



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



IN REPLY REFER TO:
NM136260
3105.2 (P0220)

Reference:
Belgian 15 Federal Com 1H
T. 25 S., R. 31 E.,
Sec. 15: W2E2
Eddy County, NM

09/12/2016

Devon Energy Corporation
6488 Seven Rivers Hwy.
Artesia, NM 88210

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136260 involving 80 acres of Federal land in lease NMNM0503, 40 acres of Federal land in lease NMLC061862 and 40 acres of Federal land in lease NMNM120903, Eddy County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath T. 25 S., R. 31 E., W2E2 of Sec. 15, NMPM, and is effective 07/01/2015. 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 here to.

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 or Deborah Ham at (575) 234-5965.

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2016 SEP 19 P 2:23

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

Sincerely,



Cody R Layton
Assistant Field Manager
Land 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

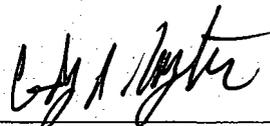
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 T. 25 S., R. 31 E., W2E2 of sec. 15, 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: 09/12/2016



Cody R Layton
Assistant Field Manager
Authorized Officer

Effective: 07/01/2015

Contract No.: Com. Agr. NM136260



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM136260
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM136260

Date of Completion: 06/25/2016
Date of First Production: 06/25/2016
Field: Paduca
Operator, Well Name & No, API Number: Devon Energy; Belgian 15 Fed Com 1H; 30-015-43187
Surface Location: SWSE, sec.15, T. 25 S., R. 31 E.
Bottom Location: NWNE, sec. 15, T. 25 S., R. 31 E.
Total Depth: 15,030 MD; 10,342 TVD
Surface Elevation: 3,363 GL
Producing Formation: Bone Spring (10,582 – 14,833)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 617 BBL; Gas 1422 MCF; Water 1300 BBL
Current Status: Producing Oil Well

Remarks: CA NM136260, effective 07/01/15, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 15: W2E2, T. 25 S., R. 31 E., NMPM, and comprises 80 acres of Federal land in lease NMNM0503, 40 acres of Federal land in lease NMLC061862 and 40 acres of Federal land in lease NMNM120903 for a 160 acre 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
09/12/2016

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