining Well**)

SHL: 525' FNL, 1,790' FWL, Sec 18-23S-32E BHL: 20' FSL, 1,360' FWL, Sec 19-23S-32E

Purrito 18-19 Fed Com 212H (Infill Well) SHL: 525' FNL, 1,820' FWL, Sec 18-23S-32E BHL: 20' FSL, 2,240' FWL, Sec 19-23S-32E

> Tract 1 NMNM 18848 649.36 acres

Tract 2 NMNM 139370 40.00 acres



210H 211H 212H

EXHIBIT "B"

To Communitization Agreement dated December 1, 2019, embracing the following described land in Lots 1 (46.02), Lot 2 (46.05), Lot 3(46.09) and Lot 4 (46.12) and E/2 W/2 of Section 18 and Lot 1 (46.17), Lot 2 (46.24), Lot 3 (46.30), and Lot 4 (46.37), E/2 W/2 of Section 19, N.M.P.M. Lea County, New Mexico.

Operator of Communitized Area: Devon Energy Production Company, L.P.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: USA NMNM 18848

Description of Land Committed: Lots 1-4, SE/4 NW/4, and E/2 SW/4 of Section 18 and

Lots 1-4, E/2 W/2 of Section 19 Township 23 South, Range 32 East, N.M.P.M Lea County, New Mexico

Number of Acres: 649.36

Record Title Owner – Lessee: Chevron USA Inc.
Name and Percent ORRI Owners: ORRI Owners of Record

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

Tract No. 2

Lease Serial Number: USA NMNM 139370

Description of Land Committed: NE/4 NW/4 of Section 18, Township 23 South, Range

32 East, N.M.P.M Lea County, New Mexico

Number of Acres: 40.00

Record Title Owner – Lessee: Devon Energy Production Company, L.P.

Name and Percent ORRI Owners: ORRI Owners of Record

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

TRACT No.	No. of Acres Committed	Percentage of Interest in Communitized Area
Tract No. 1	649.36	94.1975%
Tract No. 2	40.00	5.8025%
Total	689.36	100.0000%

From: Engineer, OCD, EMNRD

To: <u>Harms, Jenny</u>

Cc: McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; Powell, Brandon,

EMNRD; lisa@rwbyram.com; Glover, James; kparadis@blm.gov; Walls, Christopher

Subject: Approved Administrative Order PLC-739

Date: Tuesday, April 6, 2021 1:28:26 PM

Attachments: PLC739 Order.pdf

NMOCD has issued Administrative Order PLC-739 which authorizes Devon Energy Production Company, LP (6137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	Pool Code
30-025-46249	Purrito 18 Fed Com #213H	A-18-23S-32E	53800
30-025-46250	Purrito 18 Fed Com #214H	A-18-23S-32E	53800
30-025-46786	Purrito 18 19 Fed Com #210H	C-18-23S-32E	53800
30-023-40780	Pullito 18 19 Fed Colli #210H	C-10-233-32E	53805
30-025-46787	Purrito 18 19 Fed Com #211H	C-18-23S-32E	53800
30-023-40787	Pullito 18 19 Fed Colli #211H	C-10-255-52E	53805
30-025-46788	Purrito 18 19 Fed Com #212H	C-18-23S-32E	53800
30-023-40/00	Fullito 18 13 Fed Colli #212H	C-10-233-32E	53805

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

State of New Mexico Energy, Minerals and Natural Resources Department

Notice

Order: PLC-739

Operator: Devon Energy Production Company, LP (6137)

Publication Date:

Date Sent:

Noticed Persons			
Date	Person	Certified Tracking Number	Status
2/8/2021	ANDRA COCCIMIGLIO	9414 8149 0152 7181 9093 04	Delivered
2/5/2021	MORRIS E SCHERTZ	9414 8149 0152 7181 9093 11	Delivered
2/6/2021	THE OAKASON JR CO LC BANK OF AMERICA NA AC	9414 8149 0152 7181 9093 28	Delivered
2/6/2021	ONRR ROYALTY MANAGEMENT PROGRAM	9414 8149 0152 7181 9093 35	Delivered
2/5/2021	RICHARDSON MINERAL & ROYALTY LLC	9414 8149 0152 7181 9093 42	Delivered
2/6/2021	JEAN C OAKASON MEMORIAL LLC DAVID L PATTEF	9414 8149 0152 7181 9093 59	Delivered
2/10/2021	INNERARITY FAMILY MINERALS LLC	9414 8149 0152 7181 9093 66	Delivered
2/5/2021	EILEEN M GROOMS TTEE OF EMG REVOCABLE TRU	9414 8149 0152 7181 9093 73	Delivered
2/9/2021	JUSTIN T CRUM	9414 8149 0152 7181 9093 80	Delivered
2/5/2021	TD MINERALS LLC	9414 8149 0152 7181 9093 97	Delivered
2/5/2021	PEGASUS RESOURCES LLC	9414 8149 0152 7181 9094 03	Delivered
2/5/2021	MCMULLEN MINERALS LLC	9414 8149 0152 7181 9094 10	Delivered
2/5/2021	PONY OIL OPERATING LLC JOHN PAUL MERRITT CI	9414 8149 0152 7181 9094 27	Delivered
2/5/2021	MERPEL LLC PONY OIL OPERATING LLC JOHN PAUI	9414 8149 0152 7181 9094 34	Delivered
2/5/2021	DRAGOON CREEK MINERALS LLC	9414 8149 0152 7181 9094 41	Delivered
2/5/2021	PEGASUS RESOURCES NM LLC	9414 8149 0152 7181 9094 58	Delivered
	BLM	Online	

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY DEVON ENERGY PRODUCTION COMPANY, LP

ORDER NO. PLC-739

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Devon Energy Production Company, LP ("Applicant") submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
- 2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
- 3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
- 8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the leases to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

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CONCLUSIONS OF LAW

- 9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
- 12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

- 1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
 - Applicant is authorized to surface commingle and off-lease measure, as applicable, oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.
- 2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.
- 3. No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.
- 4. Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B.
- 5. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to

Order No. PLC-739 Page 2 of 4

wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

- 6. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
- 7. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- 8. Applicant shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless of whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
- 9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 10. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 11. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
- 12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 13. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

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STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AS/dm

DATE: 4/06/2021

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Sec 18-T23S-R32E

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-739

Operator: Devon Energy Production Company, LP (6137)

Central Tank Battery: Boundary Raider 7 Central Tank Battery 2

Central Tank Battery Location (NMPM): Unit P, Section 7, Township 23 South, Range 32 East Gas Custody Transfer Meter Location (NMPM): Unit P, Section 7, Township 23 South, Range 32 East

Pools

1 00.3		
Pool Name	Pool Code	
SAND DUNES; BONE SPRING	53800	
SAND DUNES; BONE SPRING, SOUTH	53805	

Leases as defined in 19.15.12.7(C) NMAC Location (NMPM) Lease **NMNM 18848** W/2 NE/4 Sec 18-T23S-R32E W/2 SE/4 NMNM 559539 Sec 18-T23S-R32E **NMNM 86151 NE/4 NE/4** Sec 18-T23S-R32E NMNM 559539 **SE/4 NE/4, E/2 SE/4** Sec 18-T23S-R32E W/2 minus NE/4 NW/4 Sec 18-T23S-R32E **NMNM 18848** W/2 Sec 19-T23S-R32E

NE/4 NW/4

Wells				
Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-46249	Purrito 18 Fed Com #213H	A-18-23S-32E	53800	
30-025-46250	Purrito 18 Fed Com #214H	A-18-23S-32E	53800	
30-025-46786	Purrito 18 19 Fed Com #210H	C-18-23S-32E	53800	
		C-10-233-32E	53805	
30-025-46787	Purrito 18 19 Fed Com #211H	C-18-23S-32E	53800	
30-023-40767	Pullito 18 19 Fed Colli #211H		53805	
30-025-46788	Purrito 18 19 Fed Com #212H	C-18-23S-32E	53800	
		C-10-233-32E	53805	

NMNM 139370

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-739

Operator: Devon Energy Production Company, LP (6137)

D	าก	led	Δ	ro:	20

Pooled Area	Location (NN	ирм)	Acres	Pooled Area ID
CA BS BLM	W/2 E/2	Sec 18-T23S-R32E	160	Α
CA BS BLM	E/2 E/2	Sec 18-T23S-R32E	160	В
CA BS BLM	W/2	Sec 18-T23S-R32E	689.36	
	W/2	Sec 19-T23S-R32E	089.30	C

Leases Comprising Pooled Areas

Lease Location (NMPM)		Acres	Pooled Area ID	
NMNM 18848	W/2 NE/4	Sec 18-T23S-R32E	80	Α
NMNM 559539	W/2 SE/4	Sec 18-T23S-R32E	80	Α
NMNM 86151	NE/4 NE/4	Sec 18-T23S-R32E	40	В
NMNM 559539	SE/4 NE/4, E/2 SE/4	Sec 18-T23S-R32E	120	В
NIB 48 IB 4 4 00 4 0	W/2 minus NE/4 NW/4	Sec 18-T23S-R32E		
NMNM 18848	W/2	Sec 19-T23S-R32E	649.36	С
NMNM 139370	NE/4 NW/4	Sec 18-T23S-R32E	40	С

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

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III
1000 Rio Brazos Rd., Aztec, NM 87410

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

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 18259

CONDITIONS OF APPROVAL

Operator:			OGRID:	Action Number:	Action Type:
DEVON ENERGY PRODUCTION COMPAN	333 West Sheridan Ave.	Oklahoma City, OK73102	6137	18259	C-107B

OCD Reviewer	Condition
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.