

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



JUN 25 2018 PMO2:35

IN REPLY REFER TO: NMNM138276 3105.2 (P0220)

06/21/2018

Reference:

Communitization Agreement Boundary Raider 6-7 Fed Com 211H Section 06: Lots 4-7, Section 07: Lots 1-4 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 NMNM138276 involving 182.47 acres of Federal land in lease NMNM 63994, 137.92 acres of Federal land in lease NMNM 62223 and 46.00 acres of Federal land in lease NMNM 86151, Lea County, New Mexico, which comprise a 366.39 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Lots 4-7, Sec. 06, T. 23 S., R. 32 E. and Lots 1-4 Sec. 07, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective October 1, 2017. 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 Chris Walls, Petroleum Engineer at (575) 234-2234, Deborah Ham at (575) 234-5965 or Margie Dupre at (505) 954-2142.

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

Sincerely,

1 May to Cody R. Layton

Assistant Field Manager, Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

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

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 Lots 4-7 of sec. 06, T. 23 S., R. 32 E., and Lots 1-4 of sec. 07 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: 06/21/2018

Cody R. Layton
Assistant Field Manager

Lands and Minerals

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Effective: October 1, 2017

Contract No.: Com. Agr. NMNM138276

United States Department of the Interior



BUREAU OF LAND MANAGEMENT



Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.nm.blm.gov

In Reply Refer to NM138276 3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM138276

Date of Completion: 04/24/2018

Date of First Production: 04/24/2018

Field: Sand Dunes

Operator, Well Name & No, API Number:

Devon Energy Prod. Co.; Boundary Raider 6/7 Fed

Com 211H; 30-025-44145 Surface Location: Sec. 6, Lot 4, T.23 S., R.32 E.

Bottom Location: sec. 7, Lot 4, T.23 S., R.32 E.

Total Depth: 20,405 MD; 10,328 TVD

Surface Elevation: 3560 GL

Producing Formation: Bone Spring (10,451-20,260)

Well Capable of Production in Paying Quantities: Yes

Initial Daily Production: Oil 6102 BBL; Gas 5482 MCF; Water 4952 BBL

Current Status: Producing Oil Well

Remarks: CA NMNM138276, effective 10/01/2017, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 6, Lots 4-7 and sec. 7, Lots 1-4, T. 23 S., R. 32 E., NMPM, and comprises 182.47 acres of Federal land in lease NMNM63994, 137.92 acres of Federal land in lease NMNM62223 and 46 acres of Federal land in lease NMNM86151 for a 366.39 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham

06/21/2018

cc:

ONRR-MS 63230B First Production File LLNM (P0220, File Room)