

Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, OK 73102-5010 Phone (405) 228-4800

July 27, 2021

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

Re:	Central Tank Battery: Broadside 12 Facility 1					
	SecT-R:	12-24S-33E				
	Wells:	Broadside 13 W Fed Com 1H				
	Agreements:	Pending CAs Attached				
	Lease:	NMLC 063798				
	Pool:	WC-025 G-09 S243310P; UPPER WOLFCAMP				
	County:	Lea Co., New Mexico				

Dear Mr. McClure:

Please find attached the commingle application for the Central Tank Battery of the aforementioned wells. This is application is necessary due to off lease measurement.

The working interest owners have been notified.

A copy of the submitted Bureau of Land Management application is attached.

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

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 228-8429.

Sincerely,

Repuer Deal

Rebecca Deal Regulatory Compliance Professional

Enclosures

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD	DIVISION USE ONLY	
		cal & Engineerin		Record of the second
		ATIVE APPLICAT		
THIS	CHECKLIST IS MANDATORY FOR AL REGULATIONS WHICH RE		ATIONS FOR EXCEPTIONS TO E DIVISION LEVEL IN SANTA FE	
Applicant: Devo	on Energy Production			Number: 6137
• •	adside 13 W Fed Com		API: 30	-025-46517
Pool: <u>WC-025 G-</u>	<u>09 S243310P; UPPER V</u>	VOLFCAMP	Code:	<u>98135</u>
		BELOW		of Application Indicated
A. Location	CATION: Check those – Spacing Unit – Simult NSL	aneous Dedicatio)
[I] Comi [[II] Injec	ne only for [1] or [1] mingling – Storage – Mea DHC CTB F ction – Disposal – Pressu WFX PMX S	PLC PC (/
				FOR OCD ONLY
A. Offset	NREQUIRED TO: Check operators or lease hol	ders	, 	Notice Complete
C. Appli D. Notifi	ty, overriding royalty ov cation requires publishe cation and/or concurre cation and/or concurre	ed notice ent approval by Sl	_0	Application Content Complete
F. ☐ Surfac G.☐ For al	ce owner I of the above, proof o otice required			ed, and/or,
	I hereby certify that the	information submitt	ad with this application	on for administrativo

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Rebecca Deal

Print or Type Name

Repuer Deal

Signature

6/29/2021

405-228-8429

Phone Number Rebecca.deal@dvn.com

e-mail Address

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District I	State	e of New Mexico			Form C-107-E
1625 N. French Drive, Hobbs, NM 88240	Energy, Minerals an	d Natural Resources D	epartment	Revised	August 1, 201
District II 811 S. First St., Artesia, NM 88210				Γ	
District III 1000 Rio Brazos Road, Aztec, NM 87410		RVATION DIVIS	SION		the original
District IV		. St Francis Drive		application to office with one	
1220 S. St Francis Dr, Santa Fe, NM 87505	Santa Fe,	New Mexico 87505		appropriate Dis	
APPLICATIO	N FOR SURFACE	COMMINGLING	G (DIVERSE	OWNERSHIP)	
OPERATOR NAME: Dev	on Energy Production	Co., LP	3	7	
	W Sheridan Avenue, O	Oklahoma City, OK 7	73102		
APPLICATION TYPE:			G 114		a
□ Pool Commingling □Lease Commin LEASE TYPE: □ Fee	gling □Pool and Lease Co □ State X Fede		Storage and Measur	rement (Only if not Surfac	e Commingieu)
Is this an Amendment to existing Or			the appropriate C	order No.	
Have the Bureau of Land Manageme					ingling
		DL COMMINGLIN ts with the following in			
	Gravities / BTU of	Calculated Gravities /		Calculated Value of	
(1) Pool Names and Codes	Non-Commingled Production	BTU of Commingled Production		Commingled Production	Volumes
		-			
		_			
(2) Are any wells producing at top allo	wables? Yes No				
(4) Measurement type: Metering(5) Will commingling decrease the val		□No If "yes", descri	ibe why commingli	ng should be approved	
		SE COMMINGLIN ts with the following in			
(1) Pool Name and Code.					
(2) Is all production from same source(3) Has all interest owners been notified	— — —		□Yes □N	0	
(3) Has an interest owners been notified(4) Measurement type: Metering	•	posed comminging:		0	
		LEASE COMMIN			
(1) Complete Sections A and E.					
	(D) OFF-LEASE ST	TOPACE and MEA	SUDEMENT		
		ets with the following			
(1) Is all production from same source		lo			
(2) Include proof of notice to all intere	st owners.				
(E)	ADDITIONAL INFO	DRMATION (for all ts with the following it		vpes)	
(1) A schematic diagram of facility, in		is with the following h			
(2) A plat with lease boundaries showi(3) Lease Names, Lease and Well Num		ions. Include lease numb	ers if Federal or Sta	te lands are involved.	
I hereby certify that the information abov	e is true and complete to the	e best of my knowledge ar	nd belief.		
SIGNATURE: Reputur	0	ITLE: Regulatory Ar		DATE: 7/2	1/2021
TYPE OR PRINT NAME Rebecca D			•	D	
			1 <i>C</i> L	EPHONE NO.: 405	-220-0429
E-MAIL ADDRESS: Rebecca.de	eal@dvn.com				

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

43 CFR § 3173.23 - Applying for off-lease measurement.

Proposal for Broadside 12 Facility 1

Devon Energy Production Company, LP is requesting approval for off-lease measurement for the following well:

NMLC 063798 (12.5%), Fee Le	ases,& proposed	CA		
Well Name	STR	API	Pool	Pool Name
Broadside 13 W Fed Com 1H	S12 - 24S 33E	30-025-46517	98135	WC-025 G-09 S243310P; UPPER WOLFCAMP

CA:

Attached is the proposed federal CA allocation method for leases in each CA.

The lands covered by this agreement are described as E/2 of the W/2 of Sec. 13-24S-33E, Lea Co, New Mexico, containing 160.00 acres, and shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

Oil & Gas metering:

The Broadside 13 W Fed Com 1H battery is in SW/4 SE/4 & SE/4, S12, T24S, R33E in Lea County, New Mexico.

This well flows to its own 3-Phase Separator where the full well stream is separated into independent gas, oil, and water streams.

3-Phase gas flows through a 2-Phase separator for gas conditioning. Then, the gas stream flows to an independent and designated orifice meter for rate allocation. After that, the conditioned gas stream flows through an orifice meter(s) for Federal Measurement Point/Sales/Royalty Payment. The Federal Measurement Point for this battery is off lease on the west side of the pad. The off-lease orifice meter is being used because it records the total sales volumes for the battery.

3-Phase oil flows flows into a Heater Treater. The oil then flows into one of the oil tanks for storage. The stored oil is measured by tank strapping and trucked for Federal Measurement Point/Sales/Royalty Payment.

Flash gas from oil conditioning is recovered using compression (VRU).

3-Phase water flows through an independent and designated magnetic meter for rate allocation. The water then flows into a manifold where it is combined with water from the Heater Treater. The water stream then flows into the Gun Barrel(s) for further conditioning and then into one of the water tanks for storage.

The tank battery has four oil tanks and three water tanks that all wells utilize. All wells have one common gas delivery point(s) on location and one common oil delivery point on or directly adjacent to location.

Secondary recovery will utilize recycled or buyback gas for gas lift. The gas is compressed and flows through and individual orifice meter to each wellhead.

Well Name		Individual Mete	ers
	Gas Allocation	Oil Allocation	Water Allocation

BROADSIDE 13 W FED COM 1H	DVN / 390491869	DVN / *	DVN / 12104733347
Common Meters	1		·
Gas FMP	LUCID - 14744		
Oil FMP	DVN / 1445E10056		

Meter Owner / Serial Number:

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

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 interest owners have been notified of this proposal via certified mail (see attached).

43 CFR § 3173.23 - Applying for off-lease measurement. § 3173.23 Applying for off-lease measurement.

To apply for approval of <u>off-lease measurement</u>, the operator must submit the following to the BLM office having jurisdiction over the leases, units, or communitized areas:

(a) A completed Sundry Notice;

(b) Justification for <u>off-lease measurement</u> (considering factors such as BMPs, topographic and environmental issues, and maximum ultimate economic recovery);

Devon believes the off lease measurement will maximize the ultimate economic recovery of the well as is most compatible with the infrastructure of the pad location

(c) A topographic map or maps of appropriate scale showing the following:

(1) The boundary of the <u>lease</u>, <u>unit</u>, <u>unit PA</u>, or <u>communitized area</u> from which the <u>production</u> originates; and

(2) The location of existing or planned facilities and the relative location of all wellheads (including the <u>API</u> number for each well) and <u>piping</u> included in the <u>off-lease measurement</u> proposal, and existing <u>FMPs</u> or <u>FMPs</u> proposed to be installed to the extentknown or anticipated;

(d) The surface ownership of all land on which equipment is, or is proposed to be, located; Please

<mark>see lease map attachment.</mark>

(e) If any of the proposed <u>off-lease measurement</u> facilities are located on non-federally owned surface, a written concurrence signed by the owner(s) of the surface and the owner(s) of the measurement facilities, including each owner's name, address, and telephone number, grantingthe <u>BLM</u> unrestricted <u>access</u> to the <u>off-lease measurement facility</u> and the surface on which it islocated, for the purpose of inspecting any <u>production</u>, measurement, water handling, or transportation equipment located on the non-Federal surface up to and including the <u>FMP</u>, and for otherwise verifying <u>production</u> accountability. If the ownership of the non-Federal surface or of the measurement <u>facility</u> changes, the <u>operator</u> must obtain and provide to the AO the writtenconcurrence required under this paragraph from the new owner(s) within 30 <u>days</u> of the changein ownership;

o<u>ff-lease measurement facilities are located on federally owned surface</u>

(f) A right-of-way grant application (Standard Form 299), filed under <u>43 CFR part 2880</u>, if the proposed off-lease <u>FMP</u> is on a pipeline, or under <u>43 CFR part 2800</u>, if the proposed off-lease <u>FMP</u> is a meter or storage tank. This requirement applies only when new surface disturbance is proposed for the <u>FMP</u> and its associated facilities are located on <u>BLM</u>-managedland;

There is not any additional surface disturbance for this location.

(g) A right-of-way grant application, filed under <u>25 CFR part 169</u> with the appropriate BIA office, if any of the proposed surface facilities are on Indian land outside the <u>lease</u>, <u>unit</u>, or <u>communitized area</u> from which the <u>production</u> originated;

There are not any additional right of way grant applications for this location.

(h) Written approval from the appropriate surface-management agency, if new surface disturbance is proposed for the <u>FMP</u> and its associated facilities are located on Federal landmanaged by an agency other than the <u>BLM</u>;

n/a

(i) An application for approval of off-lease royalty-free use (if required under applicable rules), if the <u>operator</u> proposes to use <u>production</u> from the <u>lease</u>, <u>unit</u>, or CA as fuel at the <u>off-lease measurement facility</u> without payment of royalty;

Not requesting royalty-free use at this time.

(j) A statement that indicates whether the proposal includes all, or only a portion of, the <u>production</u> from the <u>lease</u>, <u>unit</u>, or CA. (For example, <u>gas</u>, but not <u>oil</u>, could be proposed for <u>off-lease measurement</u>.) If the proposal includes only a portion of the <u>production</u>, identify theFMP(s) where the remainder of the <u>production</u> from the <u>lease</u>, <u>unit</u>, or CA is measured or is proposed to be measured; and

Proposal includes all the production from the lease, unit, or CA.

(k) If the <u>operator</u> is applying for an amendment of an existing approval of <u>off-lease</u> <u>measurement</u>, the <u>operator</u> must submit a completed Sundry Notice required under <u>paragraph</u>

(a) of this section, and information required under paragraphs (b) through (j) of this section to he extent the information previously submitted has changed.

Not an amendment, original request for OLM is being submitted

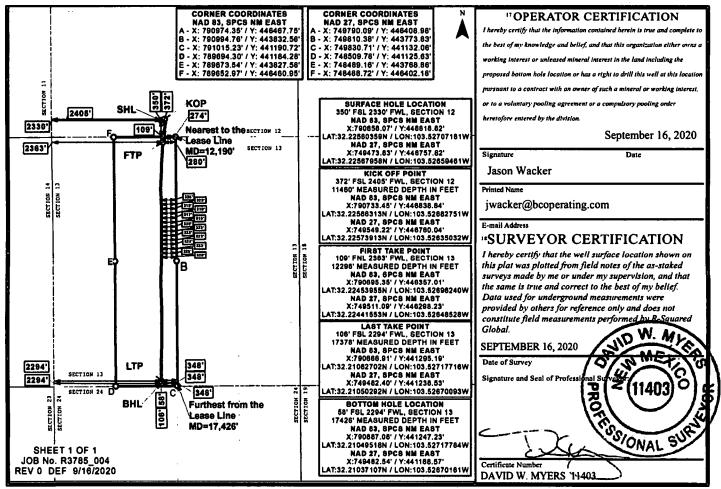
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District 1 1625 N. French Dr., Hobbs, NM 88240 State of New Mexico Phone: (575) 393-6161 Fax: (575) 393-0720 District II Energy, Minerals & Natural Resources Department 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 **OIL CONSERVATION DIVISION** District III 1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. Phone: (505) 334-6178 Fax: (505) 334-6170 District IV Santa Fe, NM 87505 1220 S. St. Francis Dr. Santa Fe, NM 87505 one: (505) 476-3460 Fax: (505) 476-3462 WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Number 20 025 46517				² Pool Code		³ Pool Name				
30-025	30-025-46517 98135 WC-025 G-09 S243310P; UPPER WOLFCAI						CAMP			
⁴ Property C 326424	ode					Property Name ⁶ Well Numbe DE 13 W FED COM 1H				
⁷ ogrid i 16082		^{operator Name} B.C. OPERATING, INC								Elevation 3595'
					Surface L	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County
N	12	24S 33E 350 SOUTH 2330 WEST LEA						LEA		
11			" Bo	ottom Hol	e Location If I	Different From S	urface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line Count		County
N	13	24S	33E	1	58	SOUTH 2294 WEST LEA			LEA	
¹² Dedicated Acres 160.0	¹³ Joint or	Infill ¹⁴ C	onsolidation (Code ¹⁵ Ord	ler 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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981187 Convergence Angle: 00°26'05.64126'

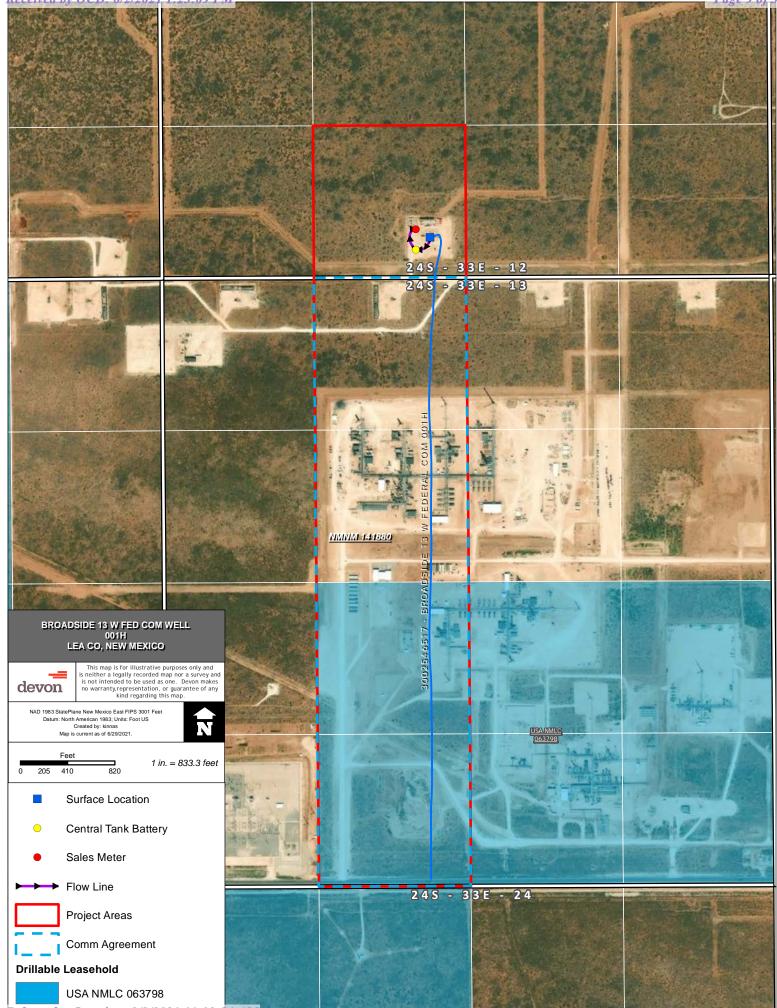
Page 8 of 34

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

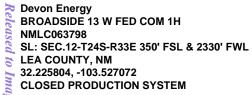
AMENDED REPORT

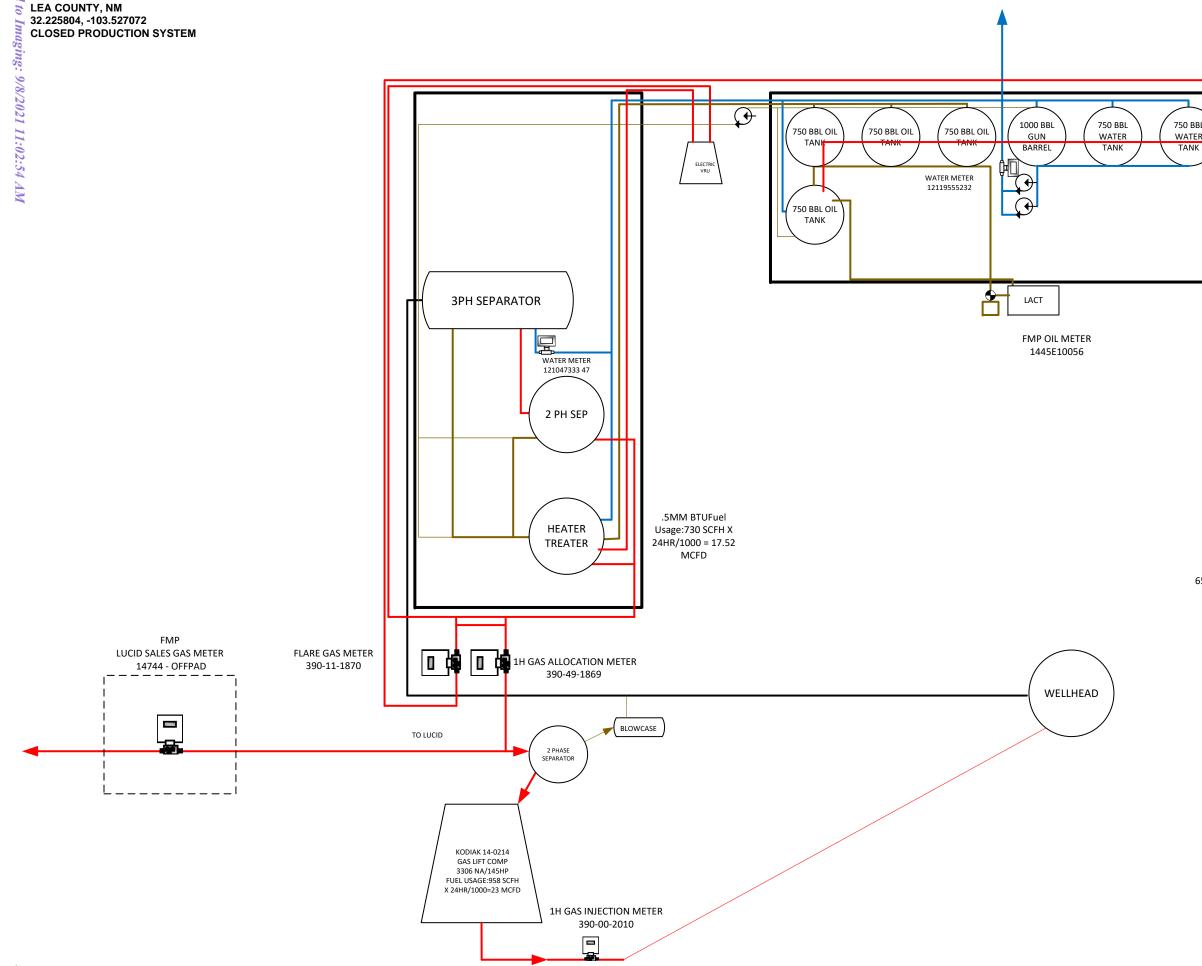
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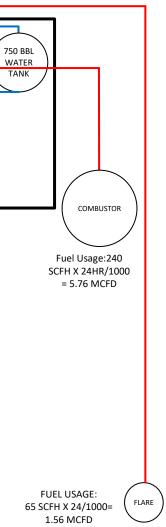








PUMP Sealed Valve



Page 10 of 34

Federal Communitization Agreement

Contract No.

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

WITNESSETH:

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

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

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

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

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

E/2 of the W/2 of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

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

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be BC Operating, Inc., PO Box 50820, Midland, Texas 79710. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

The royalties payable on communitized substances allocated to the individual 6. leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

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

hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

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

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

Signature Page to follow:

STATE OF TEXAS

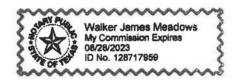
COUNTY OF MIDLAND

This instrument was acknowledged before me on this <u>5</u> day of <u>1020</u>, by Brandon M. Black, Vice President of BC Operating, Inc., a Texas Corporation, on behalf of said corporation.

Texas

Notary Public in and for the State of

12



WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Devon Energy Production Company, L.P.

eback By: Cathesine Name: Catherine Lebsack 43 Title: Vice President

ACKNOWLEDGEMENT

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

This instrument was acknowledged before me this <u>day</u> of March 2020, by Catherine Lebsack, as Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

(SEAL)



My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of BC Operating, Inc., the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME:

Printed: Brandon Black TITLE: Vice President Phone number: 432-684-9696, email barnold@bcoperating.com

EXHIBIT "A"

Plat of Communitized area covering 160.00 acres in E/2 of the W/2 of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. Containing 80 acres of Federal Lease NMLC 063798, and 80 acres of fee leases.

Broadside 13 W Fed Com 1H

SHL: 350' FSL, and 2,330' FWL of Section 12 FTP: 330' FNL and 2310' FWL of Section 13 LTP: 100' FSL and 2310' FWL of Section 13 BHL: 20' FSL and 2,310' FWL of Section 13 Both in T24S, R33E, NMPM

	Location
Tract: 1 NE4 NW- 40 acres Fee Leas	
Tract 2 SE/4 NW/ 40 acres Fee Leasen	4
Tract 3 E/2 SW/4 Federal Lea NMLC 063798 80 acres	se

Surface Hole Location

EXHIBIT "B"

To Communitization Agreement Dated December 1, 2019 embracing the following described land in E/2 of the W/2 of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Operator of Communitized Area: BC Operating, Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Date:	July 1, 2017
Lessor:	Realeza De; Spear, L.P
Lessee:	OneEnergy Partners Operating, LLC
Recorded:	Volume 2117, Page 145
Lands Covered: Towns	ship 24 South, Range 33 East, N.M.P.M
	Section 13: NE/4NW/4 as to all depths lying 50' below the Deckard Fed
	Com 2H, being 11,117 total vertical depth
	Section 13: W/2NE/4 as to all depths lying 50' below the Deckard Fed
	Com 3H, being 11, 212' total vertical depth
	Section 13, E/2NE/4 as to all depths lying 50' below the Deckard Fed
	Com 4H, being 11,153' total vertical depth.
Name of Working Inter	rest Owners: Franklin Mountain Energy 2, LLC
Date:	July 7, 2011
Lessor:	Imogene M. Hanners
Lessee:	Energex, LLC
Recorded:	Volume 1736, Page 694
Lands Covered:	NE/4 and NE/4NW/4 of Section 13, Township 24 South, Range 33 East,
	N.M.P.M., containing 200 acres, m/l
Name of Working Inter	rest Owners: Concho Oil and Gas LLC
Date	: January 26, 2017
Lessor	: George Lynn Sims, SSP
Lessee	: ENERGEX, LLC
Recorded	:Volume 2089, Page 859 OPR Lea Co,. NM
Lands Covered :	Township 24 South, Range 33 East, NMPM, Lea County, NM
	Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the
	stratigraphic equivalent of the deepest depth drilled by COG Operating
	LLC and capable of producing in paying quantities in each well which is
	included within the boundaries of the producing proration units dedicated
	to the Deckard Federal Com #2H, Deckard Federal Com #3H and
	Deckard Federal Com #4H
NI	Containing 200 acres, m/l
Name of Working Inter LLC:	rest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III,

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Date Lessor Lessee Recorded Lands Covered : Name of Working Inte	: April 6, 2017 : Princess Properties, LLC : ENERGEX, LLC : Volume 2099, Page 805 OPR Lea Co,. NM Township 24 South, Range 33 East, NMPM, Lea County, NM Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the stratigraphic equivalent of the deepest depth drilled by COG Operating LLC and capable of producing in paying quantities in each well which is included within the boundaries of the producing proration units dedicated to the Deckard Federal Com #2H, Deckard Federal Com #3H and Deckard Federal Com #4H Containing 200 acres, more or less perest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC:
Date	: February 27, 2017
Lessor	A & P FAMILY LIMITED PARTNERSHIP
Lessee	: ENERGEX, LLC
Recorded	:Volume 2088, Page 766 OPR Lea Co,. NM
Lands Covered :	Township 24 South, Range 33 East, NMPM, Lea County, NM Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the base of the deepest producing formation capable of producing in each well is which is included within the boundaries of the producing proration units dedicated to the Deckard Federal Com #2H, Deckard Federal Com #3H and Deckard Federal Com #4H Containing 200 acres, more or less prest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III,
- ····································	LLC:
Date	: March 15, 2017
Lessor	: Bon Vivant, LLC
Lessee	: ENERGEX, LLC
Recorded	:Volume 2093, Page 324 OPR Lea Co,. NM
Lands Covered :	Township 24 South, Range 33 East, NMPM, Lea County, NM Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the base of the deepest producing formation capable of producing in each well is which is included within the boundaries of the producing proration units dedicated to the Deckard Federal Com #2H, Deckard Federal Com #3H and Deckard Federal Com #4H Containing 200 acres, more or less
Name of Working Inte	rest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC:

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Date Lessor Lessee Recorded Lands Covered :	 February 15, 2017 Elizabeth Daughtery Trust U/A, Bank of America, N.A., Agent ENERGEX, LLC Volume 2087, Page 278 OPR Lea Co, NM Township 24 South, Range 33 East, NMPM, Lea County, NM Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the stratigraphic equivalent of the deepest depth drilled by COG Operating LLC and capable of producing in paying quantities in each well which is included within the boundaries of the production proration units dedicated to the Deckard Federal Com #2H, Deckard Federal Com #3H and Deckard Federal Com #4H, Township 24S, Range 33 East, Lea Co., NM Containing 200 acres, more or less
Name of Working Inte	rest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC:
Date Lessor Lessee Recorded Lands Covered :	 April 6, 2017 Madison M. Hinkle and wife, Susan Hinkle ENERGEX, LLC Volume 2099, Page 802 OPR Lea Co,. NM Township 24 South, Range 33 East, NMPM, Lea County, NM Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the base of the deepest producing formation capable of producing in each well is which is included within the boundaries of the producing proration units dedicated to the Deckard Federal Com #2H, Deckard Federal Com #3H and Deckard Federal Com #4H Containing 200 acres, more or less
Name of Working Inte	rest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC:
Date Lessor Lessee Recorded Lands Covered :	 April 6, 2017 Marc A. Lilley and wife, Lisa M. Lilley ENERGEX, LLC Volume 2095, Page 854 OPR Lea Co,. NM Township 24 South, Range 33 East, NMPM, Lea County, NM Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the base of the deepest producing formation capable of producing in each well is which is included within the boundaries of the producing proration units dedicated to the Deckard Federal Com #2H, Deckard Federal Com #3H and Deckard Federal Com #4H Containing 200 acres, more or less Name of Working Interest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC:
Date Lessor Lessee Recorded Lands Covered :	:March 10, 2017 :Tim Lilley and wife, Tashina Lilley :ENERGEX, LLC :Volume 2092, Page 692 OPR Lea Co,. NM <u>Township 24 South, Range 33 East, NMPM, Lea County, NM</u>

Section 13: NE/4NW/4 and NE/4 as to All depths 100' below the base of the deepest producing formation capable of producing in each well is which is included within the boundaries of the producing proration units dedicated to the Deckard Federal Com #2H, Deckard Federal Com #3H and Deckard Federal Com #4H

Containing 200 acres, more or less

Name of Working Interest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC:

Tract No. 2

Date	: February 7, 2017
Lessor	: Mildred Maxine Madera McCall, SSP
Lessee	: ENERGEX, LLC
Recorded	:Volume 2088, Page 770 OPR Lea Co,. NM
Lands Covered	: Township 24 South, Range 33 East, NMPM, Lea County, NM
	Section 13: SE/4NW/4, as to All depths 100' below stratigraphic
	equivalent of the deepest depth drilled by COG Operating LLC and
	capable of producing in paying quantities in the well which is included
	within the boundaries of the producing proration unti dedicated to the
	Deckard Federal COM #2H
	Containing 40 acres, more or less
Name of Working Inter	rest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III,
	LLC:

Date	: March 7, 2017
Lessor	: Rubert Madera, SSP
Lessee	ENERGEX, LLC
Recorded	:Volume 2089, Page 859 OPR Lea Co,. NM
Lands Covered :	Township 24 South, Range 33 East, NMPM, Lea County, NM
	Section 13: SE/4NW/4, as to All depths 100' below stratigraphic
	equivalent of the deepest depth drilled by COG Operating LLC and
	capable of producing in paying quantities in the well which is included
	within the boundaries of the producing proration unti dedicated to the
	Deckard Federal COM #2H
	Containing 40 acres, more or less
Name of Working Inter	rest Owners: Crown Oil Partners VI, LLC and Crump Energy Partners III,
-	LLC:

Date:	July 1, 2011	
Lessor:	Susan L. Wade	
Lessee:	Energex, LLC	
Recorded:	Volume 1740, Page 570	
Lands Covered:	SE/4NW/4 of Section 13, Township 24 South, Range 33 East, N.M.P.M.,	
	containing 200 acres, more or less.	
Name of Working Interest Owners: Concho Oil and Gas LLC		

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Tract No. 3

Lease Serial Number:	NMLC 063798
Description of Land Committed:	Township 24 South, Range 33 East, Section 13, E/2 SW/4
Number of Acres:	80
Current Lessee of Record:	Devon Energy Production Company, L.P.
Name of Working Interest Owners:	Devon Energy Production Company, L.P.
ORRI Owners:	
Concho Oil & Gas LLC COG Operating LLC Katherine Kolliker McIntyre, separate property	Ilen, Trustees under the Allen Family Trust dated May 19, 2000

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40	25%
2	40	25%
3	80	50%
Total	160	100%



Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102 Phone: (405) 228-4800

June 29th, 2021

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: Central Tank Battery: Broadside 12 Facility 1 Wells: Broadside 13 W Fed Com 1H Sec.-T-R: 12-24S-33E Agreements: Pending CA Lease: NMLC 063798 API: 30-025-46517 Pool: WC-025 G-09 S243310P; UPPER WOLFCAMP County: Lea Co., New Mexico

Interest Owners:

This letter is to advise that Devon Energy Production Company, L.P. is filing an application with the New Mexico Oil Conservation Division (NMOCD) seeking approval for a Central Tank Battery for the above-mentioned wells. A copy of the submitted application is attached.

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

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

Please contact Devon Energy Production Company, L.P. at (405) 228-4800 with any questions or needs.

Sincerely,

Devon Energy Production Company, L.P.

Repuer Deal

Rebecca Deal Regulatory Compliance Professional Enclosure

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U.S. Department of the Interior BUREAU OF LAND MANAGEMENT Sundry Print Report of 34

Well Name: BROADSIDE 13 FED COM W	Well Location: T24S / R33E / SEC 12 / SESW / 32.2258036 / -103.5270718	County or Parish/State: LEA / NM
Well Number: 1H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMLC063798	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002546517	Well Status: Producing Oil Well	Operator: DEVON ENERGY PRODUCTION COMPANY LP

Notice of Intent

Type of Submission: Notice of Intent

Date Sundry Submitted: 08/02/2021

Date proposed operation will begin: 07/20/2021

Measurement
Time Sundry Submitted: 12:39

Type of Action Commingling (Surface) and Off-Lease

Procedure Description: APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE 43 CFR § 3173.23 - Applying for off-lease measurement. Proposal for Broadside 12 Facility 1 Devon Energy Production Company, LP is requesting approval for off-lease measurement for the Broadside 13 W Fed Com 1H. Please see attached commingle application

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Broadside_13_W_Fed_Com_1H_Submitted_Commingling_OLM_20210802123929.pdf

Received by OCD: 8/2/2021 1:23:09 PM Well Name: BROADSIDE 13 FED COM W	Well Location: T24S / R33E / SEC 12 / SESW / 32.2258036 / -103.5270718	County or Parish/State: LEA / Page 28 of 34
Well Number: 1H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMLC063798	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002546517	Well Status: Producing Oil Well	Operator: DEVON ENERGY PRODUCTION COMPANY LP

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: REBECCA DEAL

Signed on: JUL 21, 2021 02:46 PM

Zip:

Name: DEVON ENERGY PRODUCTION COMPANY LP

State:

Title: Regulatory Compliance Professional

Street Address: 333 West Sheridan Avenue

City: Oklahoma City State: OK

Phone: (405) 228-8429

Email address: Rebecca.Deal@dvn.com

Field Representative

Representative Name:

Street Address:

City:

Phone:

Email address:

From:	Engineer, OCD, EMNRD
To:	Deal, Rebecca
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 OLM-252
Date:	Wednesday, September 8, 2021 10:41:05 AM
Attachments:	OLM252 Order.pdf

NMOCD has issued Administrative Order OLM-252 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	Pool Code
30-025-46517	Broadside 13 W Federal Com	E/2 W/2 13-248-33E		98135
50-025-40517	#1H		13-245-33E	90133

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. If you have any questions regarding this matter, please contact me.

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: OLM-252 Operator: Devon Energy Production Company (6137) Publication Date: Submittal Date: 8/2/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
7/26/2021	Crown Oil Partners VI, LLC	9405509898642088345049	Delivered
7/24/2021	Crump Energy Partners III, LLC	9405509898642736779462	Delivered
7/24/2021	COG Operating LLC	9405509898642088344714	Delivered

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

APPLICATION FOR OFF-LEASE MEASUREMENT SUBMITTED BY DEVON ENERGY PRODUCTION COMPANY, LP

ORDER NO. OLM-252

<u>ORDER</u>

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

FINDINGS OF FACT

- 1. Devon Energy Production Company, LP ("Applicant") submitted a complete application to off-lease measure the oil and gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
- 2. Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
- 3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.
- 4. Applicant stated that it sought authorization to off-lease measure oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

- 5. 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, and 19.15.23 NMAC.
- 6. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
- 7. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

1. Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Order No. OLM-252

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

- 2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
- 3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- 4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) 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 a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring oil or gas production from it. The Form C-103 shall reference this Order and identify the well.
- 7. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION



DATE: 8/31/2021

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-252 Operator: Devon Energy Production Company, LP (6137) Central Tank Battery: Broadside 12 Facility 1 Central Tank Battery Location: Unit N, Section 12, Township 24 South, Range 33 East Gas Title Transfer Meter Location: Unit N, Section 12, Township 24 South, Range 33 East

Pools

Pool NamePool CodeWC-025 G-09 S243310P; UPPER WOLFCAMP98135

E/2 W/2

13-24S-33E

98135

	Leases as defined in 19.15.1	2.7(C) NMAC		
	Lease	UL or Q/Q	S-T-R	
	CA Wolfcamp NMNM 141880	E/2 W/2	13-24S-33E	
	Wells			
Well API	Well Name	UL or O/O	S-T-R	Pool

Broadside 13 W Federal Com #1H

30-025-46517

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

District IV

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

Page 34 of 34

CONDITIONS

Action 39338

CONDITIONS

Op	erator:	OGRID:	
DEVON ENERGY PRODUCTION COMPANY, LP		6137	
	333 West Sheridan Ave.	Action Number:	
	Oklahoma City, OK 73102	39338	
		Action Type:	
		[C-107] Surface Commingle or Off-Lease (C-107B)	

COND	TIONS
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Created	Condition	Condition
By		Date
	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	9/8/2021