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

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
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

### OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Form C-107-B Revised August 1, 2011

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

		C. I.D		· · · · · · · · · · · · · · · · · · ·	
	Energy Production		72102		
	neridan Avenue, (	Oklahoma City, OK	/3102		
APPLICATION TYPE:	_ ~ · · ·		a		
		Commingling Off-Lease	Storage and Measur	ement (Only if not Surface	e Commingled)
	State X Fede				
Is this an Amendment to existing Orde Have the Bureau of Land Management					ingling
Yes □No	(BLWI) and State Land	i office (SLO) been not	ined in writing (	or the proposed comin	iligillig
		OL COMMINGLIN ts with the following in			
(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			
(2) Are any wells producing at top allows (3) Has all interest owners been notified (4) Measurement type: XMetering (5) Will commingling decrease the value	by certified mail of the pro		XYes ☐No.	ng should be approved	
, , , , , , , , , , , , , , , , , , ,	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		,	C	
	(D) I E A	CE COMMUNICE IN	IC.		
		SE COMMINGLINGS with the following in			
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source of</li> <li>Has all interest owners been notified by</li> <li>Measurement type:  Metering [</li> </ol>	supply? Yes N	Io	⊠Yes □N	0	
	(C) POOL and	LEASE COMMIN	GLING		
	. ,	LEASE COMMIN ts with the following in			
(1) Complete Sections A and E.	. ,				
*	Please attach sheet	ts with the following in	nformation		
	Please attach sheet  D) OFF-LEASE ST	is with the following in	nformation SUREMENT		
	Please attach sheet  D) OFF-LEASE ST  Please attached sheet	ts with the following in CORAGE and MEA ets with the following	nformation SUREMENT		
()	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply?	ts with the following in CORAGE and MEA ets with the following	nformation SUREMENT		
(1) Is all production from same source of (2) Include proof of notice to all interest	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes XN owners.	TORAGE and MEA ets with the following	nformation SUREMENT information		
(1) Is all production from same source of (2) Include proof of notice to all interest	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes XN owners.	TORAGE and MEA ets with the following to DRMATION (for all	SUREMENT information application ty	/pes)	
(1) Is all production from same source of (2) Include proof of notice to all interest (E) A	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes XN owners.  DDITIONAL INFO  Please attach sheet	TORAGE and MEA ets with the following	SUREMENT information application ty	vpes)	
(1) Is all production from same source of (2) Include proof of notice to all interest	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes XN  owners.  DDITIONAL INFO  Please attach sheet ding legal location.	TORAGE and MEA ets with the following to  DRMATION (for all is with the following in	SUREMENT information  application type		
(1) Is all production from same source of (2) Include proof of notice to all interest of  (E) A  (1) A schematic diagram of facility, included to the schematic diagram of facility diagram of f	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes Nowners.  DDITIONAL INFO  Please attach sheet ding legal location. all well and facility locat	TORAGE and MEA ets with the following to  DRMATION (for all is with the following in	SUREMENT information  application type		
(1) Is all production from same source of (2) Include proof of notice to all interest  (E) A  (1) A schematic diagram of facility, included a plat with lease boundaries showing (3) Lease Names, Lease and Well Number	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes Nowners.  DDITIONAL INFO  Please attach sheet ding legal location. all well and facility locaters, and API Numbers.	TORAGE and MEA ets with the following to  DRMATION (for all is with the following in the fo	SUREMENT information  application typicomation  ers if Federal or Sta		
(1) Is all production from same source of (2) Include proof of notice to all interest of (E) A  (1) A schematic diagram of facility, include (2) A plat with lease boundaries showing (3) Lease Names, Lease and Well Number	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes XN owners.  DDITIONAL INFO  Please attach sheet dding legal location. all well and facility locaters, and API Numbers.  strue and complete to the	TORAGE and MEA ets with the following to DRMATION (for all its with the following it ions. Include lease number best of my knowledge and	SUREMENT information  application tynformation  ers if Federal or State d belief.		
(1) Is all production from same source of (2) Include proof of notice to all interest  (E) A  (1) A schematic diagram of facility, included a plat with lease boundaries showing (3) Lease Names, Lease and Well Number	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes XN owners.  DDITIONAL INFO  Please attach sheet dding legal location. all well and facility locaters, and API Numbers.  strue and complete to the	TORAGE and MEA ets with the following to  DRMATION (for all is with the following in the fo	SUREMENT information  application tynformation  ers if Federal or State d belief.	ate lands are involved.	
(1) Is all production from same source of (2) Include proof of notice to all interest of (E) A  (1) A schematic diagram of facility, include (2) A plat with lease boundaries showing (3) Lease Names, Lease and Well Number	Please attach sheet  D) OFF-LEASE ST  Please attached sheet supply? Yes XN owners.  DDITIONAL INFO  Please attach sheet dding legal location. all well and facility locaters, and API Numbers.  strue and complete to the	TORAGE and MEA ets with the following to DRMATION (for all its with the following it ions. Include lease number best of my knowledge and	SUREMENT information  application tynformation  ers if Federal or Standard belief.	ate lands are involved.	2-6560

Carlsbad Field Office

Form 3160-5

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137

Expires: January 31, 2018 Lease Serial No.

NMNM98826

☐ Temporarily Abandon

☐ Water Disposal

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 in	structions on page 2	7. If Unit or CA/Agr NMNM138764	reement, Name and/or No.
Type of Well     ☐ Gas Well ☐ Oth	8. Well Name and N STRAY CAT 8-5	o. 5 FED COM 212Y		
Name of Operator     DEVON ENERGY PRODUCT	Contact: TON COM-Mail: jennifer.h	JENNIFER HARMS arms@dvn.com	9. API Well No. 30-025-45150	-00-X1
3a. Address P O BOX 250 ARTESIA, NM 88201	3b. Phone No. (include area code) Ph: 405-552-6560			r Exploratory Area S
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description	on)	11. County or Parish	n, State
Sec 8 T23S R32E 568FSL 20	81FWL		LEA COUNTY	, NM
14				
12. CHECK THE AI	PPROPRIATE BOX(ES	S) TO INDICATE NATURE O	F NOTICE, REPORT, OR O	THER DATA
TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Acidize ☐ Deepen		☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
✓ Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	■ Well Integrity
☐ Subsequent Report	□ Casing Repair	■ New Construction	☐ Recomplete	Other
- E' 1 Al 1 (N. C)	Channe Diana	Diversed Abandon	Tammanarily Alandan	Surface Commingling

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

☐ Plug Back

☐ Plug and Abandon

Attention Duncan Whitlock

☐ Final Abandonment Notice

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

☐ Change Plans

Convert to Injection

Devon Energy Production Company, L.P. is requesting approval for a Lease Commingle for the wells listed on ?Exhibit A? that includes lease and CA breakdown. CA?s have been submitted. Please see attachments.

The central tank battery, Stray Cat 8 CTB 2, is located in Section 8, Township 23 South, Range 32 East in Lea County, New Mexico.

14. I hereby certify th	at the foregoing is true and correct.  Electronic Submission #452060 verific  For DEVON ENERGY PRODUCT  Committed to AFMSS for processing by PR	ION CO	M LP. sent to the Hobbs	
Name (Printed/Typ	ed) JENNIFER HARMS	Title	REGULATORY COMPLIANCE ANALYST	
	2			
Signature	(Electronic Submission)	Date	01/28/2019	
	THIS SPACE FOR FEDERA	AL OR	STATE OFFICE USE	
Approved By	2 2 20 Rossmango	Title	PE	Date 1/3/1/20
certify that the applicant	if any, are attached. Approval of this notice does not warrant or holds legal or equitable title to those rights in the subject lease applicant to conduct operations thereon.	Office	CFO	. 1

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

(Instructions on page 2) \*\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

### Additional data for EC transaction #452060 that would not fit on the form

32. Additional remarks, continued

All federal leases at 12.5% and same Bone Spring formation.

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

### Proposal for Stray Cat 8 CTB to include the below wells:

Stray Cat 8-5 Fed Com 212Y, Stray Cat 8-5 Fed Com 213H, Stray Cat 8-5 Fed Com 214H, Alley Cat 17-20 Fed Com 215H Alley Cat 17-20 Fed Com 216H

Devon Energy Production Company, LP is requesting approval for a Lease Commingle for the wells listed on "Exhibit A" that includes lease and CA breakdown. CA's have been submitted.

#### Oil & Gas metering:

The central tank battery, Stray Cat 8 CTB 2, is located in Section 8, Township 23 South, Range 32 East in Lea 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 allocation, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas sales meter(s). The oil from the 3-phase separator is measured with an independent, designated Micro Motion Coriolis Meter for 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). 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 for monthly oil production.

### based on

The central tank battery will have 6 oil tanks and 6 water tanks that all wells will utilize. All wells will have 3 common gas delivery point(s) on location. They will also share 3 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
Stray Cat 8-5 Fed Com 212Y	DVN*	DVN*	DCP*	EnLink*	DVN*	DVN*
Stray Cat 8-5 Fed Com 213H	DVN*	DVN*	DCP*	EnLink*	DVN*	DVN*
Stray Cat 8-5 Fed Com 214H	DVN*	DVN*	DCP*	EnLink*	DVN*	DVN*
Alley Cat 17-20 Fed Com 216H	DVN*	DVN*	DCP*	EnLink*	DVN*	DVN*
Alley Cat 17-20 Fed Com 2127	SUDVN*	DVN*	DCP*	EnLink*	DVN*	DVN*

<sup>\*</sup> 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 Micro Motion Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regards to proving the Micro Motion 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).

AT	TAC	'HI	ME	NIT	" 1	-

LEASE NUMBER: NMNM98826	<b>RLTY RATE - 12 1/2%</b>		
WELL NAME	LOCATION	API	POOL CODE
Stray Cat 8-5 Fed Com 212Y	8-23S-32E, SESW	3002545150	BONE SPRING 2ND-53800
Stray Cat 8-5 Fed Com 213H	8-23S-32E, SESW	3002544600	BONE SPRING 2ND-53800
Stray Cat 8-5 Fed Com 214H	8-23S-32E, SESE	3002544601	BONE SPRING 2ND-53800
LEASE NUMBER: NMNM63994	RLTY RATE - 12 1/2%		
WELL NAME	LOCATION	API	POOL CODE
Stray Cat 8-5 Fed Com 212Y	8-23S-32E, SESW	3002545150	BONE SPRING 2ND-53800

LEASE NUMBER: NMNM18848	RLTY RATE - 12 1/2%		
WELL NAME	LOCATION	API	POOL CODE
Stray Cat 8-5 Fed Com 212Y	8-23S-32E, SESW	3002545150	BONE SPRING 2ND-53800
Stray Cat 8-5 Fed Com 213H	8-23S-32E, SESW	3002544600	BONE SPRING 2ND-53800
Stray Cat 8-5 Fed Com 214H	8-23S-32E, SESE	3002544601	BONE SPRING 2ND-53800

LEASE NUMBER: NMNM62223	RLTY RATE - 12 1/2%		
WELL NAME	LOCATION	API	POOL CODE
Stray Cat 8-5 Fed Com 213H	8-23S-32E, SESW	3002544600	BONE SPRING 2ND-53800
Stray Cat 8-5 Fed Com 214H	8-23S-32E, SESE	3002544601	BONE SPRING 2ND-53800
Alley Cat 17-20 Fed Com 215H	8-23S-32E, SESE	3002545066	BONE SPRING 2ND-53800
Alley Cat 17-20 Fed Com 216H	8-23S-32E, SESW	3002545067	BONE SPRING 2ND-53800

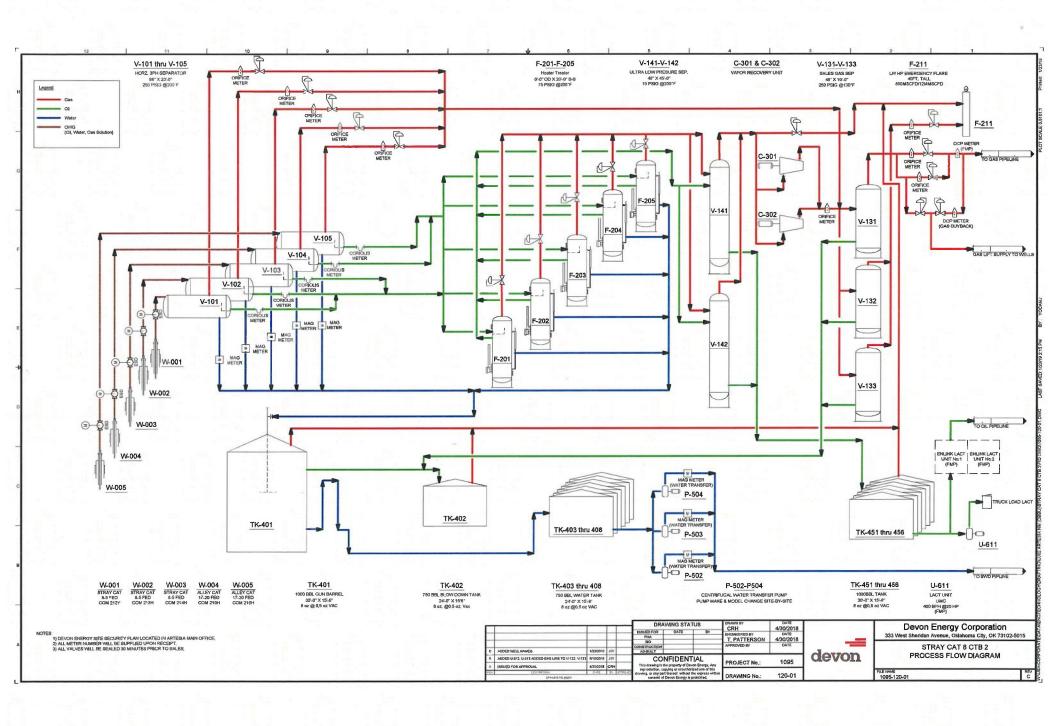
LEASE NUMBER: NMNM126065	<b>RLTY RATE - 12 1/2%</b>		
WELL NAME	LOCATION	API	POOL CODE
Stray Cat 8-5 Fed Com 213H	8-23S-32E, SESW	3002544600	BONE SPRING 2ND-53800
Stray Cat 8-5 Fed Com 214H	8-23S-32E, SESE	3002544601	BONE SPRING 2ND-53800

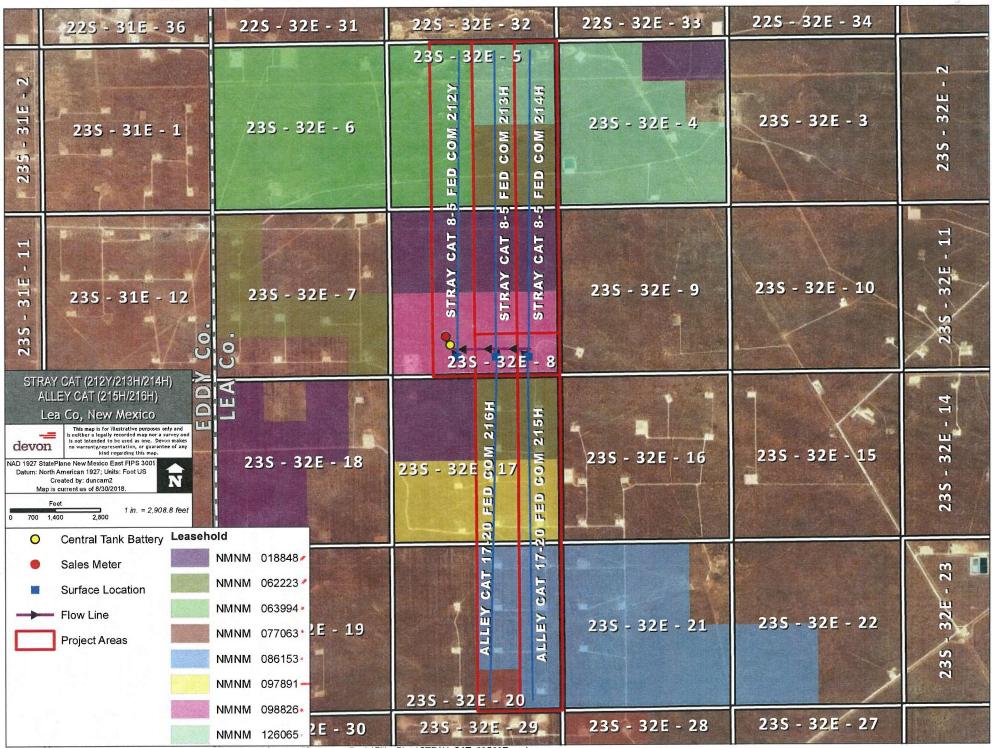
LEASE NUMBER: NMNM097891	RLTY RATE - 12 1/2%		
WELL NAME	LOCATION	API	POOL CODE
Stray Cat 8-5 Fed Com 214H	8-23S-32E, SESE	3002544601	BONE SPRING 2ND-53800
Alley Cat 17-20 Fed Com 216H	8-23S-32E, SESW	3002545067	BONE SPRING 2ND-53800
Alley Cat 17-20 Fed Com 215H	8-23S-32E, SESE	3002545066	BONE SPRING 2ND-53800

LEASE NUMBER: NMNM086153	RLTY RATE - 12 1/2%		
WELL NAME	LOCATION	API	POOL CODE
Stray Cat 8-5 Fed Com 214H	8-23S-32E, SESE	3002544601	BONE SPRING 2ND-53800
Alley Cat 17-20 Fed Com 216H	8-23S-32E, SESW	3002545067	BONE SPRING 2ND-53800
Alley Cat 17-20 Fed Com 215H	8-23S-32E, SESE	3002545066	BONE SPRING 2ND-53800

LEASE NUMBER: NMNM077063	RLTY RATE - 12 1/2%		
WELL NAME	LOCATION	API	POOL CODE
Alley Cat 17-20 Fed Com 216H	8-23S-32E, SESW	3002545067	BONE SPRING 2ND-53800

CA BREAKD	OWN			
CA 1	CA 2	CA 3	CA 4	CA 5
	Stray Cat 8-5 Fed	Stray Cat 8-5 Fed	Alley Cat 17-20	Alley Cat 17-20
Stray Cat 8-5 Fed Com 212Y	Com 213H	Com 214H	Fed Com 216H	Fed Com 215H
NMNM098826	NMNM098826	NMNM098826	NMNM077063	NMNM086153
NMNM018846	NMNM018846	NMNM018846	NMNM086153	NMNM097891
NMNM063994	NMNM063994	NMNM063994	NMNM097891	NMNM062223
	NMNM126065	NMNM126065	NMNM062223	





|\dvn.com\network\USA\Corporate\Apps\App-Data\G|S\gis\_data\Okc\_land\Delaware\_Basin\FilingPlats\STRAY\_CAT\_23S32E.mxd Released to Imaging: 6/14/2021 11:35:27 AM

Run Date/Time: 8/24/2018 10:55 AM

Page 1 Of 4

Serial

Serial Number

NMNM 018848

01 02-25-1920;041STAT0437;30USC181ETSEQ Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED Total Acres: 1,954.130

Serial Number: NMNM-- - 018848

Name & Address					Int Rel	% Interest
XTO HOLDINGS LLC	22777 SPRINGWOODS VILLAGE PKWY	SPRING	TX	773891425	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND	TX	797062964	LESSEE	100.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	731025010	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 018848 **Suff Subdivision** District/ Field Office Sec SType Nr County Mgmt Agency Mer Twp Rng CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 0230S 0320E 004 LOTS 1,2; CARLSBAD FIELD OFFICE BUREAU OF LAND MGMT N2; LEA 23 0230S 0320E 800 **ALIQ** CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT NW: 23 0230S 0320E 017 ALIQ W2NE,SENW,E2SW; BUREAU OF LAND MGMT CARLSBAD FIELD OFFICE LEA 23 0230S 0320E 018 ALIQ LEA BUREAU OF LAND MGMT LOTS CARLSBAD FIELD OFFICE 23 0230S 0320E 018 1-4: 0230S 0320E ALIQ E2W2: CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 019 1-4: CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 0230S 0320E 019 LOTS 23 CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 0230S 0320E 1-4; 031 LOTS 23 E2,E2W2; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 0230S 0320E 031 ALIQ 23

Relinquished/Withdrawn Lands

23 0230S 0340E 718 FF

NENW, ASGN;

PECOS DISTRICT OFFICE

Serial Number: NMNM-- - 018848

LEA

BUREAU OF LAND MGMT

Serial Number: NMNM-- - 018848

Act Date	Act Co	de Action Txt	Action Remarks	Pending Off
05/28/1973	387	CASE ESTABLISHED	SPAR46;	
05/29/1973	888	DRAWING HELD		
07/23/1973	237	LEASE ISSUED		
08/01/1973	496	FUND CODE	05;145003	
08/01/1973	530	<b>RLTY RATE - 12 1/2%</b>		
08/01/1973	868	EFFECTIVE DATE		
01/29/1976	315	RENTAL RATE DET/ADJ	\$2.00;	
12/08/1977	791	TERMINAT'N NOTICE ISSUED		
12/27/1977	284	REINSTATEMENT FILED	CLASSI	

0.000000000

0.000000000

# DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Run Date/Time: 8/24/2018 10:56 AM

Page 1 Of 4

**Serial Number** 

01 02-25-1920;041STAT0437;30USC181ETSEQ Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

DEVON ENERGY PRODUCTION CO LP

SHARBRO OIL LTD CO

Total Acres: 617.920

NMNM 062223

Serial Number: NMNM-- - 062223

				0.	crial Halliber. Hill	IIII OOLLLO
Name & Address					Int Rel	% Interest
FOUNDATION ENERGY FUND IV-B HOLDING LLC	16000 DALLAS PKWY STE 875	DALLAS	TX	752486643	LESSEE	100.000000000
FOUNDATION ENERGY FUND IV-B HOLDING LLC	16000 DALLAS PKWY STE 875	DALLAS	TX	752486643	OPERATING RIGHTS	0.000000000
ENERVEST ENE INSTNL FUND XI-A	1001 FANNIN ST STE 800	HOUSTON	TX	770026707	OPERATING RIGHTS	0.000000000
SHARBRO ENERGY LLC	PO BOX 840	ARTESIA	NM	882110840	OPERATING RIGHTS	0.000000000
TEXAS REEXPLORATION LTD 01	3025 MAXROY	HOUSTON	TX	77008	OPERATING RIGHTS	0.000000000
ENERVEST ENE INSTNL FUND XI-WI	1001 FANNIN ST STE 800	HOUSTON	TX	770026707	OPERATING RIGHTS	0.000000000

ARTESIA

OKLAHOMA CITY OK 731025010

NM 88210

Serial Number: NMNM-- - 062223 **Suff Subdivision District/ Field Office** County Mer Twp Rng Sec SType Nr Mgmt Agency 0230S 0320E 005 ALIQ SE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 23 0230S 0320E 007 LOTS 1-3; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 0230S 0320E 23 007 **ALIQ** NESW,N2SE,SESE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 0230S 0320E 017 ALIQ NE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT

333 W SHERIDAN AVE

423 W MAIN ST

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 062223

Serial Number: NMNM-- - 062223

**OPERATING RIGHTS** 

**OPERATING RIGHTS** 

Act Date	Act Co	de Action Txt	Action Remarks		Pending Off	002220
04/04/1985	387	CASE ESTABLISHED	SPAR506;	7	near and the second	
04/05/1985	888	DRAWING HELD				
08/01/1985	237	LEASE ISSUED				
08/14/1985	600	RECORDS NOTED	· model			
08/20/1985	963	CASE MICROFILMED/SCANNED	CNUM 553,417	AC		
09/01/1985	496	FUND CODE	05;145003			
09/01/1985	530	<b>RLTY RATE - 12 1/2%</b>				
09/01/1985	868	EFFECTIVE DATE				
07/07/1986	111	RENTAL RECEIVED	\$0;86-87			

Run Date/Time: 8/24/2018 10:55 AM

Page 1 Of 3

Total Acres: 980.630

NMNM 063994

**Serial Number** 

01 02-25-1920;041STAT0437;30USC181ETSEQ Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 063994

Name & Address					Int Rel	% Interest
EOG RESOURCES INC	PO BOX 4362	HOUSTON	TX	772104362	OPERATING RIGHTS	0.000000000
JACKSON J T	PO BOX 100	ARTESIA	NM	88210	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	731025010	OPERATING RIGHTS	0.000000000
FLETCHER L	PO BOX 100	ARTESIA	NM	88210	OPERATING RIGHTS	0.000000000
DEANS A J	PO BOX 100	ARTESIA	NM	88210	OPERATING RIGHTS	0.000000000
BELLAH C	PO BOX 100	ARTESIA	NM	882110100	OPERATING RIGHTS	0.000000000
GUY JAMES E	PO BOX 100	ARTESIA	NM	882110100	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	ОК	731025010	LESSEE	100.000000000

Serial Number: NMNM-- - 063994 **Suff Subdivision District/ Field Office** Mer Twp Rng Sec SType Nr County **Mgmt Agency** 0230S 0320E 005 LOTS 3,4; CARLSBAD FIELD OFFICE BUREAU OF LAND MGMT 23 0230S 0320E 005 ALIQ S2NW,SW; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 0230S 0320E 006 ALIQ S2NE, SENW, E2SW, SE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 0230S 0320E 006 LOTS 1-7; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

201

Serial Number: NMNM-- - 063994

Act Date	Act Cod	le Action Txt	Action Remarks	Serial Number: NMNM Pending Off	- 063994
09/08/1975	387	CASE ESTABLISHED	Pacel III	" mark	
10/01/1975	496	FUND CODE	05;145003		
10/01/1975	530	<b>RLTY RATE - 12 1/2%</b>			
10/01/1975	868	EFFECTIVE DATE			
09/14/1984	111	RENTAL RECEIVED	\$0;84-85		
02/19/1985	553	CASE CREATED BY ASGN	OUT OF NMNM26390;		
09/06/1985	111	RENTAL RECEIVED	\$0;85-86		
11/12/1985	600	RECORDS NOTED			
11/20/1985	963	CASE MICROFILMED/SCANNED	CNUM 554,433 AC		

Run Date/Time: 8/24/2018 10:58 AM

Page 1 Of 3

Serial Number

Total Acres: 880.000

NMNM 077063

01 12-22-1987;101STAT1330;30USC181 ET SEQ Case Type 312021: O&G LSE COMP PD -1987

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 077063

Name & Address				200	Int Rel	% Interest
SIETE OIL & GAS CORP	BOX 2523	ROSWELL	NM	882022523	OPERATING RIGHTS	0.000000000
DEVON ENERGY PRODUCTION CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	ок	731025010	OPERATING RIGHTS	0.000000000
OXY Y-1 COMPANY	PO BOX 27570	HOUSTON	TX	772277570	LESSEE	30.000000000

Serial Number: NMNM-- - 077063 **Suff Subdivision District/ Field Office** Mer Twp Rng Sec SType Nr County Mgmt Agency 0230S 0320E **ALIQ** SWSE; CARLSBAD FIELD OFFICE BUREAU OF LAND MGMT 23 0230S 0320E 028 ALIQ W2; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 0230S 0320E 033 ALIQ SENE,W2,SE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 077063

				Serial Number: NMNM 077063
Act Date	Act Code	Action Txt	Action Remarks	Pending Off
08/16/1988	387	CASE ESTABLISHED		
08/17/1988	191	SALE HELD		
08/17/1988	267	BID RECEIVED	\$1760.00;	
08/18/1988	111	RENTAL RECEIVED	\$1320.00;1YR/88-89	
08/29/1988	237	LEASE ISSUED		
09/01/1988	496	FUND CODE	05;145003	
09/01/1988	530	<b>RLTY RATE - 12 1/2%</b>		
09/01/1988	868	EFFECTIVE DATE		
09/01/1988	909	BOND ACCEPTED	EFF 03/21/84;NM0402	
09/30/1988	974	AUTOMATED RECORD VERIF	LBO/TJA	
12/22/1988	140	ASGN FILED	YATES/YATES ET AL	
02/02/1989	139	ASGN APPROVED	EFF 01/01/89;	
02/02/1989	974	AUTOMATED RECORD VERIF	DGT/DO	
02/08/1989	600	RECORDS NOTED		
02/10/1989	963	CASE MICROFILMED/SCANNED	CNUM 566,213	
07/13/1989	111	RENTAL RECEIVED	\$1320.00;1YR/89-90	

Run Date/Time: 8/24/2018 10:57 AM

Page 1 Of 3

**Serial Number** 

01 12-22-1987;101STAT1330;30USC181 ET SEQ Case Type 312021: O&G LSE COMP PD -1987

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

Total Acres: 1,000.000

NMNM 086153

Serial Number: NMNM-- - 086153

Name & Address		4			Int Rel	% Interest
PENWELL ENERGY INC	600 N MARIENFELD #1100	MIDLAND	TX	79701	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	731025010	LESSEE	100.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	ОК	731025010	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 086153 Mer Twp Rng Sec SType Nr **Suff Subdivision** District/ Field Office County Mgmt Agency 0230S 0320E 020 ALIQ E2E2,W2NE,NWSE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 0230S 0320E W2E2,W2,E2SE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 021 ALIQ 0230S 0320E 022 ALIQ SW; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23

Relinquished/Withdrawn Lands

- 171 m. 171

Serial Number: NMNM-- - 086153

Serial Number: NMNM-- - 086153 **Pending Off Act Date** Act Code Action Txt **Action Remarks** 01/15/1991 387 CASE ESTABLISHED 9101164 01/16/1991 191 SALE HELD 267 **BID RECEIVED** \$140000.00; 01/16/1991 01/16/1991 392 MONIES RECEIVED \$2000.00; 01/28/1991 392 MONIES RECEIVED \$138000.00; 237 LEASE ISSUED 03/11/1991 03/11/1991 974 AUTOMATED RECORD VERIF SSP/LR RENTAL RECEIVED 03/15/1991 111 \$1500.00;21/023570995 496 **FUND CODE** 05;145003 04/01/1991 04/01/1991 530 RLTY RATE - 12 1/2% 04/01/1991 868 EFFECTIVE DATE 04/25/1991 932 TRF OPER RGTS FILED SF ENE/MITCHELL ENE 05/06/1991 600 RECORDS NOTED 06/24/1991 933 TRF OPER RGTS APPROVED SF ENE/MITCHELL ENE 06/24/1991 974 AUTOMATED RECORD VERIF RAO/CG \$1500.00;21/12924 03/02/1992 RENTAL RECEIVED 111

Run Date/Time: 2/27/2019 10:35 AM

Serial Number

**Total Acres:** 

320,000

NMNM 097891

01 12-22-1987;101STAT1330;30USC181 ET SEQ Case Type 312021: O&G LSE COMP PD -1987

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 097891

Serial Number: NMNM-- - 097891

Serial Number: NMNM-- - 097891

Int Rel

% Interest

Page 1 Of 2

Name & Address

DEVON ENERGY PROD CO LP

333 W SHERIDAN AVE

OKLAHOMA CITY OK 731025010

LESSEE

100.000000000

Mer Twp Rng

Sec SType Nr

Suff Subdivision

District/ Field Office

County

Mgmt Agency

CARLSBAD FIELD OFFICE LEA

BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

0230S 0320E 017 ALIQ

Serial Number: NMNM-- - 097891

**Act Code Action Txt Action Remarks Pending Off Act Date** 10/15/1996 387 CASE ESTABLISHED 9610085 SALE HELD 191 10/16/1996 **BID RECEIVED** \$76800.00; 10/16/1996 267 MONIES RECEIVED \$640.00; 10/16/1996 392 392 MONIES RECEIVED \$76160.00; 10/29/1996 11/08/1996 237 LEASE ISSUED AUTOMATED RECORD VERIF **BCO** 11/08/1996 974 **FUND CODE** 05:145003 12/01/1996 496 12/01/1996 530 RLTY RATE - 12 1/2% EFFECTIVE DATE 12/01/1996 868 RENTAL RECEIVED BY ONRR \$480.00;11/MULTIPLE 084 12/06/1996 CASE MICROFILMED/SCANNED 03/20/1997 963 **ASGN FILED** PENWELL/SF ENE RES 07/21/1997 140 ASGN APPROVED EFF 08/01/97; 08/07/1997 139 08/07/1997 974 AUTOMATED RECORD VERIF MV/MV RENTAL RECEIVED BY ONRR \$480.00;21/0000000094 10/15/1997 084 084 RENTAL RECEIVED BY ONRR \$480.00;21/0000000032 10/16/1998 01/25/1999 899 TRF OF ORR FILED **ASGN FILED** PENWELL/CONCHO 02/10/1999 140 EFF 03/01/99: ASGN APPROVED 03/12/1999 139 03/12/1999 974 AUTOMATED RECORD VERIF LR

Page 1 Of 2

### DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** CASE RECORDATION (MASS) Serial Register Page

Run Date/Time: 8/24/2018 10:54 AM

Serial Number

01 12-22-1987:101STAT1330:30USC181 ET SEQ Case Type 312021: O&G LSE COMP PD -1987

Sec SType

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED **Total Acres:** 320.000

NMNM 098826

Serial Number: NMNM-- - 098826

% Interest

DEVON ENERGY PROD CO LP

Name & Address

Mer Twp Rng

333 W SHERIDAN AVE

OKLAHOMA CITY OK 731025010

Int Rel LESSEE

100.000000000

**Suff Subdivision District/ Field Office** 

County

Serial Number: NMNM-- - 098826 Mgmt Agency

0230S 0320E 008 ALIQ

S2:

Nr

CARLSBAD FIELD OFFICE

LEA

BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 098826

Serial Number: NMNM-- - 098826

Act Code Action Txt **Action Remarks Pending Off Act Date** 387 CASE ESTABLISHED 9704268 04/15/1997 04/16/1997 191 SALE HELD 04/16/1997 267 BID RECEIVED \$112000.00; 392 MONIES RECEIVED \$112000.00; 04/16/1997 237 LEASE ISSUED 05/07/1997 05/07/1997 974 AUTOMATED RECORD VERIF AT \$480.00;21/MULTIPLE 05/23/1997 084 RENTAL RECEIVED BY ONRR 06/01/1997 496 **FUND CODE** 05;145003 06/01/1997 530 RLTY RATE - 12 1/2% 868 **EFFECTIVE DATE** 06/01/1997 963 CASE MICROFILMED/SCANNED 09/26/1997 05/27/1998 084 RENTAL RECEIVED BY ONRR \$480.00:21/0000000293 05/20/1999 084 RENTAL RECEIVED BY ONRR \$480.00;21/000000303 04/28/2000 084 RENTAL RECEIVED BY ONRR \$480.00;21/315 MERGER RECOGNIZED DEVONENE/DEVONENEPROD 11/22/2000 817 974 AUTOMATED RECORD VERIF AT 11/22/2000 RENTAL RECEIVED BY ONRR \$480.00;21/100028 05/03/2001 084 282 REINSTATEMENT APPROVED CLASS I EFF 6/1/02; 06/01/2002 CLASS I: 02/11/2004 791 TERMINAT'N NOTICE ISSUED AUTOMATED RECORD VERIF **GSB** 02/11/2004 974 02/23/2004 284 REINSTATEMENT FILED CLASS I;

Run Date/Time: 8/24/2018 10:57 AM

Page 1 Of 2

Total Acres: 677.940

NMNM 126065

**Serial Number** 

01 12-22-1987;101STAT1330;30USC181 ET SEQ Case Type 312021: O&G LSE COMP PD -1987

Sec SType

Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 126065

Name & Address					Int Rel	% Interest
CIMAREX ENERGY CO	600 N MARIENFELD ST STE 600	MIDLAND	TX	797014405	OPERATING RIGHTS	0.000000000
DEVON ENERGY PRODUCTION CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	ОК	731025010	OPERATING RIGHTS	0.000000000
CIMAREX ENERGY CO OF COLORADO	600 N MARIENFELD ST STE 600	MIDLAND	TX	797014405	LESSEE	100.000000000

Serial Number: NMNM-- - 126065

District/ Field Office County Mgmt Agency

CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT

SWNE,S2NW,S2; 0230S 0320E 004 ALIQ CARLSBAD FIELD OFFICE BUREAU OF LAND MGMT 0230S 0320E 004 LOTS 3,4; CARLSBAD FIELD OFFICE LEA 23 CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 0230S 0320E LOTS 1,2; S2NE; CARLSBAD FIELD OFFICE LEA BUREAU OF LAND MGMT 23 0230S 0320E 005

**Suff Subdivision** 

Relinquished/Withdrawn Lands

Mer Twp Rng

Serial Number: NMNM-- - 126065

Serial Number: NMNM-- - 126065

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
08/14/2006	940	NAME CHANGE RECOGNIZED	GRUY/CIMAREX OF COLO	
11/29/2010	387	CASE ESTABLISHED	201101003;	
01/19/2011	143	BONUS BID PAYMENT RECD	\$1356.00;	
01/19/2011	267	BID RECEIVED	\$3729000.00;	
01/20/2011	143	BONUS BID PAYMENT RECD	\$3727644.00;	
02/15/2011	237	LEASE ISSUED		
02/15/2011	974	AUTOMATED RECORD VERIF		
03/01/2011	496	FUND CODE	05;145003	
03/01/2011	530	<b>RLTY RATE - 12 1/2%</b>		
03/01/2011	868	EFFECTIVE DATE		and the second
03/17/2011	140	ASGN FILED	MILES ET/CIMAREX E;1	
06/06/2011	139	ASGN APPROVED	EFF 04/01/11;	
06/06/2011	974	AUTOMATED RECORD VERIF	RAYO/RAYO	
12/13/2012	643	PRODUCTION DETERMINATION	/1/ 30-025-40534;	
12/13/2012	650	HELD BY PROD - ACTUAL	/1/ 30-025-40534;	

Barbara Hannifin

Stray Cat/ Alley Cat Repsondent lis	Stray	Cat/	Alley	Cat Re	psondent	list
-------------------------------------	-------	------	-------	--------	----------	------

Morris E Schertz
PO Box 2588
Roswell, NM 88202
F Andrews Grooms
PO Box 2990
Ruidoso, NM 88355
The Oakason Jr Company, LC
PO Box 840738
Dallas, TX 75284
Eileen Grooms, Trustee of the

EMG Revocable Trust 1000 4th Street Roswell, NM 88201

Jean Oakason Memorial, LLC 3018 E KSEL Drive Sandy, UT 84092

Harvers Family Trust,

Franklin and Roxanne Havers, Trustees 2738 Chokecherry Ave Henderson, NV 89074
Rolla Hinkle, III PO Box 2292 Roswell, NM 88202
Richardson Mineral and Royalty, LLC PO Box 2423 Roswell, NM 88202
Andra Coccimiglio PO Box 712091 Salt Lake City, UT 84171

Howard Brinton Cahoon 2 E Regal Street #35 Murray, UT 84107

XTO Energy Inc 22777 Springwoods Village Parkway Spring, TX 77389
Ralph Wharton 208 Sioux Trail Ashland, OH 44805

Titus Oil and Gas Production, LLC

Stephen Grooms

PO Box 782302

Fort Worth, TX 76102

San Antonio, TX 78230

Madison Hinkle

PO Box 2292

Rolla Hinkle, II

PO Box 2292

Roswell, NM 88202

Roswell, NM 88202

2716 N Pennsylvania Ave 58

Roswell, NM 88201

Flavian Oil Company 8350 N Central Expressway, suite G100 Dallas, TX 75206 Sharbro Oil Ltd. Co PO Box 840 Artesia, NM 88211

Sharbro Energy, LLC 423 W Main Street Artesia, NM 88210
John Thoma, Trustee of the

**Cornerston Family Trust** PO Box 558 Peyton, CO 80831 Crownrock Minerals, L.P. PO Box 51933 Midland, TX 79710 PO Box 13557 Denver, CO 30183 George Vaught Jr. PO Box 1477 Little Elm, TX 493494 The Taurus Royalty LLC Vendetta Royalty Partners, Ltd PO Box 141638 Austin, TX 78714 PO Box 3087 Houston, TX 77253 Rave Energy Inc.

Kimbell Royalty Holdings, LLC
PO Box 671099
Dallas, TX 75367
Kingdom Investments Limited
2101 Cedar Springs Road, Suite 600
Dallas, TX 75201
Chisos Minerals LLC
Paul R Barwis
PO Box 3087
Houston, TX 77293
Houston, TX 77002
Po Box 230
Midland, TX 79702

Jareed Partners LTDPO Box 51451Midland, TX 79710OXY Y-1 Company5 Greenway Plaza, suite 110Houston, TX 77046

Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

### **Conditions of Approval**

Off-Lease Storage and Lease Commingling of Measurement and Sales of Oil and Gas Production

Devon Energy Production Company Stray Cat 8 CTB 2

Leases: NMNM018848, NMNM062223, NMNM063994, NMNM077063, NMNM086153, NMNM097891, NMNM098826, NMNM126065

Approval of comingling of measurement and sales of production is subject to the following conditions of approval:

- 1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
  - a. All well tests for allocation shall be performed per NMOCD requirements.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the public's interest (surface and/or subsurface). This includes negative impacts to royalties due to price deducts according to purchaser contracts.
- 4. Off-lease measurement, storage and sales from sources in this package are approved. This does not constitute a right-of-way approval for any off-lease operations. Within 30 days, an application for right-of-way approval shall be submitted to the CFO realty department, if not already done.
- 5. Gas measurement for allocation shall be measured as per 43 CFR 3175 and API requirements.
- 6. Oil measurement for allocation shall be measured as per 43 CFR 3174 and API requirements.
- 7. All oil and gas subject to royalty shall be measured and reported to ONRR as required, unless otherwise approved by an Authorized Officer. Aside from exceptions listed in 43 CFR 3179, all flared/vented gas volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33" for royalty-bearing flared gas and disposition code 63 for royalty-bearing vented gas.
- 8. This agency shall be notified of any change in sales method or location of the sales point.
- 9. Additional wells require a new and updated commingling application.
- 10. In lieu of FMP numbers on the site facility diagram, which shall be submitted within 30 days of the facility becoming operational per 43 CFR 3173.11, include all meter serial numbers or assign unique meter ID numbers that are reflected in the field. This is to include allocation meters.
- 11. This approval does not authorize bypasses around any allocation meter or metering separator, this is to include the use of headers to divert production to production equipment other than the approved measurement points.
- 12. Vapors will be recovered and added back into the sales or flare line where it will be metered with the CTB's main production. Vapor recovery equipment is also approved with this application.

13. Approval for combining production from various sources, as well as off-lease operations, is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocations.

01312020 DR

Received by OCD: 3/22/2021 8:07:14 AM

CustomerReference	STATUS	EMAIL	EMAII SENT	Read by owner	AttentionTo	Organization	Address1	Address2 Address3	City	Region Country	Phone En	nail Noter	Decidential	DLINS PostalCode
9414 8149 0152 7181 9107 51		CMPGE	EMIAIL SEIVI	Read by Owner	ONRE ROYALTY MANAGEMENT PROGRAM	Organization	PO BOX 25627	Address2 Address3	DENVER	EI LIS	Pilone En	iaii livotes	Residential	80225-0627
3414 0143 0131 / 101 310/ 31	DENVERED				Grant COVALTI MANUACINETT I ROCKS		10 box 23027		DENVER	103			$\overline{}$	00223 0027
9414 8149 0152 7181 9107 68	Delivery Attempt: Action Ne	ec LTALLERINE@GOLDKING.NET	2/18/2021	1 Thursday, February 18, 2021 5:30:57 PM	RAVE ENERGY INC DBA GEP III		P O BOX 3087		HOUSTON	TX US			1 1	77253-3087
9414 8149 0152 7181 9107 75	Delivered				PAUL R BARWIS % DUTTON HARRIS & CO		PO BOX 230		MIDLAND	TX US				79702
9414 8149 0152 7181 9107 82	Delivered				JAREED PARTNERS LTD A TEXAS LIMITED PARTNERSHIP		PO BOX 51451		MIDLAND	TX US				79710-1451
9414 8149 0152 7181 9107 99	Delivered to Agent				CHISOS MINERALS LLC		1111 BAGBY ST STE 2150		HOUSTON	TX US				77002
9414 8149 0152 7181 9108 05	Delivered				BY ROYALTY LTD CO STEPHANIE A NORIEGA-GARCIA AIF		327 W MAIN		ARTESIA	NM US				88210
9414 8149 0152 7181 9108 12	Delivered				VENDETTA ROYALTY PARTNERS LTD THOMAS L TAYLOR III RECEIVER VENDETTA ROYALTY MGMT LLC		7600 W TIDWELL STE 800		HOUSTON	TX US				77040
9414 8149 0152 7181 9108 29	Delivered				KINGDOM INVESTMENTS LIMITED		2101 CEDAR SPRINGS RD STE 60		DALLAS	TX US				75201
	Delivery Attempt: Action													
9414 8149 0152 7181 9108 36	Needed	LTALLERINE@GOLDKING.NET	2/18/2021	1 Thursday, February 18, 2021 5:30:57 PM	RAVE ENERGY INC		PO BOX 3087		HOUSTON	TX US			1 1	77253-3087
9414 8149 0152 7181 9108 43	Delivered				CROWNROCK MINERALS LP		PO BOX 51933		MIDLAND	TX US				79710
9414 8149 0152 7181 9108 50	Delivered				EOG RESOURCES INC		PO BOX 840321		DALLAS	TX US				75284-0321
9414 8149 0152 7181 9108 67	Delivered				GEORGE G VAUGHT JR		PO BOX 13557		DENVER	co us				80201-3557
9414 8149 0152 7181 9108 74	Delivered				KIMBELL ROYALTY HOLDINGS LLC % DUNCAN MANAGEMENT LLC		PO BOX 671099		DALLAS	TX US				75367-1099
9414 8149 0152 7181 9108 81	Delivered				TAURUS ROYALTY LLC % ROBERT B PAYNE JR		PO BOX 1477		LITTLE ELM	TX US				75068-1477
9414 8149 0152 7181 9108 98	Delivered				SHARBRO ENERGY LLC ELIZABETH A BAKER AIF		PO BOX 840		ARTESIA	NM US				88210
9414 8149 0152 7181 9109 04	Delivered				SHARBRO ENERGY LLC ELIZABETH A BAKER AIF		PO BOX 840		ARTESIA	NM US				88210
9414 8149 0152 7181 910911	Delivered				CORNERSTONE FAMILY TRUST JOHN KYLE THOMA SUCC TTEE		PO BOX 558		PEYTON	co us			f	80831
9414 8149 0152 7181 9109 28					MCMULLEN MINERALS LLC		PO BOX 470857		FORT WORT	H TX US				76147
9414 8149 0152 7181 9109 35					RICHARDSON MINERAL & ROYALTY LLC		PO BOX 2423		ROSWELL	NM US			$\overline{}$	88202
9414 8149 0152 7181 9109 42					DRAGOON CREEK MINERALS LLC		PO BOX 470857		FORT WORT	H TY IIIS			f	76147
9414 8149 0152 7181 9109 59					FLAVIAN OIL COMPANY		8350 N CENTRAL EXPWY STE G10	0	DALLAS	TY US	-		-	75206
9414 8149 0152 7181 9109 66					ANDRA COCCIMIGLIO		PO BOX 712091		SALT LAKE C	TTUT US			$\overline{}$	84171-2091
9414 8149 0152 7181 9109 73					NUEVO SEIS LP		PO BOX 2588		ROSWELL	NM US	-		-	88202-2588
9414 8149 0152 7181 9109 80			-		MAP RESOURCES INC		PO BOX 2836		MIDLAND	TX US		_	-	79702
9414 8149 0152 7181 9109 80					THE OAKASON IR CO I C BANK OF AMERICA NA AGENT		PO BOX 2830		DALLAS	TX US			$\overline{}$	75284-0738
3414 0143 0131 7101 3103 37	Delivery Attempt: Action	REVENUE@SANTAELENALP.C	-		THE ONLOGICATION OF AMERICA TO AGENT		10 000 040730		DALDIS	1.0		_	-	7,5204 07,50
9414 8149 0152 7181911000	Needed	OM	2/10/2021	Thursday, February 18, 2021 5:18:49 PM	SANTA ELENA MINERALS V LP		PO BOX 2064		MIDLAND	TV UE			1 1	79702
5414 8149 0132 7181911000	Delivery Attempt: Action	OM	2/10/2021	1110130ay, February 18, 2021 3.18.49 FW	SHITTA ELENA (VIIVERALS) V LF		FO BOX 2004		MIDDAND	1. 03		_	$\vdash$	75702
9414 8149 0152 7181911017	Needed: being returned	FAHANNIFIN@AOL.COM	2/18/2021		MOTOWI LLC		P O BOX 350010		WESTMINST	ETCO US			1 1	80035-0010
9414 8149 0152 7181911024		FAHANNIFIN@AUL.COM	2/10/2021		JEAN C OAKASON MEMORIAL LLC DAVID L PATTERSON & LANI ABERCROMBIE MANAGERS % LANI ABERCROMBIE AGENT		3018 E KSEL DR		SANDY	UT US		_	$\vdash$	84092
9414 8149 0152 7181911024					MORRIS E SCHERTZ		PO BOX 2588		ROSWELL	NM US		_	$\vdash$	88202-2588
9414 8149 0152 7181 9110 48					FFF INC		PO BOX 20129		SARASOTA	rewi US		_	$\vdash$	34276-3129
9414 8149 0152 7181 9110 48					EILEEN M GROOMS TTEE OF EMG REVOCABLE TRUST		1000 4TH ST		ROSWELL	NM US		_	$\vdash$	88201
9414 8149 0152 7181911055					PEGASUS RESOURCES NM LLC		PO BOX 470698		FORT WORT			_		76147
9414 8149 0152 7181911062					PEGASUS RESOURCES INVILLE. PEGASUS RESOURCES LLC		PO BOX 470698 PO BOX 470698		FORT WORT			_	$\vdash$	76147
9414 8149 0152 / 1819110/9					PEGASUS RESOURCES LLC		PU BUX 470698		FURT WURT	H IX US		_		/614/
9414 8149 0152 7181911086	Delivery Attempt: Action Needed; being returned	FAHANNIFIN@AOL.COM	2/18/2021	1	MW OIL INVESTMENT COMPANY		PO BOX 350010		WESTMINST	EFCO US			1 1	80035
9414 8149 0152 7181911093	Delivered				MERPEL LLC PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO & GEORGE OVERBEY COO AGENTS		3100 MONTICELLO AVE STE 500		DALLAS	TX US				75205
9414 8149 0152 7181911109	Delivered				JUSTIN T CRUM		PO BOX 3598		ROSWELL	NM US			-	88202
9414 8149 0152 7181911116	Delivered				TD MINERALS LLC		8111 WESTCHESTER DR STE 900		DALLAS	TX US				75225
9414 8149 0152 7181911123	Delivered				T-BAR OIL & GAS LTD		PO BOX 247		CRESTED BU	TI CO US				81224
9414 8149 0152 7181911130	Delivered				ROLLA R HINKLE II		PO BOX 2292		ROSWELL	NM US				88202-2292
9414 8149 0152 7181911147	Delivered				PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO GEORGE OVERBEY COO		4245 N CENTRAL EXPSWY STE 32	0	DALLAS	TX US				75205
9414 8149 0152 7181911154	Delivered				TD MINERALS LLC		8111 WESTCHESTER DR STE 900		DALLAS	TX US				75225
9414 8149 0152 7181911161		1	1		MORRIS E SCHERTZ & WIFE HOLLY K SCHERTZ		P O BOX 2588		ROSWELL	NM US				88202-2588

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 Revised August 1, 2011

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION BBS OC Pmit one copy to appropriate

District Office

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

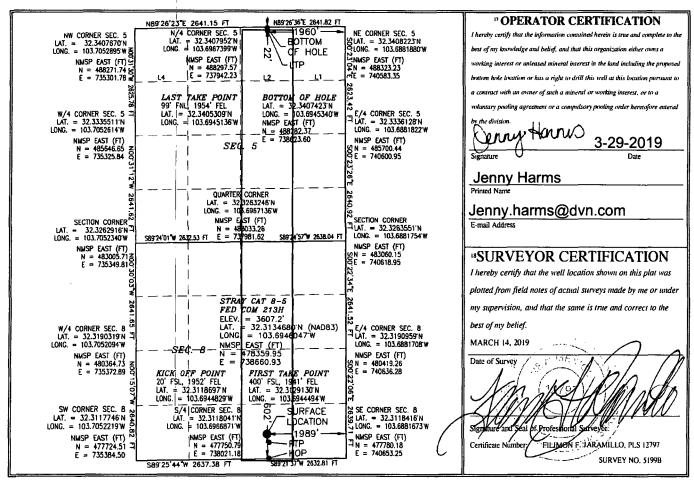
APR 01 2019 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICARIO

<sup>1</sup> API Number 30-025-44600	53800 Code	SAND DUNES; BONE SPRING	3
<sup>4</sup> Property Code		Property Name	6 Well Number
320993	STRAY	CAT 8-5 FED COM	213H
OGRID No.		Operator Name	° Elevation
6137	DEVON ENERGY P	RODUCTION COMPANY, L.P.	3607.2
	10 Si	urface Location	

UL or lot no.	Section 8	Township 23 S	Range 32 E	Lot Idn	Feet from the 602	North/South line SOUTH	Feet from the 1989	East/West line EAST	County LEA
			" Во	ttom Hol	e Location I	f Different Fro	m Surface		<u>, , , , , , , , , , , , , , , , , , , </u>
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	5	23 S	32 E		22	NORTH	1960	EAST	LEA
12 Dedicated Acres	" Joint o	r Infill  " C	onsolidation	Code 13 Or	der No.	<u> </u>		L	·
320									

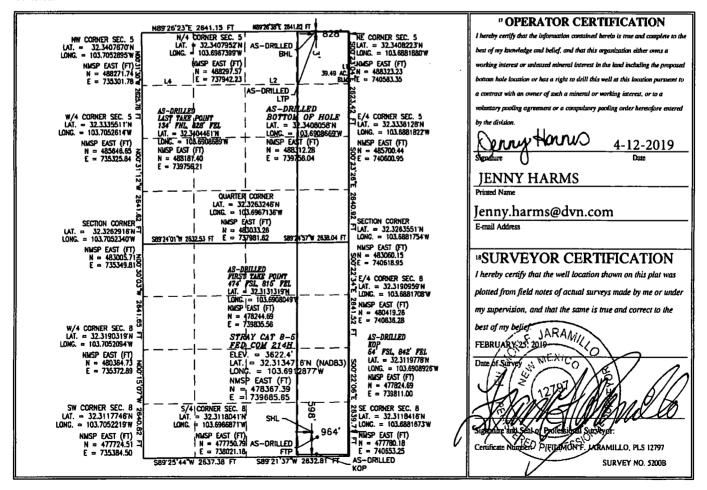
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



320

District I	88240			State of N	ew Mexico				Form C-102
1625 N. French Dr., Hobbs, NM Phone: (575) 393-6161 Fax: (57 <u>District II</u> 811 S. First St., Artesia, NM 882 Phone: (575) 748-1283 Fax: (575 <u>District III</u> 1000 Rio Brazos Road, Aztec, N Phone: (505) 334-6178 Fax: (505 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe. Phone: (505) 476-3460 Fax: (505	M 87410 APR	1 5 20	12	rals & National Natio	tural Resources I ATION DIVISIO St. Francis Dr. NM 87505	Department N	Sub	mit one	sed August 1, 2011 copy to appropriate District Office ENDED REPORT
				N AND A	CREAGE DEDI	CATION PL	AT		
30-025-44601	aber	580	² Pool Code		SAND DUNES;	BONE SPI			X
<sup>4</sup> Property Code				<sup>3</sup> Prope	rty Name			6	Well Number
320993			ST	TRAY CAT	8-5 FED COM				214H
<sup>7</sup> OGRID No.				* Opera	tor Name				<sup>9</sup> Elevation
6137	1	DEV	ON ENER	RGY PROD	UCTION COMPA	NY, L.P.			3622.4
				<sup>™</sup> Surfac	e Location				
UL or lot no. Section	n Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
P 8	23 S	32 E		598	SOUTH	964	EA	ST	LEA
		" Bo	ttom Hol	e Location	If Different Fro	m Surface			
UL or lot no. Section	n Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
1 5	23 S	32 E		3	NORTH	828	EA	ST	LEA

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 Fex: (505) 476-3462

Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION Form C-102 Revised August 1, 2011 OIL CONSERVATION DIVISIONAUG 0.6 2018 Submit one copy to appropriate 1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED \_ AMENDED REPORT

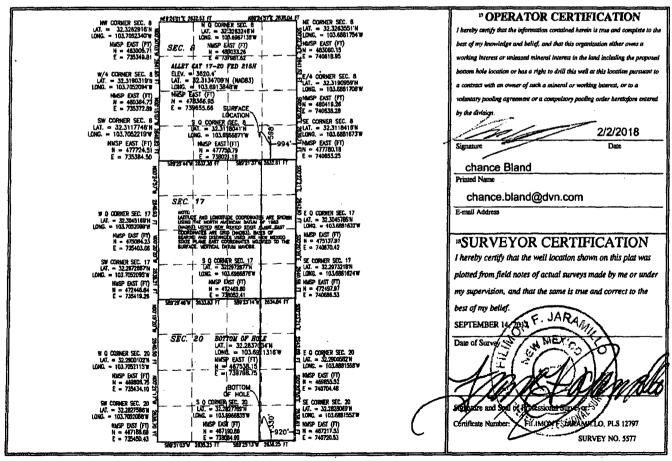
WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-	1 Pool Code 53560 53500	<sup>3</sup> Pool Name Salt Lake; Bone Spring	
'Property Code 322236	•	rty Name 17-20 FED COM	<sup>6</sup> Well Number 215H
'OGRID No. 6137	•	ator Name UCTION COMPANY, L.P.	' Elevation 3620.4

Surface Location Feet from the East/West line UL or lot no. Section Township Range Lot Idn North/South line Feet from the County 32 E 598 SOUTH 994 **EAST** P 8 23 S LEA <sup>11</sup> 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
P	20	23 S	32 E		330	SOUTH	920	EAST	LEA
<sup>12</sup> Dedicated Acres	13 Joint or	Infill "C	onsolidation	Code 15 Or	der No.				
320									

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Section

8

Township

23 S

Range

32 E

District IV

UL or lot no.

O

Energy, Minerals & Natural Resources Department Res 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102 Submit one copy to appropriate

RECEIVEMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

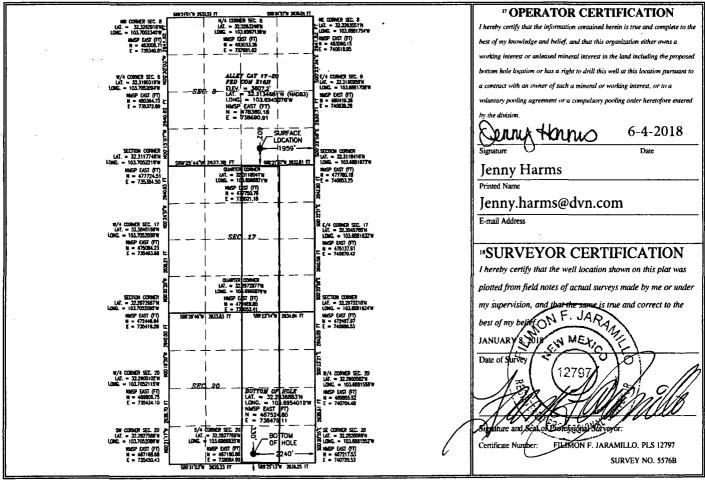
<sup>1</sup> API Number	<sup>2</sup> Pool Code	³ Pool Name	
30-00h 45	067   53560 5-3800	Salt Lake; Bone Spring	
Property Code	<sup>5</sup> Property	Name	6 Well Number
322236	ALLEY CAT 17	-20 FED COM	216Н
OGRID No.	<sup>8</sup> Operator	Name	° Elevation
6137	DEVON ENERGY PRODUC	CTION COMPANY, L.P.	3607.2

No Surface Location East/West line Feet from the North/South line Lot Idn Feet from the County 602 SOUTH 1959 **EAST** LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section 20	Township 23 S	Range 32 E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 2240	East/West line EAST	County LEA
12 Dedicated Acres 320	<sup>13</sup> Joint o	r Infili   ¹ C	onsolidation	Code 13 Or	der 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.



(

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

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

L LOCATION AND ACREAGE DEDICATION AND ACREAGE

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

☐ AMENDED REPORT

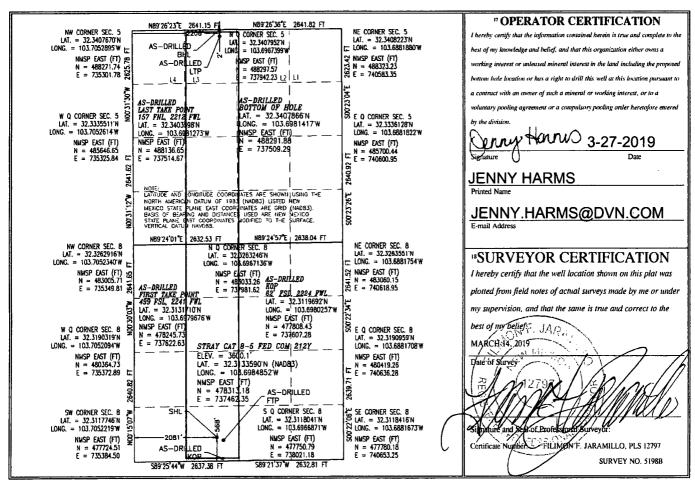
### WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-025-45150	<sup>2</sup> Pool Code 53800	SAND DUNES; BONESPRING				
Property Code 320993		<sup>5</sup> Property Name STRAY CAT 8-5 FED COM				
OGRID No.	¹ O	perator Name	° Elevation			
6137	DEVON ENERGY PRO	DEVON ENERGY PRODUCTION COMPANY, L.P.				

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	23 S	32 E		568	SOUTH	2081	WEST	LEA
			" Bot	ttom Hol	e Location It	Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	5	23 S	32 E		2	NORTH	2208	WEST	LEA
<sup>2</sup> Dedicated Acres	<sup>13</sup> Joint o	r Infill "C	onsolidation	Code 15 Or	der No.	<u> </u>	<del> </del>		
320				İ					

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.



Federal/Federal

### **COMMUNITIZATION AGREEMENT**

Contract No. NM NM 138764

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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.

Section 8: E2W2 Section 5: Lot 3, SENW, E2SW

Lea County, New Mexico

Containing <u>319.52</u> acres, and this agreement shall include only the <u>Bone Spring</u> Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, 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 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. All matters of operation 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 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 therefrom 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, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 <u>July 1, 2018</u> 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 as to the <u>Bone Spring</u> formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations 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 non-production. The 2-year 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 occurs 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.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 written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P.
(Operator, Record Title and Operating Rights Owner)

By: Catherine Lebsack, Vice President

Chevron U.S.A. Inc.
(Record Title Owner)

Date: By: Manual Name: Nate Brack

Title: Attawn we in Fact

### **ACKNOWLEDGMENTS**

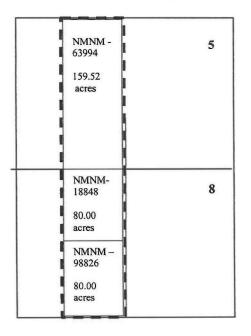
Notary Public



### **EXHIBIT "A"**

To Communitization Agreement dated July 1, 2018 embracing E2W2 of Section 8 and E2SW, SENW, & Lot 3 of Section 5, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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



### EXHIBIT "B"

To Communitization Agreement dated July 1, 2018 embracing E2W2 of Section 8 and E2SW, SENW, & Lot 3 of Section 5, 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 No.:

NMNM - 98826

Lease Date:

June 1, 1997

Lease Term:

10 Years

Lessor:

United States of America

Original Lessee:

**Devon Energy Corporation** 

Present Lessee:

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

Description of Land Committed:

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

Section 8: Insofar and only insofar as said lease covers

E2SW

Number of Acres:

80.00

Royalty Rate:

1/8

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 2

Lease Serial No.:

NMNM - 18848

Lease Date:

August 1, 1973

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Ralph D. Wharton

Present Lessee:

Chevron USA Inc. - 100.00%

Description of Land Committed:

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

Section 8:

Insofar and only insofar as said lease covers

E2NW

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Contractual WI Ownership:

Devon Energy Production Company, L.P. - 96.2%

Titus Oil & Gas – 3.8%

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 3

Lease Serial No.:

NMNM – 63994 (segregated from NMNM-26390)

Lease Date:

October 1, 1975

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

William H. Wyatt

Present Lessee:

Devon Energy Production Company, L.P. - 100%

Description of Land Committed:

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

Section 5:

Insofar and only insofar as said lease covers

E2SW, SENW, & Lot 3

Number of Acres:

159.52

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

### RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	80.00	25.03755633%
Tract No. 2	80.00	25.03755633%
Tract No. 3	159.52	49.92488734%
	319.52	100.00%



### United States Department of the Interior



BUREAU OF LAND MANAGEMENT New Mexico State Office 301 Dinosaur Trail Santa Fe, New Mexico 87508 www.blm.gov/new-mexico

NRINHEEFEFFREER TO NMNM138764 3105.2 (P0220)

SEP - 7 2018

Reference:

Communitization Agreement
Stray Cat 8-5 Fed Com #212H - Now 212Y
Section 05: Lot 3, SENW, E2SW,
Section 08: E2W2
T. 23 S., R. 32 E., N.M.P.M.
Lea County, NM

Devon Energy Production Co., LP 333 W. Sheridan Ave. Oklahoma City, OK 73102-5015

### Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138764 involving 80 acres of Federal land in lease NMNM 98826, 80 acres of Federal land in lease NMNM 18848, and 159.52 acres of Federal land in lease NMNM 63994, Lea County, New Mexico, which comprise a 319.52 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the Lot 3, SESW, E2SW, Sec. 05 and E2W2 Sec. 08, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective July 1, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Sheila Mallory
Deputy State Director,
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room) NMSO (NM925, File)

### Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- Approve the attached Communitization Agreement covering the Lot 3, SENW, B. E2SW of sec. 05 and E2W2 Sec. 08, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

SFP - 7 2018

Deputy State Director Division of Minerals

Sheila Mallory

Effective: 07/01/2018

Contract No.: Com. Agr. NMNM138764

Federal/Federal

#### **COMMUNITIZATION AGREEMENT**

Contract No. NMNM 138943

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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.

Section 8: W2E2 Section 5: Lot 2, SWNE, W2SE Lea County, New Mexico

Containing 319.5 acres, and this agreement shall include only the <u>Bone Spring</u> Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, 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 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. All matters of operation 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 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 therefrom 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, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 <u>July 1, 2018</u> 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 as to the <u>Bone Spring</u> formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations 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 non-production. The 2-year 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 occurs 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.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 written and have set opposite their respective names the date of execution.

**Devon Energy Production Company, L.P.**(Operator, Record Title and Operating Rights Owner)

Date: 8-15-2018

By: Astherine Cebsack
Catherine Lebsack, Vice President

Chevron USA.Inc.
(Record Title Owner)

By: New Brook
Title: Attornup-in-Fact

Cimarex Energy Co.
(Record Title Owner)

By: Name: Title: Same: Title: Tit

- 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.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 written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P. (Operator, Record Title and Operating Rights Owner)

Date:

By:
Catherine Lebsack, Vice President

Chevron USA Inc. (Record Title Owner)

Date:

By:
Name:
Title:
Record Title Owner

Date:

By:
ATTORWEL-CI- FACT

	Foundation Energy Fund V-B Holding LLC (Record Title Owner)
Date: \$7/26/2018	FOUNDATION ENERGY FUND V-B HOLDING, LLC, a Texas Limited Liability Company By: Joel P. Sauer, Executive Vice President FOUNDATION ENERGY MANAGEMENT, LLC, a Texas Limited Liability Company, its Manager
	Sharbro Energy, LLC (Operating Rights Owner)
Date:	By: Name: Elizabeth Baker Title: Landman

	(Record Title Owner)
Date:	By: Name: Title:
	Sharbro Energy, LLC (Operating Rights Owner)
Date: 62218	By: Baker Name: Elizabeth Baker Title: Landman

## **ACKNOWLEDGMENTS**

STATE OF OKLAHOMA

S

COUNTY OF OKLAHOMA

The foregoing instrument was acknowledged before me on this 15th day of August, 2018 by Catherine Lebsack, Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

My Commission Expires:

Current Month
Notary Public

STATE OF 1exal S

COUNTY OF Molland S

COUNTY OF Molland S

The foregoing instrument was acknowledged before me on this 30th day of y 2018 by 1000 as Afforday In-Fact on behalf of Chevron USA Inc.

Notary Public

My Commission Expires:

DONNA BRADEN
NOTARY PUBLIC - STATE OF TEXAS
ID# 3 1 3 2 1 5 8
COMM. EXP. 08-17-2021

## **ACKNOWLEDGMENTS**

STATE OF OKLAHOMA	§ §						
COUNTY OF OKLAHOMA	§						
The foregoing instrument , 2018 by Catherine Lel L.P., an Oklahoma limited partnersh	bsack	k, Vice President	of Devo	n Energy	Production Co		
My Commission Expires:		,	No	tary Pub	lic	-	
STATE OF	\$ \$ \$						
The foregoing instrument, 2018 by on behalf of Chevron USA Inc.							of –
My Commission Expires:			No	tary Publ	ic	-	
STATE OF TEXAS	\$ \$ \$ \$ \$						
The foregoing instrument 2018 by Rock on behalf of Cimarex Energy Comp	was Ale	s acknowledged	before , as	me on	this 27th	day o	of —
My Commission Expires:  KAIMI BROWNLEE  Notary Public, state of Texas  Comm. Expires 03-26-2019		La	No	Stary Publ	unle ic		

STATE OF COlorado  STATE OF COlorado  State of Colorado  Notary ID # 20174026711  My Commission Expires 06-26-2021
The foregoing instrument was acknowledged before me on this Zott day of
My Commission Expires: 4 24 21 Super Public
STATE OF NEW MEXICO §  COUNTY OF §
COUNTY OF §
The foregoing instrument was acknowledged before me on this day of, 2018 by Elizabeth Baker, as a Landman of Sharbro Energy LLC, on behalf of said limited liability company.
My Commission Expires:  Notary Public

STATE OF	§ § §		
COUNTY OF	§ §		
The foregoing instrum, 2018 by	ent was ackn	nowledged before me on this, as	day of
on benaif of Foundation Energy	Fund IV-B Ho	lding LLC.	
My Commission Expires:		Notary Public	
STATE OF NEW MEXICO	§		
COUNTY OF Eddy	§ § §		
The foregoing instrum, 2018 by Elizab said limited liability company.	ent was ackn eth Baker, as a	nowledged before me on this 2 a Landman of Sharbro Energy LLC	day of c, on behalf of
My Commission Expires:		Layfull Kln Notary Public	medy
OFFICIAL SEAL RAYSHELL KENNE NOTARY PUBLIC			
STATE OF NEW MEX  My Commission Expires: 10 17 202			

## EXHIBIT "A"

To Communitization Agreement dated July 1, 2018 embracing W2E2 of Section 8 and Lot 2, SWNE, & W2SE of Section 5, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

5	NMNM -126065 79.50 acres	
	NMNM -62223 80.00 acres	
8	NMNM- -18848 80.00 acres	
	NMNM -98826	
	80.00 acres	

#### **EXHIBIT "B"**

To Communitization Agreement dated July 1, 2018 embracing W2E2 of Section 8 and Lot 2, SWNE, & W2SE of Section 5, 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 No.:

NMNM - 98826

Lease Date:

June 1, 1997

Lease Term:

10 Years

Lessor:

United States of America

Original Lessee:

**Devon Energy Corporation** 

Present Lessee:

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

Description of Land Committed:

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

Section 8: Insofar and only insofar as said lease covers

W2SE

Number of Acres:

80.00

Royalty Rate:

1/8

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 2

Lease Serial No.:

NMNM - 18848

Lease Date:

August 1, 1973

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Ralph D. Wharton

Present Lessee:

Chevron USA Inc. - 100.00%

Description of Land Committed:

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

Section 8:

Insofar and only insofar as said lease covers

W2NE

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Contractual WI Ownership:

Devon Energy Production Company, L.P. - 96.2%

Titus Oil & Gas - 3.8%

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 3

Lease Serial No.:

NMNM-62223

Lease Date:

September 1, 1985

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Lillie M. Yates

Present Lessee:

Foundation Energy Fund V-B Holdings LLC – 100%

Description of Land Committed:

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

Section 5:

Insofar and only insofar as said lease covers

W2SE

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

Devon Energy Production Company, L.P. - 25.00%

Sharbro Energy LLC - 75.00%

Name and Percent ORRI Owners: ORRI Owners of Record

Tract No. 4

Lease Serial No.:

NMNM-126065

Lease Date:

March 1, 2011

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Miles Ronald

Present Lessee:

Cimarex Energy Company of Colorado

Description of Land Committed:

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

Section 5:

Insofar and only insofar as said lease covers

Lot 2 & SWNE

Number of Acres:

79.50

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

#### RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	80.00	25.03912363%
Tract No. 2	80.00	25.03912363%
Tract No. 3	80.00	25.03912363%
Tract No. 4	79.50	24.88262911%
	319.50	100.00%



# United States Department of the Interior

U.S. DEPARTMENT OF POBLIC LIABOS

U.S. DEPARTMENT OF THE INTERIOR SUBBLU OF LAND MANAGEMET?

BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico

IN REPLY REFER TO: NMNM138943 3105.2 (P0220)

SEP 2 4 2018

Reference:

Communitization Agreement Stray Cat 8-5 Fed Com #213H Section 08: W2E2 Section 05: Lot 2, SWNE, W2SE T. 23 S., R. 32 E., N.M.P.M.

Lea County, NM

Devon Energy Production Company, LP 333 W. Sheridan Ave.
Oklahoma City, OK 73102-5015

To Whom it May Concern:

Enclosed is an approved copy of Communitization Agreement NMNM 138943 involving 80 acres of Federal land in lease NMNM 98826, 80 acres of Federal land in lease NMNM 18848, 80 acres of Federal land in lease NMNM 62223, and 79.50 acres of Federal land in lease NMNM 126065, Lea County, New Mexico, which comprise a 319.50 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Lot 2, SWNE, W2SE of Sec. 05, and W2E2 of Sec. 08, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective July 1, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Sheila Mallory

Deputy State Director Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room) NMSO (NM925, File)

## Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering Lot 2, SWNE, W2SE of sec. 05 and W2E2 of sec. 08, T. 23 S., R. 31 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

SEP 2 4 2018

Sheila Mallory

Deputy State Director Division of Minerals

Effective: July 1, 2018

Contract No.: Com. Agr. NMNM138943

Federal/Federal

#### COMMUNITIZATION AGREEMENT

Contract No. NMNM 138944

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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.

Section 8: E2E2 Section 5: Lot 1, SENE, E2SE Lea County, New Mexico

Containing <u>319.49</u> acres, and this agreement shall include only the <u>Bone Spring</u> Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, 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 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. All matters of operation 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 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 therefrom 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, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 <u>July 1, 2018</u> 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 as to the <u>Bone Spring</u> formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations 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 non-production. The 2-year 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 occurs 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

**Devon Energy Production Company, L.P.**(Operator, Record Title and Operating Rights Owner)

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

Date: 8-15-2018

By: Catherine Lebsack, Vice President

Chevron USA, Inc.
(Record Title Owner)

By: Name: Vick Mark
Title: Howney-in-Fact

Cimarex Energy Co.
(Record Title Owner)

By: Name: Title: T

- 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.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 written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P. (Operator, Record Title and Operating Rights Owner)

Date:

By:
Catherine Lebsack, Vice President

Chevron USA Inc. (Record Title Owner)

Date:

By:
Name:
Title:

Cimarex Energy Co. (Record Title Owner)

Date:

By:
Name:
Title:
ATTERNEY - (N-F40)

	Foundation Energy Fund V-B Holding LLC (Record Title Owner)
Date: 7/21e/2018	By:  FOUNDATION ENERGY FUND V-B HOLDING, LLC, a Texas Limited Liability Company By: Joel P. Sauer, Executive Vice President FOUNDATION ENERGY MANAGEMENT, LLC, a Texas Limited Liability Company, its Manager
•	Sharbro Energy, LLC (Operating Rights Owner)
Date:	By: Name: Elizabeth Baker Title: Landman

	Foundation Energy Fund IV-B Holding LLC (Record Title Owner)
Date:	By: Name: Title:
	Sharbro Energy, LLC (Operating Rights Owner)
Date: 6/22/18	By: Baker Name: Elizabeth Baker Title: Landman

## **ACKNOWLEDGMENTS**

COUNTY OF OKLAHOMA §

COUNTY OF OKLAHOMA §

The foregoing instrument was acknowledged before me on this 15th day of Avenual , 2018 by Catherine Lebsack, Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

My Commission Expires:

Wy Commission Expires:

Notary Public

STATE OF 16th Company & County Public

The foregoing instrument was, acknowledged before me on this day of the state of th

Notary Public

on behalf of Chevron USA.Inc.

COUNTY OF <u>midland</u>

My Commission Expires:

DONNA BRADEN
NOTARY PUBLIC - STATE OF TEXAS
10# 3 1 3 2 1 5 8
COMM. EXP. 08-17-2021

## **ACKNOWLEDGMENTS**

STATE OF OKLAHOMA	888							
COUNTY OF OKLAHOMA	§							
The foregoing instrument, 2018 by Catherine Lo								
L.P., an Oklahoma limited partners	ship, o	n beha	lf of said	limited p	artnersh	ip.		
My Commission Expires:								_
				No	tary Pub	olic		
STATE OF	§							
COUNTY OF	\$ \$ \$							
The foregoing instrumen, 2018 by								
on behalf of Chevron USA Inc.								
My Commission Expires:			1	No	tary Pub	lic		-
state of <u>Texas</u> county of <u>Midland</u>	§ §							
COUNTY OF Midland	§							
The foregoing instrumen , 2018 by COCC on behalf of Cimarex Energy Com		ackn 1-eX	owledged CNOO	before, as	me on	this <u>c</u>	27th	day of
My Commission Expires:			K	Sm No	Br tary Pub	own lic	rle	ı
KAIMI BROWNLEE  Notary Public, State of Texas  Comm. Expires 03-26-2019  Notary ID 126052368					,			

STATE OF COLOVACO COUNTY OF DEVICE	§ § §	Notary PHORSCH Notary Public State of Colorado Notary ID # 20174026711 My Commission Expires 06-26-2021	
	was acknowl		day of Ce Presidence
My Commission Expires: 4/26	2/21	Jaytu Fends Notary Public	<u> </u>
STATE OF NEW MEXICO	8		
COUNTY OF	§ § §		
		ledged before me on this andman of Sharbro Energy LLC, o	
My Commission Expires:		Notary Public	

STATE OF	8 § §
COUNTY OF	§
	was acknowledged before me on this day of, as
on behalf of Foundation Energy Fur	nd IV-B Holding LLC.
My Commission Expires:	
	Notary Public
STATE OF NEW MEXICO	§
COUNTY OF Eddy	§ §
The foregoing instrument 2018 by Elizabeth said limited liability company.	was acknowledged before me on this 22 day of Baker, as a Landman of Sharbro Energy LLC, on behalf of
My Commission Expires:	Daysull Lennedy Notary Public
OFFICIAL SEAL RAYSHELL KENNEDY NOTARY PUBLIC STATE OF NEW MEYICO	
STATE OF NEW MEXICO My Commission Expires: 10 17 2021	_

## EXHIBIT "A"

To Communitization Agreement dated July 1, 2018 embracing E2E2 of Section 8 and Lot 1, SENE, & E2SE of Section 5, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

_	NMNM -126065
5	79.49 acres
	NMNM -62223
	80.00 acres
	NMNM -18848
8	80.00 acres
	NMNM -98826
	80.00 acres

#### **EXHIBIT "B"**

To Communitization Agreement dated July 1, 2018 embracing E2E2 of Section 8 and Lot 1, SENE, & E2SE of Section 5, 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 No.:

NMNM - 98826

Lease Date:

June 1, 1997

Lease Term:

10 Years

Lessor:

United States of America

Original Lessee:

**Devon Energy Corporation** 

Present Lessee:

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

Description of Land Committed:

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

Section 8: Insofar and only insofar as said lease covers

E2SE

Number of Acres:

80.00

Royalty Rate:

1/8

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 2

Lease Serial No.:

NMNM - 18848

Lease Date:

August 1, 1973

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Ralph D. Wharton

Present Lessee:

Chevron USA Inc. - 100.00%

Description of Land Committed:

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

Section 8:

Insofar and only insofar as said lease covers

E2NE

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Contractual WI Ownership:

Devon Energy Production Company, L.P. - 96.2%

Titus Oil & Gas - 3.8%

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 3

Lease Serial No.:

NMNM-62223

Lease Date:

September 1, 1985

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Lillie M. Yates

Present Lessee:

Foundation Energy Fund V-B Holdings LLC – 100%

Description of Land Committed:

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

Section 5:

Insofar and only insofar as said lease covers

E2SE

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

Devon Energy Production Company, L.P. - 25.00%

Sharbro Energy LLC - 75.00%

Name and Percent ORRI Owners: ORRI Owners of Record

Tract No. 4

Lease Serial No.:

NMNM-126065

Lease Date:

March 1, 2011

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Miles Ronald

Present Lessee:

Cimarex Energy Company of Colorado

Description of Land Committed:

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

Section 5:

Insofar and only insofar as said lease covers

Lot 1 & SENE

Number of Acres:

79.49

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

#### RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	80.00	25.03990735%
Tract No. 2	80.00	25.03990735%
Tract No. 3	80.00	25.03990735%
Tract No. 4	79.49	24.88027795%
	319.49	100.00%



# United States Department of the Interior

NATIONAL SYSTEM OF POPUL LANDS
U.S. DEPARTMENT OF THE INTERIOR SUSSEAS OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT New Mexico State Office 301 Dinosaur Trail Santa Fe, New Mexico 87508 www.blm.gov/new-mexico

#### IN REPLY REFER TO:

NMNM138944 3105.2 (P0220)

Reference:

Communitization Agreement Stray Cat 8-5 Fed Com #214H Section 08: E2E2 Section 05: Lot 1, SENE, E2SE T. 23 S., R. 32 E., N.M.P.M. Lea County, NM SEP 2 4 2018



Devon Energy Production Company, LP 333 W. Sheridan Ave. Oklahoma City, OK 73102-5015

To Whom it May Concern:

Enclosed is an approved copy of Communitization Agreement NMNM 138944 involving 80 acres of Federal land in lease NMNM 98826, 80 acres of Federal land in lease NMNM 18848, 80 acres of Federal land in lease NMNM 62223, and 79.49 acres of Federal land in lease NMNM 126065, Lea County, New Mexico, which comprise a 319.49 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Lot 1, SENE, E2SE of Sec. 05, and E2E2 of Sec. 08, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective July 1, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room) NMSO (NM925, File)

## Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering Lot 1, SENE,E2SE of sec. 05 and E2E2 of sec. 08, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

SFP 2 4 2018

Sheila Mallory Deputy State Director

Division of Minerals

Effective: July 1, 2018

Contract No.: Com. Agr. NMNM138944



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico

IN REPLY REFER TO: IN REPLY REFER TO: NMNM138763 3105.2 (P0220)

SEP - 7 2018

Reference:

Communitization Agreement Alley Cat 17-20 Fed Com #215H Section 17: E2E2 Section 20: E2E2 T. 23 S., R. 32 E., N.M.P.M. Lea County, NM



Devon Energy Production Co., LP 333 W. Sheridan Ave. Oklahoma City, OK 73102-5015

#### Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138763 involving 80 acres of Federal land in lease NMNM62223, 80 acres of Federal land in lease NMNM 97891, and 160 acres of Federal land in lease NMNM 86153, Lea County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2E2, Sec. 17 and E2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective August 1, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Sheila Mallory
Deputy State Director,
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room) NMSO (NM925, File

### Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the E2E2 of sec. 17 and E2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

SEP - 7 2018

Sheila Mallory

Deputy State Director

Division of Minerals

Effective: 08/01/2018

Contract No.: Com. Agr. NMNM138763

Federal/Federal

#### COMMUNITIZATION AGREEMENT

Contract No. NMNM 138763

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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.

Section 17: E2E2 Section 20: E2E2

#### Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the <u>Bone Spring</u> Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, 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 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. All matters of operation 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 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 therefrom 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, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 <u>August 1, 2018</u> 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 as to the <u>Bone Spring</u> formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations 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 non-production. The 2-year 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 occurs 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.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 written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P.

(Operator, Record Title and Operating Rights Owner) Date: 8-15-2018 Foundation Energy Fund V-B Holding LLC (Record Title) Date: 7/26/2018 Bv: FOUNDATION ENERGY FUND V-B HOLDING, LLC, a Texas Limited Liability Company By: Joel P. Sauer, Executive Vice President FOUNDATION ENERGY MANAGEMENT, LLC, a Texas Limited Liability Company, its Manager Sharbro Energy, LLC (Operating Rights Owner) Date: By: Elizabeth Baker, Attorney-in-Fact

- 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.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 written and have set opposite their respective names the date of execution.

## **ACKNOWLEDGMENTS**

STATE OF OKLAHOMA §	
COUNTY OF OKLAHOMA §	
The foregoing instrument was acknowledged before me on this 15th day of August, 2018 by Catherine Lebsack, Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.	
My Commission Expires:  ***********************************	
STATE OF COlovacio State of Colorado Notary ID # 201740267) 1  My Commission Expires 06-26-2629	
The foregoing instrument was acknowledged before me on this Zett day of July, 2018 by Joel P Source, as Executive Vice President on behalf of Foundation Energy Fund V-B Holding LLC.	4
My Commission Expires: 4 124121 Jaylay Public	
STATE OF NEW MEXICO	
The foregoing instrument was acknowledged before me on this day of, 2018 by Elizabeth Baker, Attorney-in-Fact of Sharbro Energy LLC, on behalf of said limited liability company.	
My Commission Expires:  Notary Public	

## **ACKNOWLEDGMENTS**

STATE OF OKLAHOMA COUNTY OF OKLAHOMA	§ § §				
The foregoing instrument , 2018 by Catherine Le L.P., an Oklahoma limited partners!	bsack, Vice Pres	ident of Devor	Energy Prod		
My Commission Expires:		No	tary Public		
STATE OF	§ § §				
The foregoing instrument, 2018 by on behalf of Foundation Energy Fu		_, as			ay of
My Commission Expires:		Not	ary Public		
STATE OF NEW MEXICO  COUNTY OF Eddy  The foregoing instrument  JUNC , 2018 by Elizabeth said limited liability company.	was acknowle				
My Commission Expires: 10 17 2021		Layst	ary Public	medi	7
OFFICIAL SEAL					

STATE OF NEW MEXICO
My Commission Expires: 10 17 2021

## EXHIBIT "A"

To Communitization Agreement dated August 1, 2018 embracing E2E2 of Section 17 and E2E2 Section 20, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

80.00
acres
NMNM - 97891
80.00 acres
NMNM- 86153
160.00 acres

#### **EXHIBIT "B"**

To Communitization Agreement dated August 1, 2018 embracing E2E2 of Section 17 and E2E2 Section 20, 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 No.:

NMNM-62223

Lease Date:

September 1, 1985

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Lillie M. Yates

Present Lessee:

Foundation Energy Fund V-B Holdings LLC – 100%

Description of Land Committed:

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

Section 17:

Insofar and only insofar as said lease covers

E2NE

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

Devon Energy Production Company, L.P. - 81.25%

Sharbro Energy LLC - 18.75%

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 2

Lease Serial No.:

NMNM - 97891

Lease Date:

December 1, 1996

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Penwell Energy Inc.

Present Lessee:

Devon Energy Production Company, LP

Description of Land Committed:

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

Section 17:

Insofar and only insofar as said lease covers

E2SE

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 3

Lease Serial No.:

NMNM-86153

Lease Date:

April 1, 1991

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Santa Fe Energy Operating Partners, LP

Present Lessee:

Devon Energy Production Company, L.P. - 100%

Description of Land Committed:

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

Section 20:

Insofar and only insofar as said lease covers

E2E2

Number of Acres:

160.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

## RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	80.00	25.000000%
Tract No. 2	80.00	25.000000%
Tract No. 3	160.00	50.000000%
	320.00	100.00%



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico

NMNM138762 3105.2 (P0220)

SEP - 7 2018

Reference:

Communitization Agreement Alley Cat 17-20 Fed Com #216H Section 17: W2E2 Section 20: W2E2 T. 23 S., R. 32 E., N.M.P.M.

Lea County, NM

SEP 1 0 2018
LAND DEPARTMENT

Devon Energy Production Co., LP 333 W. Sheridan Ave. Oklahoma City, OK 73102-5015

#### Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138762 involving 80 acres of Federal land in lease NMNM62223, 80 acres of Federal land in lease NMNM 97891, 120 acres of Federal land in lease NMNM 86153, and 40 acres of Federal land in lease NMNM 77063, Lea County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2E2, Sec. 17 and W2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective August 1, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Sheila Mallory
Deputy State Director,
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room) NMSO (NM925, File)

### Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2E2 of sec. 17 and W2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

SEP - 7 2018

Sheila Mallory

Deputy State Director

Division of Minerals

Effective: 08/01/2018

Contract No.: Com. Agr. NMNM138762

Federal/Federal

#### COMMUNITIZATION AGREEMENT

## Contract No. NMNM 138762

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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.

Section 17: W2E2 Section 20: W2E2

#### Lea County, New Mexico

Containing <u>320.00</u> acres, and this agreement shall include only the <u>Bone Spring</u> Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, 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 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. All matters of operation 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 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 therefrom 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, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 <u>August 1, 2018</u> 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 as to the <u>Bone Spring</u> formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations 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 non-production. The 2-year 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 occurs 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. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.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 written and have set opposite their respective names the date of execution.

**Devon Energy Production Company, L.P.** (Operator, Record Title and Operating Rights Owner)

Date: 8-15-2018

By: Catherine Cebsack
Catherine Lebsack, Vice President

The of

**EOG Y Resources, Inc.** (Record Title)

Date: July 30, 2018

By: Wendy Dalton
Title: Agent and Attorney-in-Fact

**EOG A Resources, Inc.** (Record Title)

Date: July 30, 2018

Name: Wendy Dalton
Title: Agent and Attorney-in-Fact

	EOG M Resources, Inc. (Record Title)
Date: July 30, 2018	By: Wendy Dalton Title: Agent and Attorney-In-Fact
	Foundation Energy Fund IV-B Holding LLC (Record Title)
Date:	By: Name: Title:
	Oxy Y-1 Company (Record Title and Operating Rights Owner)
Date:	By:Name:Title:
	Sharbro Energy, LLC (Operating Rights Owner)
Date:	By:Elizabeth Baker, Attorney-in-Fact

	Foundation Energy Fund V-B Holding LLC (Record Title)
Date: 7/20/2018	FOUNDATION ENERGY FUND V-B HOLDING, LLC, a Texas Limited Liability Company By: Joel P. Sauer, Executive Vice President FOUNDATION ENERGY MANAGEMENT, LLC, a Texas Limited Liability Company, its Manager
	Oxy Y-1 Company (Record Title and Operating Rights Owner)
Date:	By: Name: Title:
	Sharbro Energy, LLC (Operating Rights Owner)
Date:	By:Elizabeth Baker, Attorney-in-Fact

	Foundation Energy Fund IV-B Holding LLC (Record Title)
Date:	By: Name: Title:
	Oxy Y-1 Company (Record Title and Operating Rights Owner)
Date: 6 26 26 8	By: Name: Evadley S. Dusek Title: Attorney-in-fact
	Sharbro Energy, LLC (Operating Rights Owner)
Date:	By: Elizabeth Baker. Attorney-in-Fact

	Foundation Energy Fund IV-B Holding LLC (Record Title)
Date:	By: Name: Title:
	Oxy Y-1 Company (Record Title and Operating Rights Owner)
Date:	By: Name: Title:
	Sharbro Energy, LLC (Operating Rights Owner)
Date: 6 22 6	By: Baker, Attorney-in-Fact

## **ACKNOWLEDGMENTS**

STATE OF OKLAHOMA	§ §	
COUNTY OF OKLAHOMA	§	
The foregoing instrument  August, 2018 by Catherine Let L.P., an Oklahoma limited partnersh	sack, Vice Presi	dent of Devon Energy Production Company,
My Commission Expires:  # 1700	77-0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	Notary Public
STATE OF TEXAS	§	
COUNTY OF MIDLAND	§ §	
The foregoing instrument  July , 2018 by Wendy on behalf of EOG Y Resources, Inc.  My Commission Expires:  March 29, 2020	Dalton	, as Agont and Attorney-in-Fact
		SARAH TISDALE SEMER Notary Public, State of Texas
STATE OF TEXAS	§ §	Notary ID 128936570
COUNTY OF MIDLAND	8	
The foregoing instrument 2018 by Wendy on behalf of EOG A Resources, Inc.	Dalton	, as Agent and Attorney-in-Fact
My Commission Expires: March 29, 2020		Salah Jischel Gung Notary Public

STATE OF TEXAS	§		
COUNTY OF MIDLAND	§ §		
The foregoing instrument  July , 2018 by Wendy  on behalf of EOG M Resources, Inc.	was Dal- , a N	s acknowledged before me on this 30th day lton, as Agent and Attorney-in-Factories Mexico Corporation.	of
My Commission Expires: March 29, 2020		Salgh Joseph Sensel	
STATE OF	\$ \$ \$	SARAH TISDALE SEMER  Notary Public, State of Texas  Comm. Expires 03-29-2020  Notary ID 128936570	
		acknowledged before me on this day	of
on behalf of Foundation Energy Fun	d IV-	Y-B Holding LLC.	
My Commission Expires:		Notary Public	
STATE OF	888		
		s acknowledged before me on this day	of
My Commission Expires:		Notary Public	

STATE OF_			§ §									
COUNTY C	)F		§									
	foregoing in , 2018 by										day	of
on behalf of	, 2018 by_ EOG M Reso	ources, Inc										
My Commis	ssion Expires:					No	tary l	Publ	ic		-	
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My Commi	ssion Expires:	4/20	0/2	I	J	ayl	otary	Pub	lic		_	
	OF		8 8 8									
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	ssion Expires					No	otary	Pub	lic			

STATE OF_			§ §									
COUNTY C	)F		§ §									
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on behalf of	EOG M Re	esources, Inc		· · · · · · · · · · · · · · · · · · ·								
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on behalf of	Foundation	Energy Fur	d IV	B Holding I	LLC	•						
My Commis	ssion Expire	es:										
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STATE OF	Texac		§ §									
COUNTY C	OF Harr	5	§									
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My Commis				-	th	Ou	lu tary 1	- 7	ic	7	2	
100	Notary	ELEENA D. LAN Public, State of	Texas									

Notary ID 128179978

STATE OF NEW MEXICO

§ §

COUNTY OF Eddy

The foregoing instrument was acknowledged before me on this 22nd day of JUNE, 2018 by Elizabeth Baker, Attorney-in-Fact of Sharbro Energy LLC, on behalf of said limited liability company.

Dayshell Kennedy

My Commission Expires:

10/17/2021

OFFICIAL SEAL
RAYSHELL KENNEDY

My Commission Expires:

0 17 202

**NOTARY PUBLIC** 

## EXHIBIT "A"

To Communitization Agreement dated August 1, 2018 embracing W2E2 of Section 17 and W2E2 Section 20, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

NMNM – 77063 40 acres	
NMNM- 86153 120.00 acres	20
NMNM - 97891 80.00 acres	
NMNM - 62223 80.00 acres	17

#### **EXHIBIT "B"**

To Communitization Agreement dated August 1, 2018 embracing E2W2 of Section 17 and E2W2 Section 20, 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 No.: NMNM-62223

Lease Date: September 1, 1985

Lease Term: 10 years

Lessor: United States of America

Original Lessee: Lillie M. Yates

Present Lessee: Foundation Energy Fund V-B Holdings LLC – 100%

Description of Land Committed: Township 23 South, Range 32 East, N.M.P.M.

Section 17: Insofar and only insofar as said lease covers

W2NE

Number of Acres: 80.00

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Company, L.P. - 81.25%

Sharbro Energy LLC – 18.75%

Name and Percent ORRI Owners: ORRI Owners of Record

Tract No. 2

Lease Serial No.: NMNM - 97891

Lease Date: December 1, 1996

Lease Term: 10 years

Lessor:

United States of America

Original Lessee:

Penwell Energy Inc.

Present Lessee:

Devon Energy Production Company, LP

Description of Land Committed:

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

Section 17:

Insofar and only insofar as said lease covers

W2SE

Number of Acres:

80.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 3

Lease Serial No.:

NMNM-86153

Lease Date:

April 1, 1991

Lease Term:

10 years

Lessor:

United States of America

Original Lessee:

Santa Fe Energy Operating Partners, LP

Present Lessee:

Devon Energy Production Company, L.P. - 100%

Description of Land Committed:

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

Section 20:

Insofar and only insofar as said lease covers

W2NE & NWSE

Number of Acres:

120.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

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

Name and Percent ORRI Owners:

ORRI Owners of Record

Tract No. 4

Lease Serial No.:

NMNM-77063

Lease Date:

September 1, 1988

Lease Term:

5 years

Lessor:

United States of America

Original Lessee:

Yates Petroleum Corporation

Present Lessee:

Oxy Y-1 Company - 30.00%

EOG Y Resources, Inc. – 10.00% EOG A Resources, Inc. – 30.00% EOG M Resources, Inc. – 30.00%

Description of Land Committed:

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

Section 20:

Insofar and only insofar as said lease covers

**SWSE** 

Number of Acres:

40.00

Royalty Rate:

1/8th

Name and Percent WI Owners:

Devon Energy Production Company, L.P. - 70.00%

Oxy Y-1 Company – 30.00%

Name and Percent ORRI Owners:

ORRI Owners of Record

#### RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	80.00	25.000000%
Tract No. 2	80.00	25.000000%
Tract No. 3	120.00	37.500000%
Tract No. 4	40.00	12.500000%

320.00

100.00%

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCCU O OIL CONSERV Cal & Engineerin Ancis Drive, San	<b>'ATION DIVISI</b> g Bureau –	
THIS	ADMINISTRA CHECKLIST IS MANDATORY FOR ALL REGULATIONS WHICH REC		ATIONS FOR EXCEPTI	IONS TO DIVISION RULES AND
Well Name: see	on Energy Production attachments for mul	iple wells and A	<u> API's</u> <b>A</b>	OGRID Number: 6137 PI:
	SAND DUNES; BONE SE		IRED TO PROC	ool Code:
A. Location	ICATION: Check those was a - Spacing Unit - Simultan NSL NSP RR	aneous Dedicatio		□sD
[1] Com [II] Inject [II] Inject  2) NOTIFICATION  A.  Offsee  B.  Roya  C.  Appli  D.  Notifi  E.  Notifi  F.  Surfact  G.  For al  H.  No not  3) CERTIFICATIO  administrative	one only for [1] or [1] Immingling - Storage - Me DHC	re Increase - Enh VD	EOR PPR  y. wners  LO LM  ublication is at the best of my	FOR OCD ONLY  Notice Complete  Application Content Complete  ttached, and/or,  this application for y knowledge. I also
notifications a	are submitted to the Divi	sion.		required information and
N	ote: Statement must be complet	ed by an individual wit		or supervisory capacity.
<u>Jenny Harms</u> Print or Type Name			1/29/2021 Date	
Senny Ha	unw		<u>405-552-6</u> Phone Nun	nber
Signature			<u>jenny.har</u> e-mail Add	ms@dvn.com Iress

From: Harms, Jenny
To: McClure, Dean, EMNRD

**Subject:** [EXT] Surface commingling application CTB-989\_Stray Cat 8 CTB 2

**Date:** Tuesday, June 1, 2021 7:52:36 AM

Hi Dean,

I would like to update and confirm that the two letters were mailed and delivered. Please see below:

#### **MOTOWI LLC**

2307 Stagecoach Dr. Las Cruces, NM 88011 9405509898642696567079

#### MW OIL INVESTMENT COMPANY

2307 Stagecoach Dr. Las Cruces, NM 88011 9405509898642070484077

Thank you,

## 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

From: Harms, Jenny

**Sent:** Tuesday, May 25, 2021 7:34 AM

To: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Subject: RE: [EXTERNAL] surface commingling application CTB-989

Hi Dean,

I am confirming the location of the CTB: 23S-32E-8 (SESW) LETTER N

The two below locations have the same email address of <u>FAHANNIFIN@AOL.COM</u> and in attempt to email a new address was provided below. I will send out the letters today to confirm delivery to the new address. I will update you with tracking and delivery confirmation.

2307 Stagecoach Dr. Las Cruces, NM 88011

Thank you,

## 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

From: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

**Sent:** Monday, May 24, 2021 6:26 PM

**To:** Harms, Jenny < <u>Jenny.Harms@dvn.com</u>>

Subject: [EXTERNAL] surface commingling application CTB-989

Ms. Harms,

I am reviewing surface commingling application CTB-989 which involves the Stray Cat 8 CTB 2 operated by Devon Energy Production Company, LP (6137).

Please confirm that the battery and sales meters are in Unit N, Section 8, Township 23 South, Range 32 East.

Please confirm that the following persons have received notice of this application:

3/8/2021	MOTOWI LLC	9414 8149 0152 7181 9110 17	Returned
3/19/2021	MW OIL INVESTMENT COMPANY	9414 8149 0152 7181 9110 86	Returned

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

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.

From: Engineer, OCD, EMNRD

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

Cc: McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; Hawkins, James, EMNRD;

Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher

Subject: Approved Administrative Order CTB-989

Date: Monday, June 14, 2021 11:21:52 AM

Attachments: CTB989 Order.pdf

NMOCD has issued Administrative Order CTB-989 which authorizes Devon Energy Production Company, LP (6137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	<b>Pool Code</b>
20.025.44600	C. C. O. F. I. I.C. (1212)	W/2 E/2	5-23S-32E	<b>52000</b>
30-025-44600	Stray Cat 8 5 Federal Com #213H	W/2 E/2	8-23S-32E	53800
20.025.44(01	Stuary Cat 9.5 Endavel Com #21.411	E/2 E/2	5-23S-32E	<b>52000</b>
30-025-44601	Stray Cat 8 5 Federal Com #214H	E/2 E/2	8-23S-32E	53800
30-025-45066	Alley Cat 17 20 Federal Com #215H	E/2 E/2	17-23S-32E	<b>52000</b>
		E/2 E/2	20-23S-32E	53800
20.025.450(7	Alley Cat 17 20 Federal Com #216H	W/2 E/2	17-23S-32E	53800
30-025-45067		W/2 E/2	20-23S-32E	53800
30-025-45150	Stray Cat 8 5 Federal Com #212Y	E/2 W/2	5-23S-32E	<b>52000</b>
		E/2 W/2	8-23S-32E	53800

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. A copy of the order is attached. Please contact me with any questions regarding this matter.

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: CTB-989

**Operator:** Devon Energy Production Company, LP (6137)

**Publication Date: Initial Notice Date:** 

	Noticed Persons				
Date	Date Person Certified Tracking Number S				
2/6/2021	ONRR ROYALTY MANAGEMENT PROGRA	9414 8149 0152 7181 9107 51	Delivered		
3/12/2021	RAVE ENERGY INC DBA GEP III	9414 8149 0152 7181 9107 68	Delivered		
2/8/2021	PAUL R BARWIS % DUTTON HARRIS & CC	9414 8149 0152 7181 9107 75	Delivered		
2/10/2021	JAREED PARTNERS LTD A TEXAS LIMITE	9414 8149 0152 7181 9107 82	Delivered		
2/8/2021	CHISOS MINERALS LLC	9414 8149 0152 7181 9107 99	Delivered		
2/5/2021	BY ROYALTY LTD CO STEPHANIE A NORI	9414 8149 0152 7181 9108 05	Delivered		
2/8/2021	VENDETTA ROYALTY PARTNERS LTD TH	9414 8149 0152 7181 9108 12	Delivered		
2/5/2021	KINGDOM INVESTMENTS LIMITED	9414 8149 0152 7181 9108 29	Delivered		
3/12/2021	RAVE ENERGY INC	9414 8149 0152 7181 9108 36	Delivered		
2/10/2021	CROWNROCK MINERALS LP	9414 8149 0152 7181 9108 43	Delivered		
2/6/2021	EOG RESOURCES INC	9414 8149 0152 7181 9108 50	Delivered		
2/10/2021	GEORGE G VAUGHT JR	9414 8149 0152 7181 9108 67	Delivered		
2/5/2021	KIMBELL ROYALTY HOLDINGS LLC % DI	9414 8149 0152 7181 9108 74	Delivered		
2/5/2021	TAURUS ROYALTY LLC % ROBERT B PAY	9414 8149 0152 7181 9108 81	Delivered		
2/5/2021	SHARBRO ENERGY LLC ELIZABETH A BA	9414 8149 0152 7181 9108 98	Delivered		
2/5/2021	SHARBRO ENERGY LLC ELIZABETH A BA	9414 8149 0152 7181 9109 04	Delivered		
2/6/2021	CORNERSTONE FAMILY TRUST JOHN KY	9414 8149 0152 7181 9109 11	Delivered		
2/5/2021	MCMULLEN MINERALS LLC	9414 8149 0152 7181 9109 28	Delivered		
2/5/2021	RICHARDSON MINERAL & ROYALTY LLC	9414 8149 0152 7181 9109 35	Delivered		
2/5/2021	DRAGOON CREEK MINERALS LLC	9414 8149 0152 7181 9109 42	Delivered		
2/5/2021	FLAVIAN OIL COMPANY	9414 8149 0152 7181 9109 59	Delivered		
2/8/2021	ANDRA COCCIMIGLIO	9414 8149 0152 7181 9109 66	Delivered		
2/5/2021	NUEVO SEIS LP	9414 8149 0152 7181 9109 73	Delivered		
2/8/2021	MAP RESOURCES INC	9414 8149 0152 7181 9109 80	Delivered		
2/6/2021	THE OAKASON JR CO LC BANK OF AMER	9414 8149 0152 7181 9109 97	Delivered		
3/19/2021	SANTA ELENA MINERALS V LP	9414 8149 0152 7181 9110 00	Delivered		
3/8/2021	MOTOWI LLC	9414 8149 0152 7181 9110 17	Returned		
2/6/2021	JEAN C OAKASON MEMORIAL LLC DAVII	9414 8149 0152 7181 9110 24	<b>Delivered</b>		
2/5/2021	MORRIS E SCHERTZ	9414 8149 0152 7181 9110 31	<b>Delivered</b>		
2/6/2021	FFF INC	9414 8149 0152 7181 9110 48	Delivered		
2/5/2021	EILEEN M GROOMS TTEE OF EMG REVOC	9414 8149 0152 7181 9110 55	Delivered		
2/5/2021	PEGASUS RESOURCES NM LLC	9414 8149 0152 7181 9110 62	Delivered		
2/5/2021	PEGASUS RESOURCES LLC	9414 8149 0152 7181 9110 79	Delivered		
3/19/2021	MW OIL INVESTMENT COMPANY	9414 8149 0152 7181 9110 86	Returned		
2/5/2021	MERPEL LLC PONY OIL OPERATING LLC	9414 8149 0152 7181 9110 93	Delivered		
2/9/2021	JUSTIN T CRUM	9414 8149 0152 7181 9111 09	Delivered		
2/5/2021	TD MINERALS LLC	9414 8149 0152 7181 9111 16	Delivered		
2/10/2021	T-BAR OIL & GAS LTD	9414 8149 0152 7181 9111 23	Delivered		
2/5/2021	ROLLA R HINKLE II	9414 8149 0152 7181 9111 30	Delivered		

2/5/2021	PONY OIL OPERATING LLC JOHN PAUL M	9414 8149 0152 7181 9111 47	<b>Delivered</b>	
2/5/2021	TD MINERALS LLC	9414 8149 0152 7181 9111 54	<b>Delivered</b>	
2/5/2021	MORRIS E SCHERTZ & WIFE HOLLY K SC	9414 8149 0152 7181 9111 61	<b>Delivered</b>	
Notice sent on 5/25/2021				
5/27/2021	MOTOWI LLC	9405509898642696567079	Delivered	
5/27/2021	MW OIL INVESTMENT COMPANY	9405509898642070484077	Delivered	

# 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. CTB-989** 

#### <u>ORDER</u>

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. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. 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.
- 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.

#### **CONCLUSIONS OF LAW**

- 6. 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.
- 7. 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.
- 8. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.

Order No. CTB-989 Page 1 of 3

- 9. 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.
- 10. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

#### **ORDER**

- 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.
- 2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
- 3. 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.
- 4. 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.
- 5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 6. 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.
- 7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 8. 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.

Order No. CTB-989 Page 2 of 3

AS/dm

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

**DIRECTOR** 

**DATE:** \_\_\_ 6/14/2021

Page 3 of 3 Order No. CTB-989

## State of New Mexico Energy, Minerals and Natural Resources Department

## Exhibit A

Order: CTB-989

**Operator: Devon Energy Production Company, LP (6137)** 

Central Tank Battery: Stray Cat 8 Central Tank Battery 2

Central Tank Battery Location: Unit N, Section 8, Township 23 South, Range 32 East Gas Custody Transfer Meter Location: Unit N, Section 8, Township 23 South, Range 32 East

#### **Pools**

Pool Name Pool Code SAND DUNES; BONE SPRING 53800

Leases as defined in 19.15.12.7(C) NMAC			
Lease	UL or Q/Q	S-T-R	
CA BS NMNM 138944	E/2 E/2	5-23S-32E	
CA DS INVINIVI 130744	E/2 E/2	8-23S-32E	
CA BS NMNM 138943	W/2 E/2	5-23S-32E	
CA DS INVINIVI 130943	W/2 E/2	8-23S-32E	
CA BS NMNM 138764	E/2 W/2	5-23S-32E	
CA DS INVINIVI 130/04	E/2 W/2	8-23S-32E	
CA BS NMNM 138763	E/2 E/2	17-23S-32E	
CA DS INMINIM 136/03	E/2 E/2	20-23S-32E	
CA BS NMNM 138762	W/2 E/2	17-23S-32E	
CA DS INMINIM 136/02	W/2 E/2	20-23S-32E	

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	<b>Pool Code</b>
30-025-44600	Stray Cat 8 5 Federal Com #213H	W/2 E/2	5-23S-32E	53800
30-023-44000	Stray Cat 6 3 Federal Com #21311	W/2 E/2	8-23S-32E	33800
30-025-44601	Stray Cat & 5 Fadoral Com #214H	E/2 E/2	5-23S-32E	53800
30-023-44001	30-025-44601 Stray Cat 8 5 Federal Com #214H	E/2 E/2	8-23S-32E	33000
30-025-45066	Alley Cat 17 20 Federal Com #215H	E/2 E/2	17-23S-32E	53800
30-023-43000	Aney Cat 17 20 Federal Com #21511	E/2 E/2	20-23S-32E	33000
30-025-45067	Alley Cat 17 20 Federal Com #216H	W/2 E/2	17-23S-32E	53800
30-023-43007	00-025-45007 Aney Cat 17 20 Federal Com #210ff	W/2 E/2	20-23S-32E	33000
30-025-45150	5-45150 Stray Cat 8 5 Federal Com #212Y	E/2 W/2	5-23S-32E	53800
30-023-43130		E/2 W/2	8-23S-32E	33000

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 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 21511

#### **CONDITIONS**

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	21511
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### CONDITIONS

Created	Condition	Condition Date
Ву		
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. Please contact me with any questions regarding this	6/14/2021
	matter.	