



February 1, 2021

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery Big Cat 16 CTB 9
Sec., T, R: SE¼ SW¼, and NE¼ SW¼ S16, T23, R32
Lease: NMNM98192, NMNM086153
Pool: [97933] WC-025 G-07 S233204D; BONE SPRING
[53805] SAND DUNES; BONE SPRING, SOUTH
County: Lea Co., New Mexico

To whom it may concern:

This is to advise you 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 below mentioned wells.

WELL NAME	API
BIG CAT 16-9 STATE FED COM 217H	30-025-45201
FLUFFY CAT 16-21 STATE FED COM 218H	30-025-44979
BIG CAT 16-9 STATE FED COM 213H	30-025-45726
BIG CAT 16-9 STATE FED COM 215H	30-025-45727
FLUFFY CAT 16-21 STATE FED COM 214H	30-025-45729
FLUFFY CAT 16-21 STATE FED COM 216H	30-025-45728
BIG CAT 16-9 STATE FED COM 1H	30-025-43196
FLUFFY CAT 16-21 STATE FED COM 212H	30-025-45069

A copy of our application submitted to the Division 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 the undersigned at (405) 552-6560 should you have any questions or need anything further.

Sincerely,

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

Enclosure

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Devon Energy Production Co., L.P. **OGRID Number:** 6137

Well Name: see attachments for multiple wells and API's **API:** _____

Pool: [97933] WC-025 G-07 S233204D; BONE SPRING **Pool Code:** _____
[53805] SAND DUNES; BONE SPRING, SOUTH

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

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.

Jenny Harms

 Print or Type Name

2-1-2021

 Date

Jenny Harms

 Signature

405-552-6560

 Phone Number

jenny.harms@dvn.com

 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
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

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Devon Energy Production Co., L.P.
OPERATOR ADDRESS: 333 W Sheridan Avenue, Oklahoma City, OK 73102
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(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					

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jenny Harms TITLE: Regulatory Specialist DATE: 2-1-2021

TYPE OR PRINT NAME Jenny Harms TELEPHONE NO.: 405-552-6560

E-MAIL ADDRESS: jenny.harms@dvn.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

5. Lease Serial No.
NMNM98192

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. BIG CAT 16-9 STATE FED COM 217H
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY		9. API Well No. 30-025-45201
Contact: JENNIFER HARMS jennifer.harms@dvn.com		
3a. Address 333 WEST SHERIDAN AVENUE OKLAHOMA CITY, OK 73102-5015	3b. Phone No. (include area code) Ph: 405-552-6560	10. Field and Pool or Exploratory Area WC 025 G 075233204D; BS
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 16 T23S R32E NESE 2314FSL 1114FEL		11. County or Parish, State LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measurement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	t

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.

Devon Energy Production Company, LP is requesting approval for Off Lease Measurement for the below wells, please see attachments.

LEASE NUMBER: NMNM98192-12.5%

Big Cat 16-9 State Fed Com 217H;16-23S-32E;3002545201;53805- BONE SPRING
BIG CAT 16-9 STATE FED COM 213H;16-23S-32E;Pending API 97933
BIG CAT 16-9 STATE FED COM 215H;16-23S-32E;Pending API 97933

LEASE NUMBER: NMNM086153-12.5%
Fluffy Cat 16-21 State Fed Com 218H;16-23S-32E;3002544979;53805- BONE SPRING
FLUFFY CAT 16-21 STATE FED COM 214H;16-23S-32E;Pending API;53805- BONE SPRING

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #506547 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPANY, sent to the Hobbs**

Name (Printed/Typed) JENNIFER HARMS	Title REGULATORY COMPLIANCE ANALYST
Signature (Electronic Submission)	Date 03/10/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

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.

Additional data for EC transaction #506547 that would not fit on the form

32. Additional remarks, continued

FLUFFY CAT 16-21 STATE FED COM 216H;16-23S-32E;Pending API;53805- BONE SPRING

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

Proposal for Big Cat State Fed Com 217H, Big Cat State Fed Com 213H, Big Cat State Fed Com 215H, Fluffy Cat 16-21 State Fed Com 218H, Fluffy Cat 16-21 State Fed Com 214H, Fluffy Cat 16-21 State Fed Com 216H

Devon Energy Production Company, LP is requesting approval for a Lease Commingle for the following wells:

LEASE NUMBER: NMNM98192-12.5%			
WELL NAME	SHL LOCATION	API	POOL CODE
Big Cat 16-9 State Fed Com 217H	16-23S-32E	3002545201	BONE SPRING
BIG CAT 16-9 STATE FED COM 213H	16-23S-32E	Pending	BONE SPRING
BIG CAT 16-9 STATE FED COM 215H	16-23S-32E	Pending	BONE SPRING

LEASE NUMBER: NMNM086153-12.5%			
WELL NAME	SHL LOCATION	API	POOL CODE
Fluffy Cat 16-21 State Fed Com 218H	16-23S-32E	3002544979	BONE SPRING
FLUFFY CAT 16-21 STATE FED COM 214H	16-23S-32E	Pending	BONE SPRING
FLUFFY CAT 16-21 STATE FED COM 216H	16-23S-32E	Pending	BONE SPRING

CA's will be created for the above wells, will provide update when CA's are submitted.

Oil & Gas metering:

The central tank battery, Big Cat 16 CTB 9, is located in SE¼ SW¼, and NE¼ SW¼ S16, T23, R32 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 the purpose of Federal Measurement Point/Sales/Royalty Payment, 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 of Federal Measurement Point/Sales/Royalty Payment. 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.

The central tank battery will have two oil tanks and four water tanks that all wells will utilize. All wells will have one common gas delivery point(s) on location, which will have a 3rd party meter. They will also share two common oil delivery points (two truck LACTs, which will be converted to two pipeline LACTs once the pipeline is available) on or directly adjacent to location.

Meter Owner / Serial Number:

Well Name	Gas Allocation	Oil Allocation	Water Allocation	VRU Allocation
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	Meter FMP	Meter FMP	Meter	Meter
BIG CAT 16-9 STATE FED COM 1H	390491465	39030381	14820753	390001219
BIG CAT 16-9 STATE FED COM 213H	390491462	39030378	14820756	390001219
BIG CAT 16-9 STATE FED COM 215H	390491461	39030377	14820746	390001219
BIG CAT 16-9 STATE FED COM 217H	390491223	39030331	14820751	390001219
FLUFFY CAT 16-21 STATE FED COM 212H	390491464	39030380	14820749	390001219
FLUFFY CAT 16-21 STATE FED COM 214H	390491463	39030379	14820755	390001219
FLUFFY CAT 16-21 STATE FED COM 216H	390491224	39030376	14820757	390001219
FLUFFY CAT 16-21 STATE FED COM 218H	390491222	39030330	14820747	390001219

* 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:

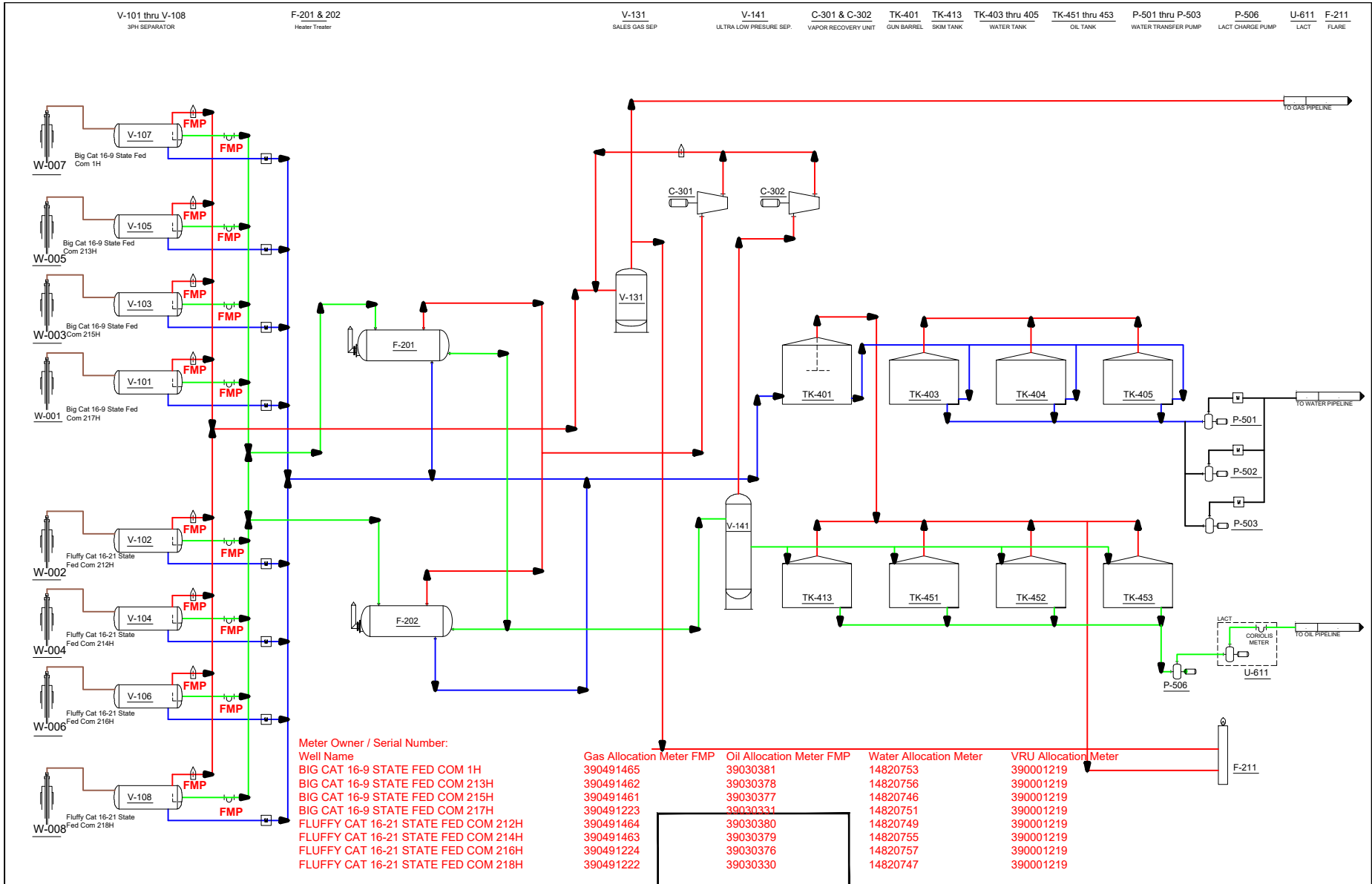
The flow of produced fluids is described above and shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter.

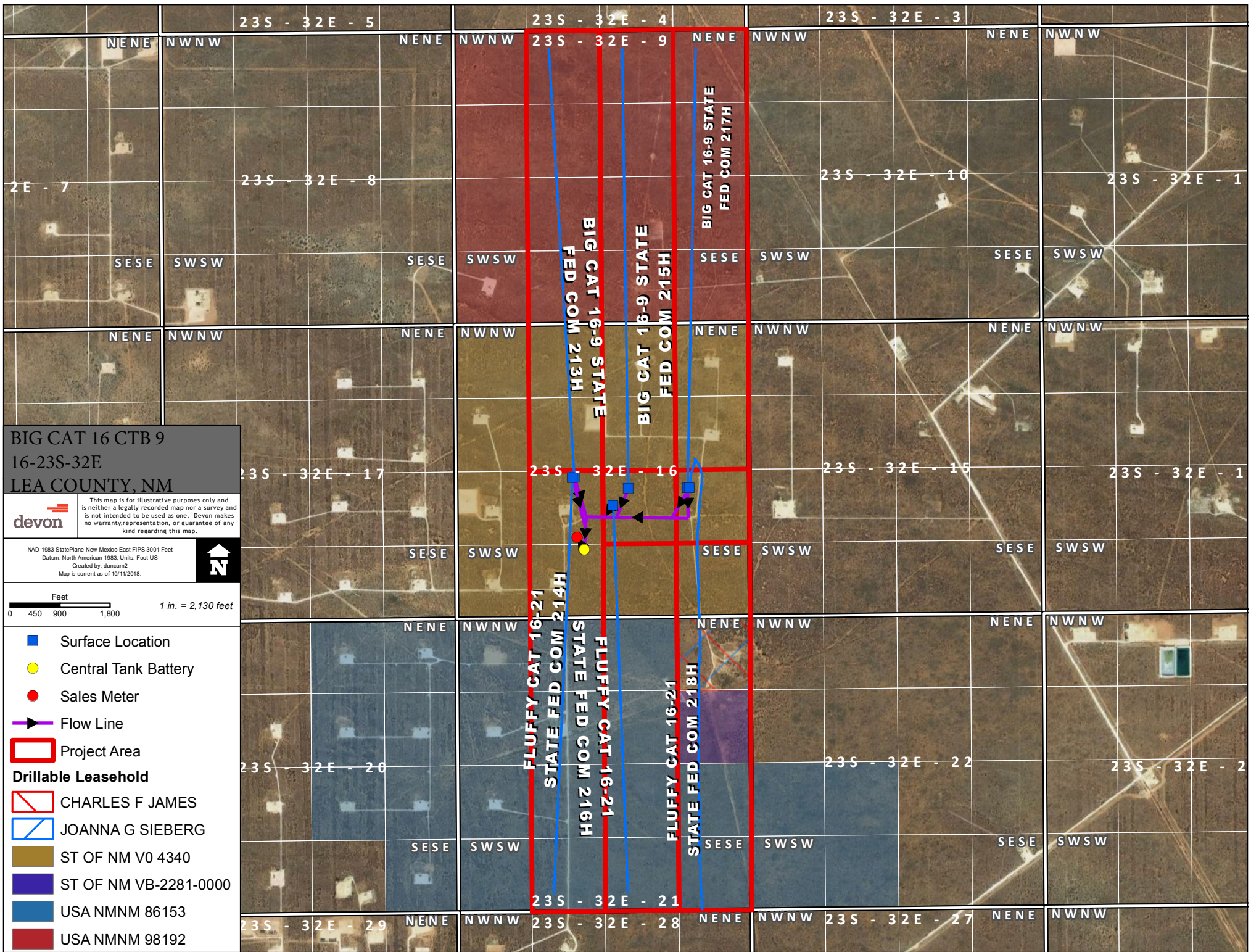
The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed 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).

Date: 10/11/2018





BIG CAT 16 CTB 9
16-23S-32E
LEA COUNTY, NM

devon

This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Datum: North American 1983; Units: Foot US
 Created by: duncam2
 Map is current as of 10/11/2018.

0 450 900 1,800 Feet
 1 in. = 2,130 feet

- Surface Location
- Central Tank Battery
- Sales Meter
- Flow Line
- Project Area
- Drillable Leasehold**
- CHARLES F JAMES
- JOANNA G SIEBERG
- ST OF NM V0 4340
- ST OF NM VB-2281-0000
- USA NMNM 86153
- USA NMNM 98192

CustomerReference	STATUS			EMAIL ADDRESS	AttentionTo	Address3	City	Region	Country	PostalCode
9414 8149 0152 7181 9087 27	Delivered				ALAN R HANNIFIN	PO BOX 20129	SARASOTA	Florida	US	34276
9414 8149 0152 7181 9087 34	Delivered				ANNETTE O WAMBAUGH	6203 ALDEN BRIDGE DR APT 2209	THE WOOD	Texas	US	77382
9414 8149 0152 7181 9087 41	Delivered				BALOG FAMILY TRUST DTD 8-15-02 KAREN KROHN TTEE	PO BOX 111890	ANCHORAGE	Alaska	US	99511-1890
9414 8149 0152 7181 9087 58	Delivered				BALOG FAMILY TRUST KAREN KROHN TTEE	PO BOX 111890	ANCHORAGE	Alaska	US	99511
9414 8149 0152 7181 9087 65		ALERT-FORWARD; Your item was forwarded to a different address at 1:46 pm on February 6, 2021		MARC@ENERGEXLLC.COM	BRILI LLC LISA LILLEY MARC LILLY AGENTS	19008 N 98TH WAY	SCOTTSDA	Arizona	US	85255
9414 8149 0152 7181 9087 72	Delivered				C MARK WHEELER A MARRIED MAN	PO BOX 248	ROUND ROCK	Texas	US	78680
9414 8149 0152 7181 9087 89	Delivered				CENTENNIAL LLC	PO BOX 1837	ROSWEILL	New Mexico	US	88202-1837
9414 8149 0152 7181 9087 96	Delivered				CHISOS MINERALS LLC	1111 BAGBY ST STE 2150	HOUSTON	Texas	US	77002
9414 8149 0152 7181 9088 02	Delivered				COLLINS PERMIAN LP	3824 CEDAR SPRINGS RD #414	DALLAS	Texas	US	75219
9414 8149 0152 7181 9088 19	Delivered				CORNERSTONE FAMILY TRUST JOHN KYLE THOMA SUCC TTEE	PO BOX 558	PEYTON	Colorado	US	80831
9414 8149 0152 7181 9088 26	Delivered				CROWNROCK MINERALS LP	PO BOX 51933	MIDLAND	Texas	US	79710
9414 8149 0152 7181 9088 33	Delivered				CTH ROYALTIES LLC	PO BOX 52521	MIDLAND	Texas	US	79710
9414 8149 0152 7181 9088 40	Delivered				DRAGON CREEK MINERALS LLC	PO BOX 470857	FORT WORT	Texas	US	76147
9414 8149 0152 7181 9088 57	ALERT	resent fed ex 2/18/2021	9479-2335-7462; 3/8/2021 pending	NO EMAIL ON FILE	ENERGY ROYALTIES LLC AC TEXAS COMMUNITY BANK NA	3100 RICHMOND AVE STE 100	HOUSTON	Texas	US	77098
9414 8149 0152 7181 9088 64	Delivered				FFF INC	PO BOX 20129	SARASOTA	Florida	US	34276-3129
9414 8149 0152 7181 9088 71	Label Created, not yet in system	resent fed ex 2/18/2021	9479-2335-7473; Delivered 2/22/2021	JIM@GILMANLAWYERS.COM	FORTYNINER RIDGE LLC A NEW MEXICO LLC	12231 ACADEMY NE 301-257	ALBUQUER	New Mexico	US	87111
9414 8149 0152 7181 9088 88	Delivered				FRANK S MORGAN & ROBIN L MORGAN H&W	135 W COTTONWOOD RD	ARTESIA	New Mexico	US	88210
9414 8149 0152 7181 9088 95	Delivered				GEORGE G VAUGHT JR	PO BOX 13557	DENVER	Colorado	US	80201-3557
9414 8149 0152 7181 9089 01	Delivered				GROSS FAMILY LP DTD 11-1-93 DIANE COSTON AIF	PO BOX 358	ROSWELL	New Mexico	US	88202-0358
9414 8149 0152 7181 9089 18	Delivered				HUTCHINGS OIL COMPANY % CAVIN & INGRAM PA	PO BOX 1216	ALBUQUER	New Mexico	US	87103-1216
9414 8149 0152 7181 9089 25	Delivered				INNOVENTIONS INC	PO BOX 40	CEDAR CR	New Mexico	US	87008
9414 8149 0152 7181 9089 32	Delivered				JACK V WALKER REV TRUST UTA DTD MAY 21 1981 VALORIE FAYE	PO BOX 102256	ANCHORAGE	Alaska	US	99510-2256
9414 8149 0152 7181 9089 49	Delivered				JACKS PEAK LLC ROBERT K LEONARD	PO BOX 294928	KERRVILLE	Texas	US	78029
9414 8149 0152 7181 9089 56	Delivered				JAREED PARTNERS LTD A TEXAS LIMITED PARTNERSHIP	PO BOX 51451	MIDLAND	Texas	US	79710-1451
9414 8149 0152 7181 9089 63	Delivered				JTD RESOURCES LLC	PO BOX 3422	MIDLAND	Texas	US	79702-3422
9414 8149 0152 7181 9089 70	Delivered				JVD RESOURCES LLC	PO BOX 51908	MIDLAND	Texas	US	79710
9414 8149 0152 7181 9089 87	Delivered				KIMBELL ROYALTY HOLDINGS LLC % DUNCAN MANAGEMENT LLC	PO BOX 671099	DALLAS	Texas	US	75367-1099
9414 8149 0152 7181 9089 94	Delivered				KINGDOM INVESTMENTS LIMITED	2101 CEDAR SPRINGS RD STE 600	DALLAS	Texas	US	75201
9414 8149 0152 7181 9090 07	Delivered				LEONARD LEGACY ROYALTY LLC DAN M LEONARD	PO BOX 3422	MIDLAND	Texas	US	79702
9414 8149 0152 7181 9090 14	Delivered			lldurban76@gmail.com	LML PROPERTIES LLC LISA L DURBAN	PO BOX 3194	BOULDER	Colorado	US	80307
9414 8149 0152 7181 9090 21	Delivered				MAP 98A-OK PATRICK K SMITH AIF	PO BOX 268988	OKLAHOMA	Oklahoma	US	73126-8988
9414 8149 0152 7181 9090 38	Delivered				MAP98B-NET PATRICK K SMITH AIF	PO BOX 268984	OKLAHOMA	Oklahoma	US	73126-8984
9414 8149 0152 7181 9090 45	Delivered				MARK B MURPHY IRREV TRUST UTA 12-11-12 MARK B MURPHY T	PO BOX 2484	ROSWELL	New Mexico	US	88202
9414 8149 0152 7181 9090 52	Delivered				MCMULLEN MINERALS LLC	PO BOX 470857	FORT WORT	Texas	US	76147
9414 8149 0152 7181 9090 69	Delivered				MICHELLER SANDOVAL	974 MERGANSER LN	CARLSBAD	California	US	92011
9414 8149 0152 7181 9090 76	Label Created, not yet in system	resent fed ex 2/18/2021	9479-2335-7484; Delivered 2/22/2021	STMPETRO@GMAIL.COM	MITCHELL EXPLORATION INC	6212 HOMESTEAD BLVD	MIDLAND	Texas	US	79707
9414 8149 0152 7181 9090 83	Delivery Attempt: Action Needed; returned to sender		sent email 3/22/2021	FAHannifin@aol.com	MW OIL INVESTMENT COMPANY	PO BOX 350010	WESTMIN	Colorado	US	80035
9414 8149 0152 7181 9090 90	Delivered				NM ROYALTY LLC	PO BOX 51908	MIDLAND	Texas	US	79710
9414 8149 0152 7181 9091 06	Delivered				NORTON LLC	60 BEACH AVE BAY VIEW	S DARTMO	Massachus	US	02748
9414 8149 0152 7181 9091 13	Delivered				ONRR ROYALTY MANAGEMENT PROGRAM	PO BOX 25627	DENVER	Colorado	US	80225-0627
9414 8149 0152 7181 9091 20	Delivery Attempt: Action Needed		sent email 3/22/2021	PAUL@BARWISEXPL.COM	PAUL R BARWIS % DUTTON HARRIS & CO	PO BOX 230	MIDLAND	Texas	US	79702
9414 8149 0152 7181 9091 37	Delivered				PEGASUS RESOURCES LLC	PO BOX 470698	FORT WORT	Texas	US	76147
9414 8149 0152 7181 9091 44	Delivered				PEGASUS RESOURCES NM LLC	PO BOX 470698	FORT WORT	Texas	US	76147
9414 8149 0152 7181 9091 51	Delivered				PERMIAN BASIN INVESTMENT CORP % BANK OF THE SOUTHWEST	4010 CHAINHURST DR	RICHARDS	Texas	US	75082
9414 8149 0152 7181 9091 68	Delivery Attempt	resent certified mail 2/18/2021; delivered 3/2/2021	9414 8149 0152 7181 9124 41	LTALLERINE@GOLDKING.NET	RAVE ENERGY INC	PO BOX 3087	HOUSTON	Texas	US	77253-3087
9414 8149 0152 7181 9091 75	Delivered			LTALLERINE@GOLDKING.NET	RAVE ENERGY INC DBA GEP III	P O BOX 3087	HOUSTON	Texas	US	77253-3087
9414 8149 0152 7181 9091 82	Delivered				ROBERT C CHASE	PO BOX 257	ARTESIA	New Mexico	US	88211-0257
9414 8149 0152 7181 9091 99	Delivered				RUSK CAPITAL MANAGEMENT LLC	7600 W TIDWELL RD STE 800	HOUSTON	Texas	US	77040
9414 8149 0152 7181 9092 05	Delivered				S & E ROYALTY LLC LYLE GALLIVAN MANAGER	8470 W 4TH AVE	LAKEWOOD	Colorado	US	80226
9414 8149 0152 7181 9092 12	Delivered				SCOTT EXPLORATION INC	PO BOX 1834	ROSWELL	New Mexico	US	88202
9414 8149 0152 7181 9092 29	Delivered				SCOTT WINN LLC	PO BOX 1834	ROSWELL	New Mexico	US	88202-1834
9414 8149 0152 7181 9092 36	Delivery Attempt: Action Needed; returned to sender		sent email 3/22/2021	FAHANNIFIN@AOL.COM	SHAWN P HANNIFIN & FRANCES A HANNIFIN AS JOINT TENANTS	PO BOX 350010	WESTMIN	Colorado	US	80035
9414 8149 0152 7181 9092 43	Delivered				STATE OF NEW MEXICO COMMISSION OF PUBLIC LANDS	PO BOX 1148	SANTA FE	New Mexico	US	87504-1148
9414 8149 0152 7181 9092 50	Delivered				SUSAN S MURPHY MARITAL TRUST UTA 11-15-12 SUSAN S MURPHY	PO BOX 2484	ROSWELL	New Mexico	US	88202
9414 8149 0152 7181 9092 67	Delivered				TAURUS ROYALTY LLC % ROBERT B PAYNE JR	PO BOX 1477	LITTLE ELM	Texas	US	75068-1477
9414 8149 0152 7181 9092 74	Delivered				WALLACE FAMILY PARTNERSHIP LP	508 W WALL ST STE 1200	MIDLAND	Texas	US	79701
9414 8149 0152 7181 9092 81	Delivered				WBA RESOURCES LTD RICHARD MONTGOMERY PRESIDENT	PO BOX 50468	MIDLAND	Texas	US	79710-0568
9414 8149 0152 7181 9092 98	Delivered				WORALL INVESTMENT CO	PO BOX 1834	ROSWELL	New Mexico	US	88202-1834

HOBBS OCD

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 Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

APR 29 2016

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025 43196		2 Pool Code 97933		3 Pool Name WC-025 G-07 S233204D; Bone Spring	
4 Property Code 3/16/63		5 Property Name BIG CAT 16-9 STATE FED COM			6 Well Number 1H
7 OGRID No. 6137		8 Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			9 Elevation 3670.9

10 Surface Location

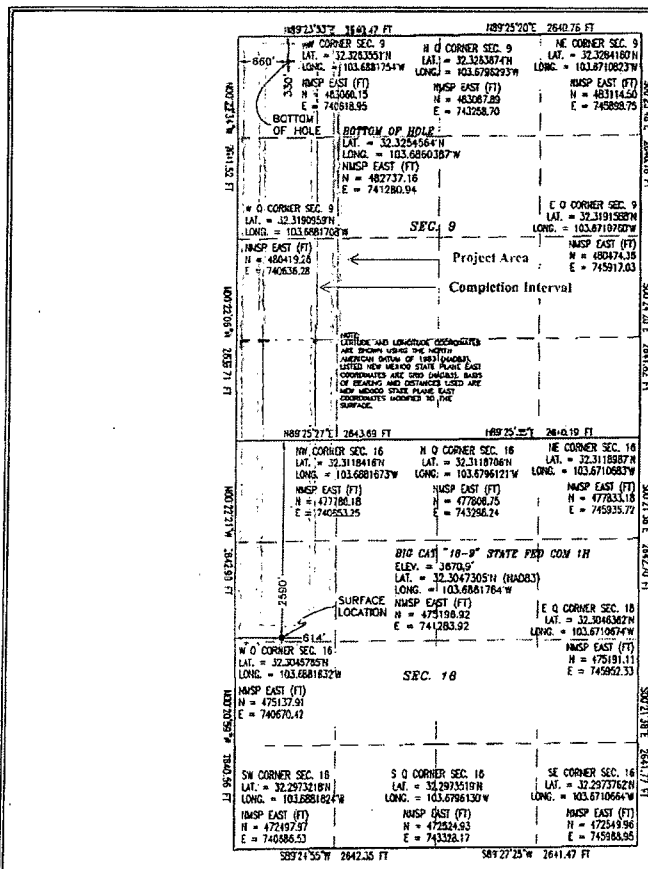
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	23 S	32 E		2590	NORTH	614	WEST	LEA

11 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
D	9	23 S	32 E		330	NORTH	660	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
240 ac			

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.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Trina C. Couch 3/3/15
Signature Date

Trina C. Couch, Regulatory Analyst

Printed Name

trina.couch@dmv.com

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

[Signature]
JANUARY 29 2016 NEW MEXICO
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor

Certificate Number: J. LIMON F. JARAMILLO, PLS 12797

SURVEY NO. 3639

PM

MAY 03 2016

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
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
HOBBS OCD
OIL CONSERVATION DIVISION
1220 South St. Francis Dr. JAN 09 2020
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45727		² Pool Code 97933		³ Pool Name WC-025 G-07 S233204D; BONE SPRING	
⁴ Property Code 316163		⁵ Property Name BIG CAT 16-9 STATE FED COM			⁶ Well Number 215H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3688.9

¹⁰ Surface Location

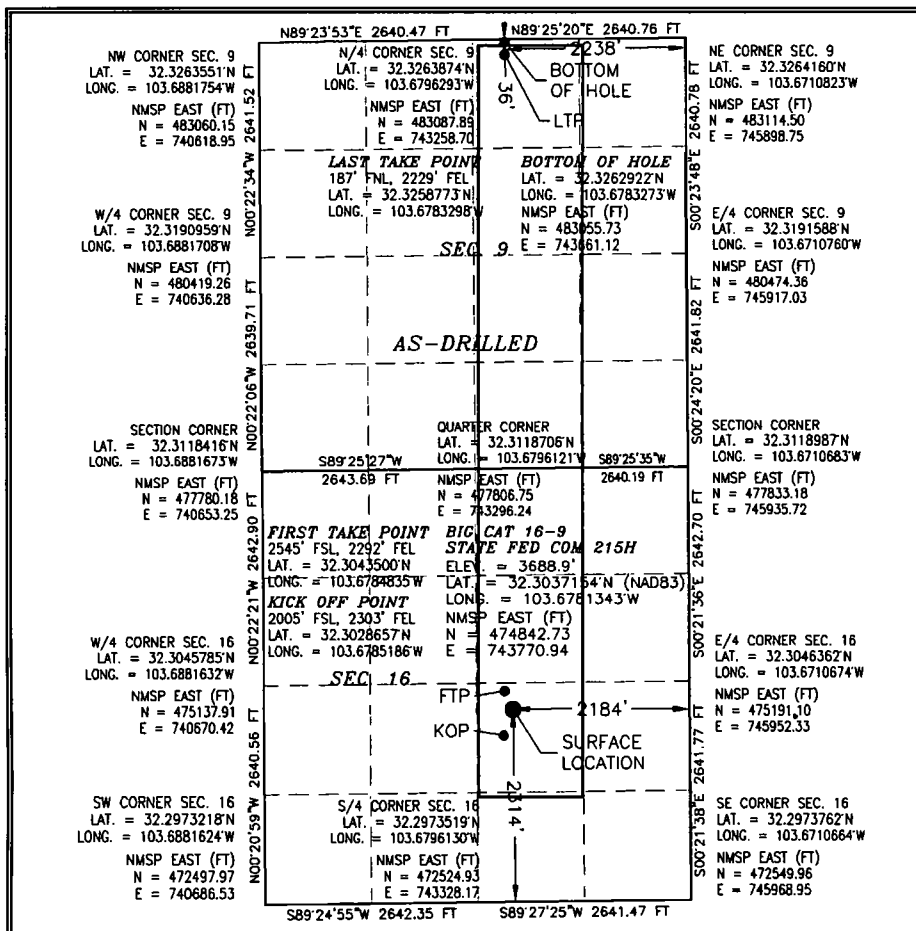
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	16	23 S	32 E		2314	SOUTH	2184	EAST	LEA

¹¹ 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
B	9	23 S	32 E		36	NORTH	2238	EAST	LEA

¹² Dedicated Acres 280	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.



¹⁶ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Jenny Harms 1-6-2020
Signature Date
JENNY HARMS
Printed Name
JENNY.HARMS@DVN.COM
E-mail Address

¹⁷ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
MARCH 22, 2019
Date of Survey
FILIMON F. JARAMILA
Signature and Seal of Professional Surveyor
Certificate Number FILIMON F. JARAMILA 12797
SURVEY NO. 5800B

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APR MAY 30 2019

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
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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 APR 26 2019
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION DISTRICT II-ARTESIA O.C.D.
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Submit one copy to appropriate
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-025-45201), Pool Code (97933), Pool Name (WC-025- G-07 S233204D; BONE SPRING), Property Code (316163), Property Name (BIG CAT 16-9 STATE FED COM), Well Number (217H), OGRID No. (6137), Operator Name (DEVON ENERGY PRODUCTION COMPANY, L.P.), Elevation (3694.5)

Surface Location

Table with 10 columns: UL or lot no. (I), Section (16), Township (23 S), Range (32 E), Lot Idn, Feet from the (2314), North/South line (SOUTH), Feet from the (1114), East/West line (EAST), County (LEA)

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (A), Section (9), Township (23 S), Range (32 E), Lot Idn, Feet from the (47), North/South line (NORTH), Feet from the (902), East/West line (EAST), County (LEA)

Table with 4 columns: Dedicated Acres (240), Joint or Infill, Consolidation Code, Order 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.

Operator Certification (Jenny Harms, 4-24-2019), Surveyor Certification (MARCH 14, 2019, JILMON F. JARAMILLO), and a detailed survey plat showing well location, surface location, and various corner points with coordinates.

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

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WELL LOCATION AND ACREAGE DEDICATION

¹ API Number 30-025-45069	² Pool Code 53805	³ Pool Name SAND DUNES; BONE SPRING, SOUTH
⁴ Property Code 322147	⁵ Property Name FLUFFY CAT 16-21 STATE FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 212H ⁹ Elevation 3673.3

¹⁰ Surface Location

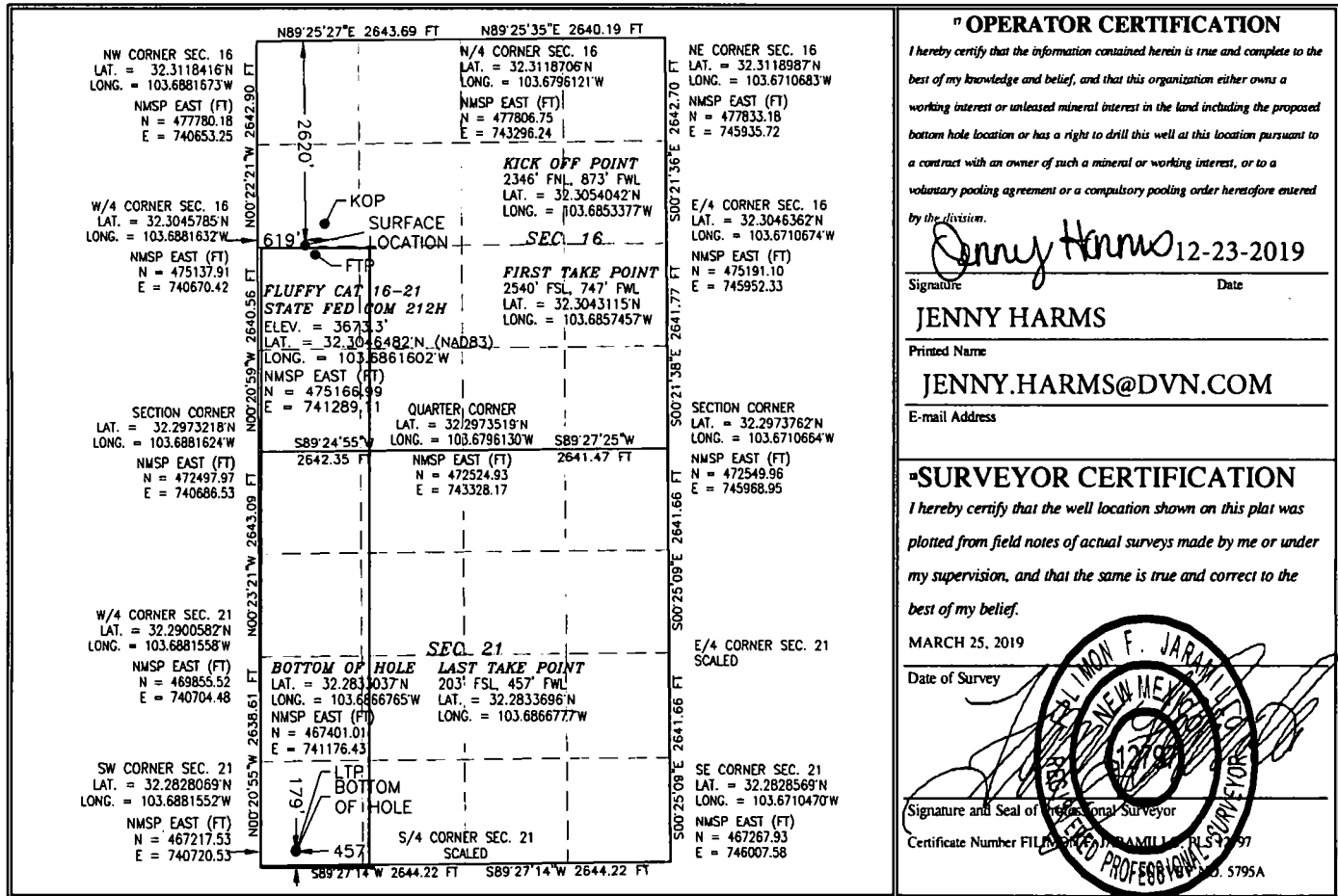
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	23 S	32 E		2620	NORTH	619	WEST	LEA

¹¹ 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
M	21	23 S	32 E		179	SOUTH	457	WEST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Jenny Harms* Date: 12-23-2019

Printed Name: JENNY HARMS

E-mail Address: JENNY.HARMS@DVN.COM

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 25, 2019

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number FLS 51278

Professional Surveyor J. S795A

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45729		² Pool Code 53805		³ Pool Name SAND DUNES; BONE SPRING, SOUTH	
⁴ Property Code 322147		⁵ Property Name FLUFFY CAT 16-21 STATE FED COM			⁶ Well Number 214H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3680.5

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	16	23 S	32 E		2526	SOUTH	2101	WEST	LEA

¹¹ 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
N	21	23 S	32 E		22	SOUTH	1724	WEST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

The diagram shows a well location in Section 16, Township 23 S, Range 32 E. The well is located 2101 feet from the south line and 2526 feet from the west line. The bottom hole location is in Section 21, Township 23 S, Range 32 E, located 1724 feet from the south line and 22 feet from the west line. The diagram includes coordinates for various corners and points, such as the Kick Off Point (2290' FNL, 1874' FWL) and First Take Point (2055' FSL, 1793' FWL). It also shows the location of the well relative to the surface and bottom hole locations.

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jenny Harms 1-9-2020
Signature Date

JENNY HARMS
Printed Name
JENNY.HARMS@DVN.COM
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 25, 2019
Date of Survey

Filimon F. Jaramila
Signature and Seal of Registered Professional Surveyor
Certificate Number FILIMON F. JARAMILA 12797
SURVEY NO. 5799C

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

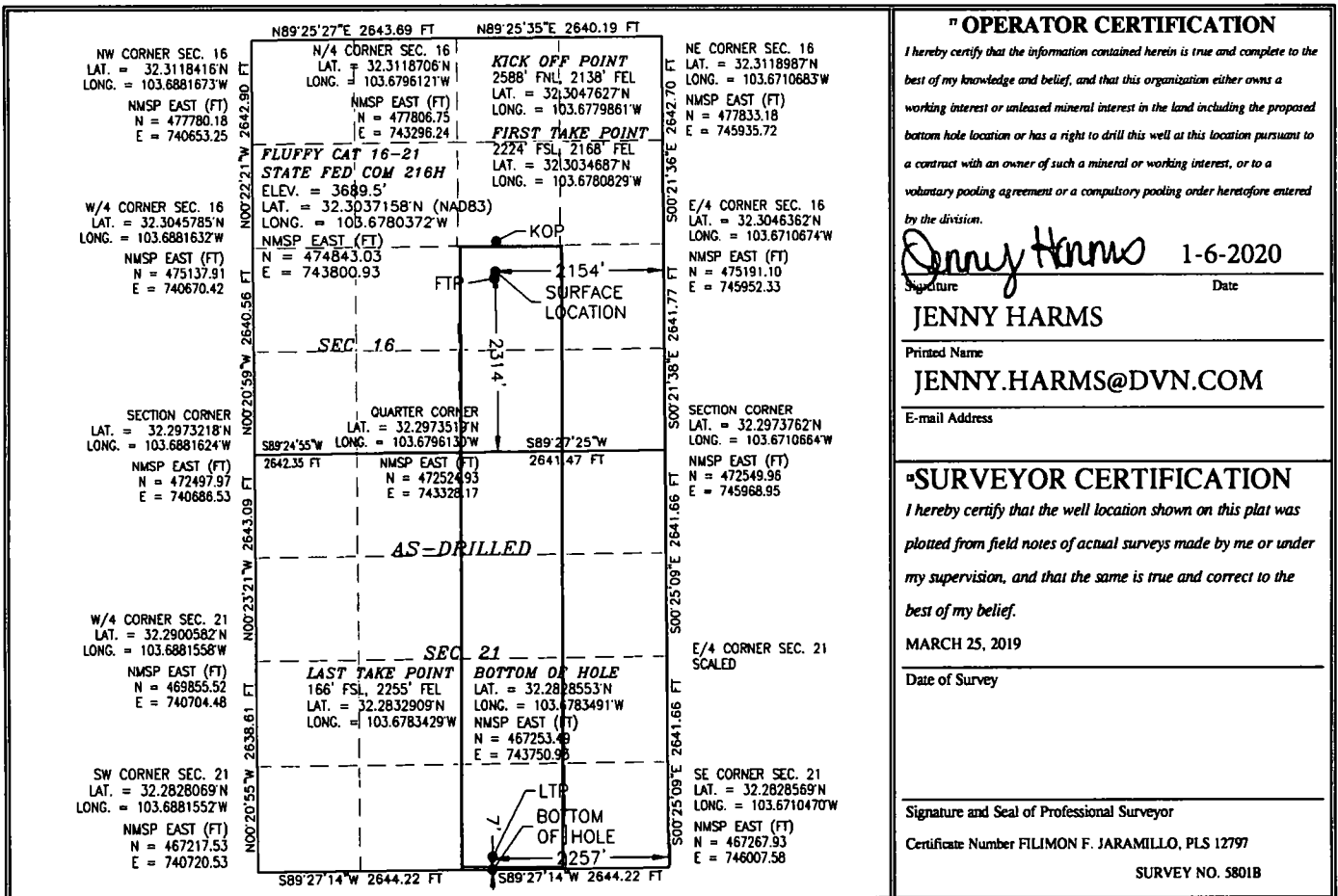
¹ API Number 30-025-4506- 15128 15128		² Pool Code 53805	³ Pool Name SAND DUNES; BONE SPRING, SOUTH
⁴ Property Code 322147	⁵ Property Name FLUFFY CAT 16-21 STATE FED COM		⁶ Well Number 216H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3689.5

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	16	23 S	32 E		2314	SOUTH	2154	EAST	LEA

¹¹ 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
O	21	23 S	32 E		7	SOUTH	2257	EAST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.



" OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Jenny Harms 1-6-2020
Signature Date
JENNY HARMS
Printed Name
JENNY.HARMS@DVN.COM
E-mail Address

"SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
MARCH 25, 2019
Date of Survey
Signature and Seal of Professional Surveyor
Certificate Number FILIMON F. JARAMILLO, PLS 12797
SURVEY NO. 5801B

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-44979	² Pool Code 53805	³ Pool Name Sand Dunes; Bone Spring, SOUTH
⁴ Property Code 322147	⁵ Property Name FLUFFY CAT 16-21 STATE FED COM	
⁷ OGRID No. 6137	⁶ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁸ Well Number 218H
		⁹ Elevation 3694.6

¹⁰ Surface Location

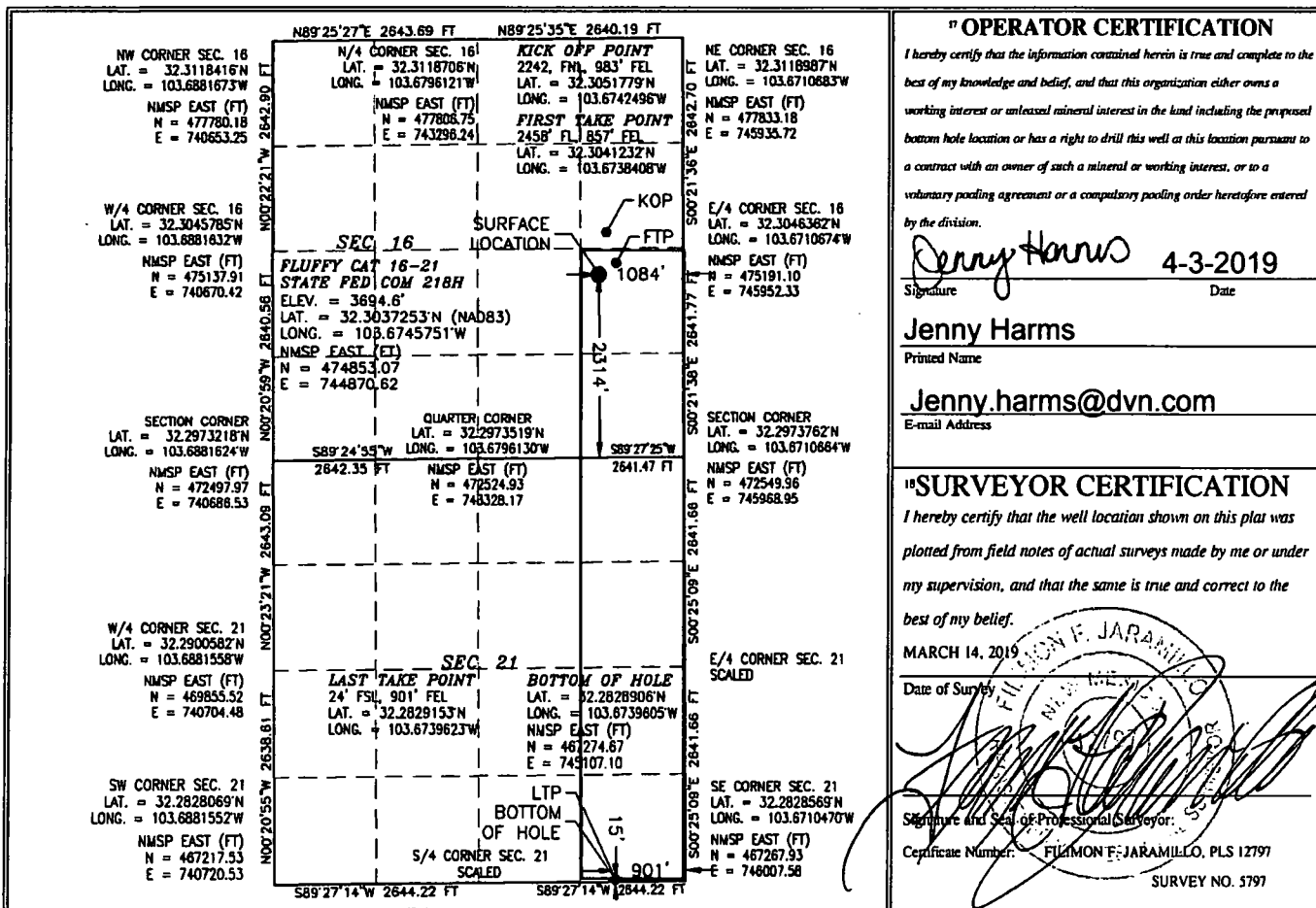
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	16	23 S	32 E		2314	SOUTH	1084	EAST	LEA

¹¹ 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	9	23 S	32 E		15	SOUTH	901	EAST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.





United States Department of the Interior



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

In Reply Refer To:
NMNM142483
3105.2 (9250)

SEP 28 2020

Reference:
Communitization Agreement
Big Cat 16-9 Fed Com #215H
Section 9: W2E2;
Section 16: W2NE, NWSE.
T. 23 S., R. 32 E., N.M.P.M.
Lea County, New Mexico

Devon Energy Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM142483 involving 160 acres of Federal land in lease NMNM098192, and 120 acres of state land in Lea County, New Mexico, which comprise a 280-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2E2 of Sec. 9, and W2NE, NWSE of Sec. 16, T. 23 S., R. 32 E., NMPM, Lea County, New Mexico, and is effective April 1, 2019. 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 Lauren Leib at 505-954-2234 or email lleib@blm.gov.

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

Sincerely,

**KYLE
PARADIS**

Digitally signed by KYLE
PARADIS
Date: 2020.09.28
13:49:20 -06'00'

Kyle Paradis
Acting Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure

1 – Communitization Agreement

cc:

Office of Natural Resources Revenue

Via – leases.blm@onrr.gov

New Mexico Oil Conservation Division

Via – leonard.lowe@state.nm.us

New Mexico Taxation & Revenue Processing Division

P.O. Box 2308

Santa Fe, NM 87504

Commissioner of Public Lands

New Mexico State Land Office

P.O. Box 1148

Santa Fe, NM 87504-1148

NM92200, J. Serrano

NMP0220, Carlsbad Field Office File Room

NM9250, Case 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. 9, and W2NE, NWSE of Sec. 16, 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.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM) Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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 28 2020**

Digitally signed
by KYLE PARADIS
Date: 2020.09.28
13:49:57 -06'00'

Kyle Paradis
Acting Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: April 1, 2019
Contract No.: Com. Agr. NMNM 142483

AUG 24 2020

BLM, NMSO
SANTA FE**Federal Communitization Agreement**Contract No. NMNM142483

THIS AGREEMENT entered into as of the 1st day of April, 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:

Township 23 South, Range 32 East, N.M.P.M
W/2 NE/4, NW/4 SE/4 of Section 16
W/2 E/2 of Section 9
Lea County, New Mexico

Containing 280.00 acres, and this agreement shall include only the Bone Spring 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 Devon Energy Company, L.P., 333 W Sheridan Avenue, Oklahoma City, OK 73102. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 April 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 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 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. Nondiscrimination. 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.

Devon Energy Production Company, L.P.

Operator

By: Catherine Sebbeck
Operator/Attorney-in-Fact *CS* *KD*

4-29-19

Date

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

On this 29th day of April, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



7-24-2021
My Commission Expires

Courtney Thomas
Notary Public

EXHIBIT "A"

To Communitization Agreement dated April 1, 2019, covering 280.00 acres in W/2 NE/4, NW/4 SE/4, of Section 16 and W/2 E/2 of Section 9, Township 23 South, Range 32 East, N.M.P.M, Lea County, New Mexico

Big Cat 16-9 State Fed Com 215H

SHL 2,314' FSL, 2,184' FEL, Sec 16-23S-32E

BHL 20' FNL, 2,240' FEL, Sec 9-23S-32E

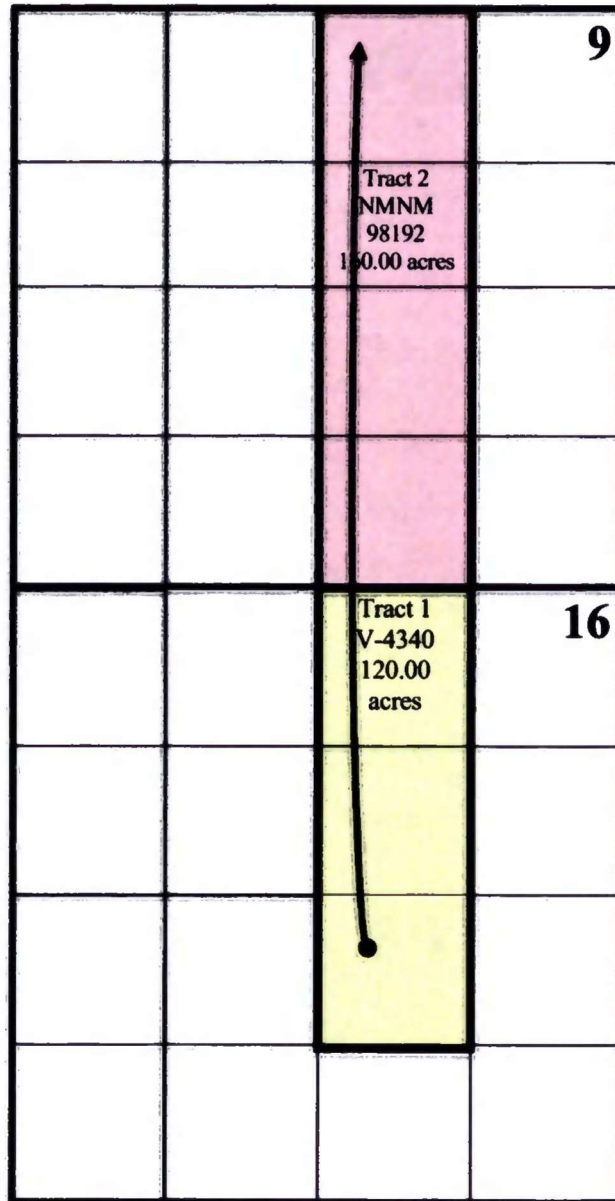


EXHIBIT "B"

To Communitization Agreement dated April 1, 2019, embracing the following described land in W/2 NE/4, NW/4 SE/4 of Section 16 and W/2 E/2 of Section 9, 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 Number: ST of NM V0-4340-004
Pooling Authority: Yes
Description of Land Committed: W/2 NE/4, NW/4 SE/4 of Section 16, Township 23 South, Range 32 East, N.M.P.M Lea County, New Mexico
Number of Acres: 120.00
Record Title Owner – Lessee: Devon Energy Production Company, L.P
Name and Percent ORRI Owners: ORRI Owners of Record
Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

Tract No. 2

Lease Serial Number: NMNM 98192
Description of Land Committed: W/2 E/2 of Section 9, Township 23 South, Range 32 East, N.M.P.M Lea County, New Mexico
Number of Acres: 160.00
Record Title Owner – Lessee: Devon Energy Production Company, L.P
Name and Percent ORRI Owners: ORRI Owners of Record
Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

TRACT No.	No. of Acres Committed	Percentage of Interest in Communitized Area
Tract No. 1	120.00	42.8571%
Tract No. 2	160.00	57.1429%
Total	280.00	100.0000%



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:

NMNM 140122
3105.2 (9250)

Reference:

Communitization Agreement
Fluffy Cat 16-21 State Fed Com #216H
Section 16: W2SE
Section 21: W2E2
T. 23 S., R. 32 E., N.M.P.M.
Lea County, NM

JUL 10 2020

Devon Energy Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM 140122 involving 160 acres of Federal land in lease NMNM 86153, and 80 acres of state land in Lea County, New Mexico, which comprise a 240-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2SE of Sec. 16, and W2E2 of Sec. 21, T. 23 S., R. 32 E., NMPM, Lea County, New Mexico, and is effective April 1, 2019. 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.

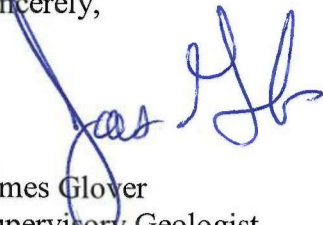
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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 Lauren Leib at 505-954-2234 or email lleib@blm.gov.

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

Sincerely,



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure

1 – Communitization Agreement

cc:

Office of Natural Resources Revenue
Via – leases.blm@onrr.gov

New Mexico Oil Conservation Division
Via – leonard.lowe@state.nm.us

New Mexico Taxation & Revenue Processing Division
P.O. Box 2308
Santa Fe, NM 87504

Commissioner of Public Lands
New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148

NM92200, J. Serrano
NMP0220, Carlsbad Field Office File Room
NM9250, Case 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 W2SE of Sec. 16, and W2E2 of Sec. 21, 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.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM) Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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: JUL 10 2020



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: April, 1 2019
Contract No.: Com. Agr. NMNM 140122

RECEIVED

MAY 09 2019

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. NMNM 140122

THIS AGREEMENT entered into as of the 1st day of April 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:

Township 23S, Range 32E
W2SE of Section 16
W2E2 of Section 21
Lea County, New Mexico

Containing 240.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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 Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK, 73102. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 April 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 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 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. Nondiscrimination. 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.

Devon Energy Production Company, L.P.

Operator

By: Catherine Leback
Operator/Attorney-in-Fact *RL RD*

4-29-19
Date

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

On this 29th day of April, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



7-24-2021
My Commission Expires

Courtney Thomas
Notary Public

EXHIBIT "A"

Plat of communitized area covering 240.00 acres in W2SE of Section 16, & W2E2 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

Fluffy Cat 16-21 State Fed Com 216H

SHL 2,314' FSL, 2,154' FEL, Sec 16-23S-32E

BHL 20' FSL, 2,240' FEL, Sec 21-23S-32E

			16
		Tract 1 V0-4340 80.00 acres	
			21
		Tract 2 NMNM 86153 160.00 acres	

EXHIBIT "B"

To Communitization Agreement Dated April 1, 2019 embracing the following described land in W2SE of Section 16 & W2E2 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	ST OF NM V0-4340
Pooling Authority:	Yes
Description of Land Committed:	W2SE of Section 16, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico
Number of Acres:	80.00
Record Title Owner – Lessee:	Devon Energy Production Company, L.P.
Name and Percent ORRI Owners:	ORRI Owners of Record
Name of Working Interest Owners:	Devon Energy Production Co., LP

Tract No. 2

Lease Serial Number:	NMNM 86153
Description of Land Committed:	W2E2 of Section 21, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico
Number of Acres:	160.00
Record Title Owner – Lessee:	Devon Energy Production Co., LP
Name and Percent ORRI Owners:	ORRI Owners of Record
Name of Working Interest Owners:	Devon Energy Production Co., LP

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	33.3333%
2	<u>160.00</u>	<u>66.6666%</u> 7
Total	240.00	100.0000%



Commissioner

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Kelly Niemyer
Devon Energy Production Company, LP
333 W. Sheridan Avenue
Oklahoma City, OK 73102

February 18th, 2020

Re: Communitization Agreement Approval
Fluffy cat 16-21 State Fed Com #216H
Vertical Extent: Bone Spring
Township: 23 South, Range 32 East, NMPM
Sect 21: W2E2
Sect 16: W2SE4
Lea County, New Mexico

Dear Ms Niemyer,

The Commissioner of Public Lands has this date approved the Fluffy cat 16-21 State Fed Com #216H Communitization Agreement for the Bone Spring formation effective 4/1/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,


Stephanie Garcia Richard
COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

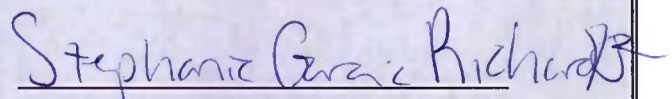
Devon Energy Production Company, LP
Fluffy cat 16-21 State Fed Com #216H
Vertical Extent: Bone Spring
Township: 23 South, Range: 32 East, NMPM
Section 21: W2E2
Section 16: W2SE4
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th Day of February, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

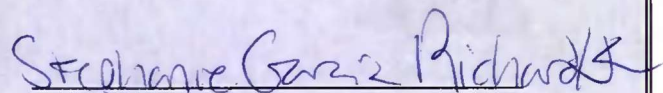
Devon Energy Production Company, LP
Fluffy cat 16-21 State Fed Com #216H
Vertical Extent: Bone Spring
Township: 23 South, Range: 32 East, NMPM
Section 21: W2E2
Section 16: W2SE4
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th Day of February, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

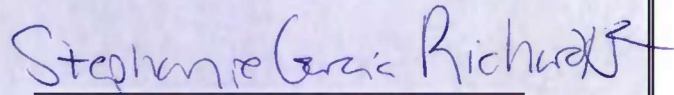
Devon Energy Production Company, LP
Fluffy cat 16-21 State Fed Com #216H
Vertical Extent: Bone Spring
Township: 23 South, Range: 32 East, NMPM
Section 21: W2E2
Section 16: W2SE4
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th Day of February, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land 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 the 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:

Subdivisions W2 SE/4 of Section 16 & W/2 E/2 of Section 21

Sect 16 & 21, T 23S, R 32E, NMPM Lea County NM

containing 240.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

underlying said lands and the Oil and Gas (hereinafter

referred to as "communitized substances") producible from such formation.

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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is April Month 1st Day, 2019 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
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 interest 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 lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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.

Operator Devon Energy Production Co., L.P. Lessees of Record Devon Energy Production Co., L.P.
 By Catherine Lebsack
Print name of person
 Catherine Lebsack, Vice President SD
Type of authority RD

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of OKLAHOMA)
County of OKLAHOMA) SS)

This instrument was acknowledged before me on April 29, 2019
DATE

By Catherine Lebsack
Name(s) of Person(s)



Courtney Thomas
Signature of Notarial Officer

My commission expires: 7-24-2021

Acknowledgment in a Representative Capacity

State of _____)
County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

as _____ of _____
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

EXHIBIT A

To Communitization Agreement dated April 1st, 2019

Plat of communitized area covering the:

Subdivisions W/2 SE/4 of Section 16 & W/2 E/2 of Section 21

of Sect. 16 & 21, T 23S, R 32E, NMPM, Lea County, NM.

			16
		Tract 1 V0-4340 80.00 acres	
			21
		Tract 2 NMNM 86153 160.00 acres	

EXHIBIT B

To Communitization Agreement dated April 1st 20 19, embracing the
Subdivisions W/2 SE/4 of Section 16 & W/2 E/2 of Section 21
of Section 16 & 21, T 23S, R 32E, N.M.P.M., Lea County, NM

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

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.: ST of NM V0-4340-004
Lease Date: 4/1/1994
Lease Term: 5 years
Lessor: State of New Mexico
Original Lessee: Strata Production Company
Present Lessee: Devon Energy Production Co. LP
Description of Land Committed: Subdivisions E/2 SW/4,
Sect 16, Twp 23S, Rng 32E, NMPM, Lea County, NM
Number of Acres: 80.00
Royalty Rate: 16.66%
Name and Percent ORRI Owners: Of Record
Name and Percent WI Owners: Devon Energy Production Co., LP - 100%

TRACT NO. 2

Lease Serial No.: NMNM 86153
Lease Date: 4/1/1991
Lease Term: 10 years
Lessor: United States of America
Original Lessee: Santa Fe Energy Operating Partners, LP
Present Lessee: Devon Energy Production Co., LP
Description of Land Committed: Subdivisions W/2 E/2,
Sect 21, Twp 23S, Rng 32E, NMPM, Lea County, NM
Number of Acres: 160.00
Royalty Rate: 12.5%
Name and Percent ORRI Owners: Of Record
Name and Percent WI Owners: Devon Energy Production Co., LP - 100%

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No.1	<u>80.00</u>	<u>33.3333</u>
Tract No.2	<u>160.00</u>	<u>66.6667</u>
Tract No.3	<u> </u>	<u> </u>
Tract No.4	<u> </u>	<u> </u>

PROPERTY MAIL

heposse

03/16/2020

US POSTAGE \$009.90



ZIP 87504
04111220337

New Mexico State Land Office
Oil, Gas & Minerals Division
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-0728



Devon Energy Prod.
333 W. Sheridan Ave
Oklahoma City, OK 73102

Attn: Kelly Niemyer





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:
NMNM 140121
3105.2 (9250)

JUL 10 2020

Reference:
Communitization Agreement
Fluffy Cat 16-21 State Fed Com #214H
Section 16: E2SW
Section 21: E2W2
T. 23 S., R. 32 E., N.M.P.M.
Lea County, NM

Devon Energy Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM 140121 involving 160 acres of Federal land in lease NMNM 86153, and 80 acres of state land in Lea County, New Mexico, which comprise a 240-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2SW of Sec. 16, and E2W2 of Sec. 21, T. 23 S., R. 32 E., NMPM, Lea County, New Mexico, and is effective April 1, 2019. 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.

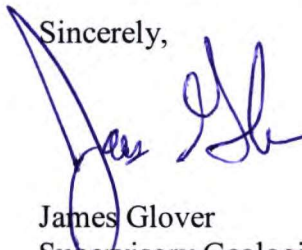
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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 Lauren Leib at 505-954-2234 or email lleib@blm.gov.

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

Sincerely,



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure

1 – Communitization Agreement

cc:

Office of Natural Resources Revenue

Via – leases.blm@onrr.gov

New Mexico Oil Conservation Division

Via – leonard.lowe@state.nm.us

New Mexico Taxation & Revenue Processing Division

P.O. Box 2308

Santa Fe, NM 87504

Commissioner of Public Lands

New Mexico State Land Office

P.O. Box 1148

Santa Fe, NM 87504-1148

NM92200, J. Serrano

NMP0220, Carlsbad Field Office File Room

NM9250, Case 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 E2SW of Sec. 16, and E2W2 of Sec. 21, 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.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM) Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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: JUL 10 2020



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: April, 1 2019
Contract No.: Com. Agr. NMNM 140121

RECEIVED

MAY 09 2019

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. NMNM140121

THIS AGREEMENT entered into as of the 1st day of April 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:

Township 23S, Range 32E

E2SW of Section 16

E2W2 of Section 21

Lea County, New Mexico

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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 Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK, 73102. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 April 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 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 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. Nondiscrimination. 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.

Devon Energy Production Company, L.P.

Operator

By: Catherine Lebsack
Operator/Attorney-in-Fact *SL 20*

4-29-19

Date

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

On this 29th day of April, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



7-24-2021
My Commission Expires

Courtney Thomas
Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of **Devon Energy Production Company, L.P.**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

4-29-19
Date

By: Catherine Lebsack
Name: Catherine Lebsack *sl*
Title: Vice President *RD*

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

On this 29th day of April, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



7-24-2021
My Commission Expires

Courtney Thoms
Notary Public

EXHIBIT "A"

Plat of communitized area covering **240.00** acres in E2SW of Section 16, & E2W2 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

Fluffy Cat 16-21 State Fed Com 214H

SHL 2,526' FSL, 2,101' FWL, Sec 16-23S-32E

BHL 20' FSL, 1,720' FWL, Sec 21-23S-32E

			16
	Tract 1 V0-4340 80.00 acres		
			21
	Tract 2 NMNM 86153 160.00 acres		

EXHIBIT "B"

To Communitization Agreement Dated April 1, 2019 embracing the following described land in E2SW of Section 16 & E2W2 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	ST OF NM V0-4340
Pooling Authority:	Yes
Description of Land Committed:	E2SW of Section 16, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico
Number of Acres:	80.00
Record Title Owner – Lessee:	Devon Energy Production Company, L.P.
Name and Percent ORRI Owners:	ORRI Owners of Record
Name of Working Interest Owners:	Devon Energy Production Co., LP

Tract No. 2

Lease Serial Number:	NMNM 86153
Description of Land Committed:	E2W2 of Section 21, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico
Number of Acres:	160.00
Record Title Owner – Lessee:	Devon Energy Production Co., LP
Name and Percent ORRI Owners:	ORRI Owners of Record
Name of Working Interest Owners:	Devon Energy Production Co., LP

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	33.3333%
2	<u>160.00</u>	<u>66.6666%</u> 7
Total	240.00	100.0000%

RECEIVED

Federal Communitization Agreement

MAY 09 2019

Contract No. NMNM 140121

BLM, NMSO
SANTA FE

THIS AGREEMENT entered into as of the 1st day of April 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:

Township 23S, Range 32E
E2SW of Section 16
E2W2 of Section 21
Lea County, New Mexico

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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 Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK, 73102. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 April 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 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 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. Nondiscrimination. 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.

Devon Energy Production Company, L.P.

Operator

By: Catherine Lebsack
Operator/Attorney-in-Fact *sl 20*

4-29-19

Date

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

On this 29th day of April, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



7-24-2021
My Commission Expires

Courtney Thomas
Notary Public

EXHIBIT "A"

Plat of communitized area covering **240.00** acres in E2SW of Section 16, & E2W2 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

Fluffy Cat 16-21 State Fed Com 214H

SHL 2,526' FSL, 2,101' FWL, Sec 16-23S-32E

BHL 20' FSL, 1,720' FWL, Sec 21-23S-32E

			16
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			21
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Lease Serial Number:	ST OF NM V0-4340
Pooling Authority:	Yes
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Number of Acres:	80.00
Record Title Owner – Lessee:	Devon Energy Production Company, L.P.
Name and Percent ORRI Owners:	ORRI Owners of Record
Name of Working Interest Owners:	Devon Energy Production Co., LP

Tract No. 2

Lease Serial Number:	NMNM 86153
Description of Land Committed:	E2W2 of Section 21, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico
Number of Acres:	160.00
Record Title Owner – Lessee:	Devon Energy Production Co., LP
Name and Percent ORRI Owners:	ORRI Owners of Record
Name of Working Interest Owners:	Devon Energy Production Co., LP

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	33.3333%
2	<u>160.00</u>	<u>66.6666%</u> 7
Total	240.00	100.0000%



Commissioner

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Kelly Niemyer
Devon Energy Production Company, LP
333 W. Sheridan Avenue
Oklahoma City, OK 73102

February 18th, 2020

Re: Communitization Agreement Approval
Fluffy cat 16-21 State Fed Com #214H
Vertical Extent: Bone Spring
Township: 23 South, Range 32 East, NMPM
Sect 21: E2W2
Sect 16: E2SW4
Lea County, New Mexico

Dear Ms Niemyer,

The Commissioner of Public Lands has this date approved the Fluffy cat 16-21 State Fed Com #214H Communitization Agreement for the Bone Spring formation effective 4/1/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,


Stephanie Garcia Richard
COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

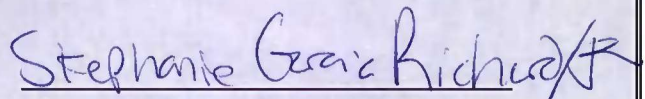
Devon Energy Production Company, LP
Fluffy cat 16-21 State Fed Com #214H
Vertical Extent: Bone Spring
Township: 23 South, Range: 32 East, NMPM
Section 21: E2W2
Section 16: E2SW4
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th Day of February, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

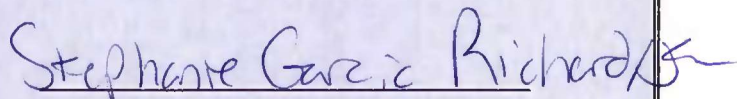
Devon Energy Production Company, LP
Fluffy cat 16-21 State Fed Com #214H
Vertical Extent: Bone Spring
Township: 23 South, Range: 32 East, NMPM
Section 21: E2W2
Section 16: E2SW4
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th Day of February, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

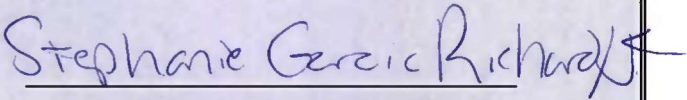
Devon Energy Production Company, LP
Fluffy cat 16-21 State Fed Com #214H
Vertical Extent: Bone Spring
Township: 23 South, Range: 32 East, NMPM
Section 21: E2W2
Section 16: E2SW4
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th Day of February, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land 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 the 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:

Subdivisions E/2 SW/4 of Section 16 & E/2 W/2 of Section 21,

Sect 16 & 21, T 23S, R 32E, NMPM Lea County NM

containing 240.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

underlying said lands and the Oil and Gas (hereinafter

referred to as "communitized substances") producible from such formation.

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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is April Month 1st Day, 2019 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
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 interest 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 lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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.
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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.

Operator Devon Energy Production Co., L.P. Lessees of Record Devon Energy Production Co., L.P.
 By Catherine Lebsack
Print name of person
 Catherine Lebsack, Vice President
Type of authority *scp*

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of OKLAHOMA)

County of OKLAHOMA) SS)

This instrument was acknowledged before me on April 29, 2019
DATE

By Catherine Lebsack
Name(s) of Person(s)



Courtney Thomas
Signature of Notarial Officer

My commission expires: 7-24-2021

Acknowledgment in a Representative Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

EXHIBIT A

To Communitization Agreement dated April 1st, 2019

Plat of communitized area covering the:

Subdivisions E/2 SW/4 of Section 16 & E/2 W/2 of Section 21
of Sect. 16 & 21, T 23S, R 32E, NMPM, Lea County, NM.

			16
	Tract 1 V0-4340 80.00 acres		
			21
	Tract 2 NMNM 86153 160.00 acres		

EXHIBIT B

To Communitization Agreement dated April 1st 2019, embracing the
Subdivisions E/2 SW/4 of Section 16 & E/2 W/2 of Section 21
of Section 16 & 21, T 23S, R 32E, N.M.P.M., Lea County, NM

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

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.: ST of NM V0-4340-004
Lease Date: 4/1/1994
Lease Term: 5 years
Lessor: State of New Mexico
Original Lessee: Strata Production Company
Present Lessee: Devon Energy Production Co. LP
Description of Land Committed: Subdivisions E/2 SW/4,
Sect 16, Twp 23S, Rng 32E, NMPM, Lea County, NM
Number of Acres: 80.00
Royalty Rate: 16.66%
Name and Percent ORRI Owners: Of Record
Name and Percent WI Owners: Devon Energy Production Co., LP - 100%

TRACT NO. 2

Lease Serial No.: NMNM 86153
Lease Date: 4/1/1991
Lease Term: 10 years
Lessor: United States of America
Original Lessee: Santa Fe Energy Operating Partners, LP
Present Lessee: Devon Energy Production Co., LP
Description of Land Committed: Subdivisions E/2 W/2,
Sect 21, Twp 23S, Rng 32E, NMPM, Lea County, NM
Number of Acres: 160.00
Royalty Rate: 12.5%
Name and Percent ORRI Owners: Of Record
Name and Percent WI Owners: Devon Energy Production Co., LP - 100%

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No.1	<u>80.00</u>	<u>33.3333</u>
Tract No.2	<u>160.00</u>	<u>66.6667</u>
Tract No.3	<u> </u>	<u> </u>
Tract No.4	<u> </u>	<u> </u>

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New Mexico State Land Office
Oil, Gas & Minerals Division
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-0728



Devon Energy Prod.
333 W. Sheridan Ave
Oklahoma City, OK 73102

Attn: Kelly Niemyer

