



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
NM134993
3107 (P0220)

Reference:

Cotton Draw 32 State Fed Com 3H
T. 24 S., R. 32 E.,
sec. 32: SW, W/2SE

and

T. 25 S., R. 32 E.,
sec. 5: Lot 2 (40.44), Lot 3 (40.45), Lot 4 (40.53), S2NW, SWNE, SW, and W2SE

Lea County, NM

Devon Energy Corporation
333 W. Sheridan
Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134993 involving 481.45 acres of Federal land in lease NMLC061863-A, and 240 acres of State land, Lea County, New Mexico, which comprise a 721.45-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Delaware North formation beneath T. 24 S., R. 32 E., sec. 32: SW, W/2SE, and T. 25 S., R. 32 E., sec. 5: Lot 2 (40.44), Lot 3 (40.45), Lot 4 (40.53), S2NW, SWNE, SW, and W2SE, NMPM, and is effective 6/1/14. 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.

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.

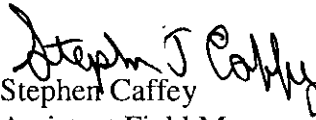
If you have any questions regarding this approval, please contact Edward G. Fernandez
Petroleum Engineer at (575) 234-2220.

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

Sincerely,


Stephen Caffey
Assistant Field Manager,

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

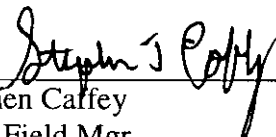
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 beneath T. 24 S., R. 32 E., sec. 32: SW, W/2SE, and T. 25 S., R. 32 E., sec. 5: Lot 2 (40.44), Lot 3 (40.45), Lot 4 (40.53), S2NW, SWNE, SW, and W2SE, NMPM, as to all producible hydrocarbons from the Delaware North formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) 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:



Stephen Caffey
Asst. Field Mgr.
Authorized Officer

Effective: 6/1/14

Contract No.: Com. Agr. NM134993



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In Reply Refer to
NM134993
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134993

Date of Completion:	12/10/14
Date of First Production:	12/10/14
Field:	Paduca
Operator, Well Name & No, API Number:	Devon; Cotton Draw 32 State-Fed Com 3H; 30-025-41171
Surface Location:	sec.32, T. 24 S., R. 32 E.
Total Depth:	15,135 MD; 8,302 TVD
Surface Elevation:	3,473 GL
Producing Formation:	Delaware North (8.479 – 15,020)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 347 BBL; Gas 380 MCF; Water 1,454 BBL
Current Status:	Producing Oil Well
Remarks:	CA NM134993, effective 6/1/14, communitizes production of all gas and fluid hydrocarbons in the Delaware North formation beneath sec. 32: SW, W/2SE, T. 24 S., R. 32 E., and sec. 5: Lot 2 (40.44), Lot 3 (40.45), Lot 4 (40.53), S2NW, SWNE, SW, and W2SE, T. 25 S., R. 32 E., NMPM, and comprises 481.45 acres of Federal land in lease NMLC061863-A, and 240 acres of State land for a 721.45-acre spacing unit, whose leases are held by actual production.

Questions? ajmorrison@blm.gov.

/S/ Arthur Morrison

8/12/15

cc:

ONRR-MS 63230B

First Production File

LLNM (P0220, File Room)

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