



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>

MAR 17 2021

In Reply Refer To:
NMNM141300
3105.2 (NM920)

Reference:
Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H, 10H
Section 20: S/2
Section 29: ALL
Section 32: ALL
T. 26 S., R. 34 E., N.M.P.M.
Lea County, NM

Devon Energy Production Company, L.P.
c/o Bill Irvin Land Services, LLC
Attn: Rhonda Thompson
P.O. Box 721925
Oklahoma City, OK 73172

Ms. Thompson:

Enclosed is an approved copy of Communitization Agreement NMNM141300 involving 920 acres of Federal land in lease NMNM114991, 40 acres of Federal land in lease NMNM110840, 304.64 acres of State land, Lea County, New Mexico, which comprise a 1264.64 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the S/2 of section 20 and all of sections 29 and 32, T. 26 S., R. 34 E., NMPM, Lea County, NM, and is effective December 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 Elizabeth Rivera at (505) 954-2162.

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

Sincerely,



Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM.

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 S/2 of section 20 and all of sections 29 and 32, T. 26 S., R. 34 E., NMPM, as to all producible hydrocarbons from the Wolfcamp 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:

MAR 17 2021



Sheila Mallory
Deputy State Director
Division of Minerals

Effective: December 1, 2019

Contract No.: Com. Agr. NMNM141300

BILL IRVIN  **LAND SERVICES, LLC.**
EXPECT EXCEPTIONAL

January 14, 2020

Bureau of Land Management
ATTN: Margie Dupre
301 Dinosaur Trail
Santa Fe, NM 87508

NM NM
141300

Re: Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E
Lea County, New Mexico

Dear Ms. Dupre,

On behalf of Devon Energy Production Company, L.P., enclosed herewith are two (2) originals of the above referenced Communitization Agreement, effective December 1, 2019, for your review and signature so that you may return one (1) original to me once approved. Each will include the full Communitization Agreement, Devon Energy Production Company, L.P. signature page and self-certification page.

The enclosed CA covers the following wells:

- 1) Green Wave 20-32 Fed State Com 4H – API #30-025-46046
- 2) Green Wave 20-32 Fed State Com 5H – API #30-025-46047
- 3) Green Wave 20-32 Fed State Com 6H – API #30-025-46048
- 4) Green Wave 20-32 Fed State Com 8H – API #30-025-46050
- 5) Green Wave 20-32 Fed State Com 9H – API #30-025-46051
- 6) Green Wave 20-32 Fed State Com 10H – API #30-025-46053 ✓

I have also enclosed a copy of the Application for Spacing of these wells, Case No. 20732, which is still pending final approval from the OCD. I will email you a copy once finalized. No OCD Pooling has been done for the Wolfcamp formation under this unit.

Please return the Approved Communitization Agreement to:

Bill Irvin Land Services, LLC
P.O. Box 721925
Oklahoma City, OK 73172
Attn: Rhonda

PO Box 721925
Oklahoma City, OK 73172

13186 N. MacArthur
Oklahoma City, OK 73142

405-603-5388 Phone
405-470-8680 Fax

Thank you for your assistance and should you have any questions, please do not hesitate to contact me at 405-603-5388 ext. 205.

Sincerely,



Rhonda Thompson
Petroleum Landman
Bill Irvin Land Services, LLC
Rhonda.thompson@irvinland.com

Encl: Two Original CAs
Spacing Application

MAY 30 2019

Form C-102

District I
1625 N. French Dr., Hobbs, NM 88248
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Aramis, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Artec, 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

Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 70-025-46046		2 Pool Code 98094		3 Pool Name BOBCAT DRAW UPR WOLFCAMP	
4 Property Code 30884-317795		5 Property Name GREEN WAVE 20-32 FED STATE COM			6 Well Number 4H
7 OGRID No. 6137		8 Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			9 Elevation 3349.0

10 Surface Location

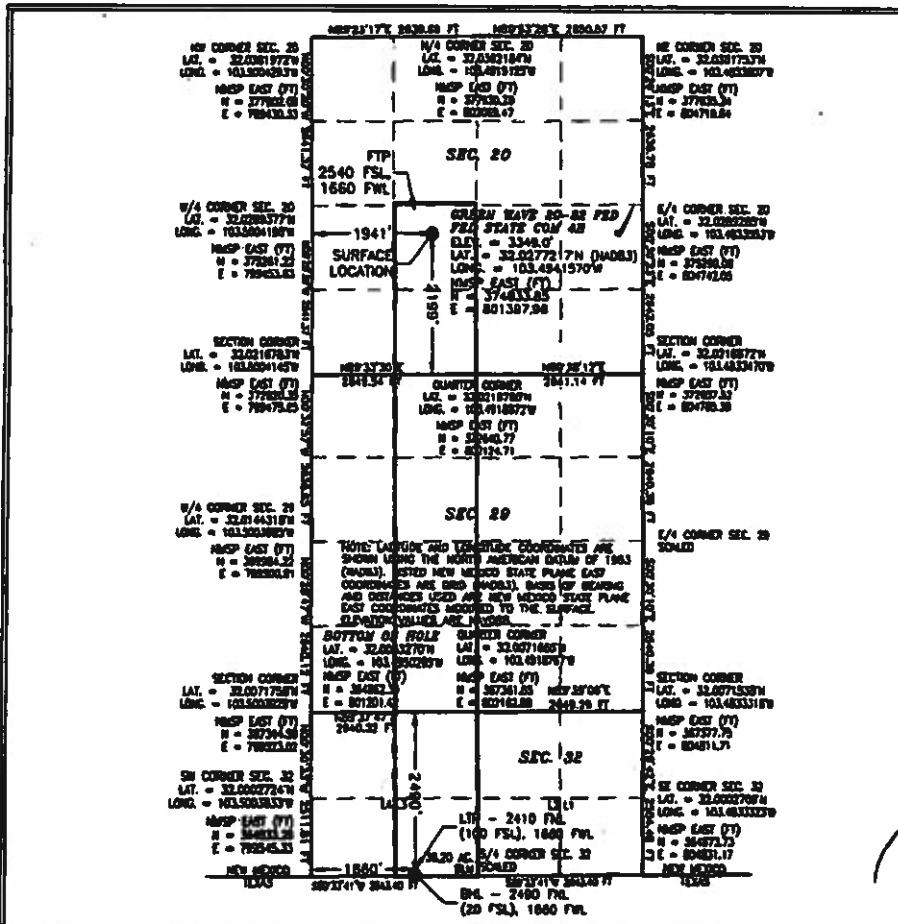
UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
K	20	26 S	34 E	K	2199	SOUTH	1941	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
3 F	32	26 S	34 E	3	2490	NORTH	1660	WEST	LEA

12 Dedicated Acres 316.2	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.



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 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: Rebecca Deal Date: 10/15/2018

Printed Name: Rebecca Deal, Regulatory Analyst

E-mail Address: rebecca.deal@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.

DATE OF SURVEY: JULY 30, 2018

Signature: MONTE F. JARAMILLO

Certificate Number: MONTE F. JARAMILLO, PLS 12797

SURVEY NO. 6421A

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) 748-1263 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

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 MAY 30 2019

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 70-025-46047		Pool Code 98094	Pool Name BOBCAT DRAW UPR WOLFCAMP
Property Code 30884-77795	Property Name GREEN WAVE 20-32 FED STATE COM		Well Number 5H
OGRED No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		Elevation 3354.0

" Surface Location

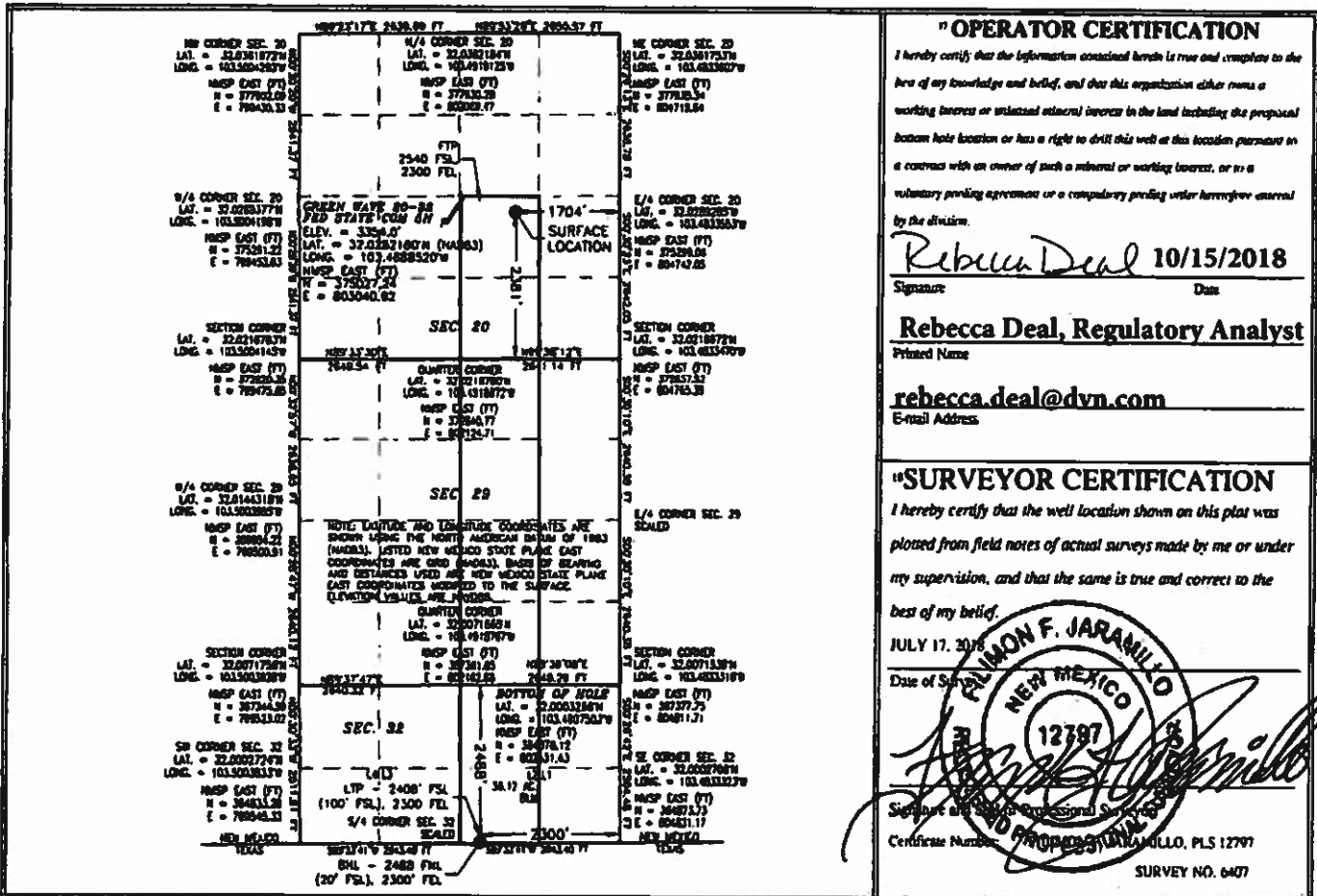
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	20	26 S	34 E	J	2381	SOUTH	1704	EAST	LEA

" 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
2	32	26 S	34 E	G	2488	NORTH	2300	EAST	LEA

Dedicated Acres 316.12	Joint or Infill	Consolidation Code	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.



" 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 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: Rebecca Deal Date: 10/15/2018
 Printed Name: Rebecca Deal, Regulatory Analyst
 E-mail Address: rebecca.deal@dvn.com

" 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.

Date of Survey: JULY 17, 2018
 Signature: [Signature]
 Certificate Number: 12797
 SURVEY NO. 6407

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) 748-0720

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 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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MAY 30 2019

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number 70-025-46048		1 Pool Code 98094		1 Pool Name BOBCAT DRAW UPR WOLFCAMP	
4 Property Code 30804 71778		3 Property Name GREEN WAVE 20-32 FED STATE COM			1 Well Number 6H
2 OGRID No. 6137		4 Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			1 Elevation 3344.1

10 Surface Location

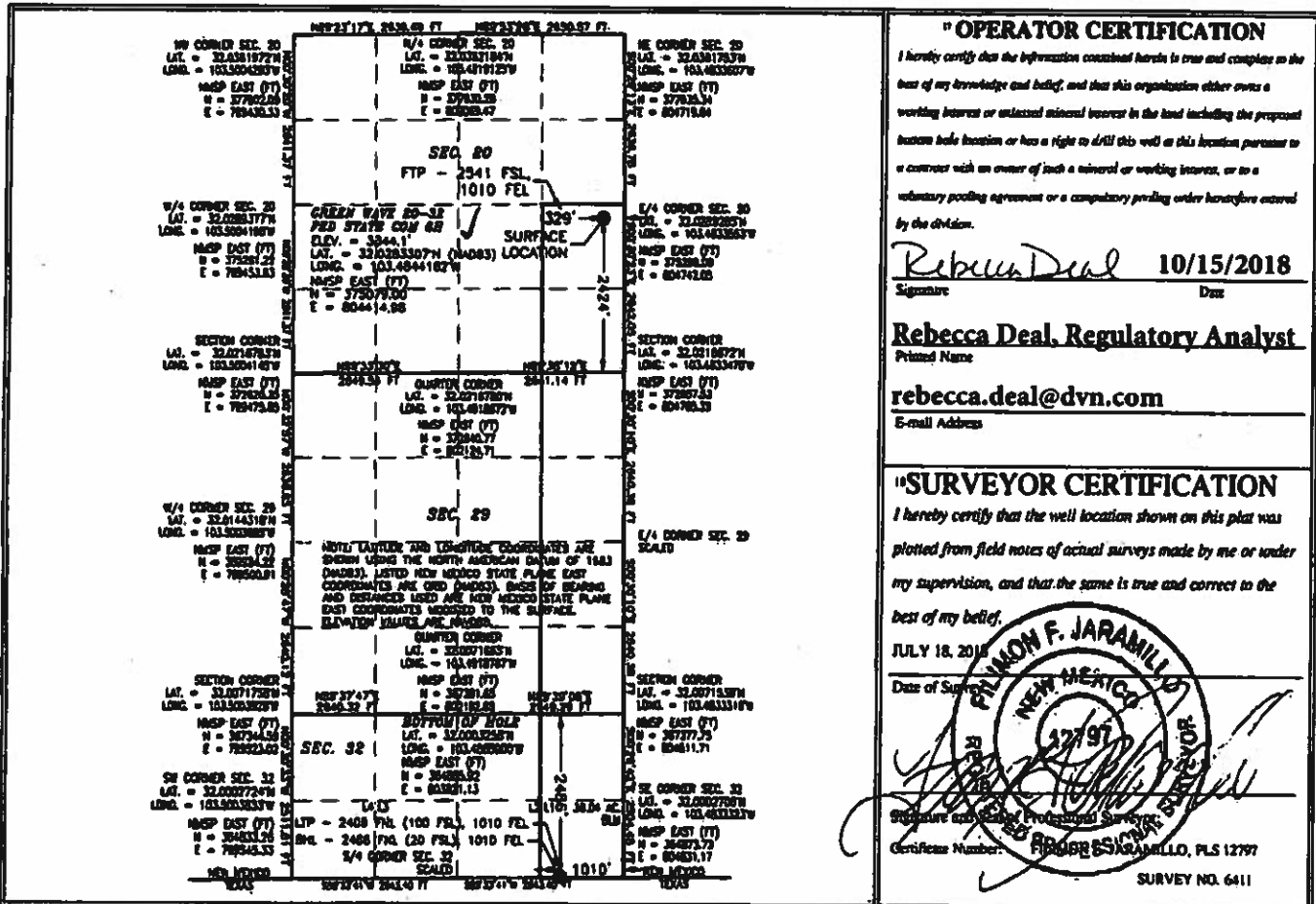
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	26 S	34 E	I	2424	SOUTH	329	EAST	LEA

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
1	32	26 S	34 E	H	2486	NORTH	1010	EAST	LEA

12 Dedicated Acres 316.04	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.



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 undivided 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.

Rebecca Deal 10/15/2018
Signature Date

Rebecca Deal, Regulatory Analyst
Printed Name

rebecca.deal@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.

JULY 18, 2018

Date of Survey

FRANK F. JARAMILLO
Signature and Title: Professional Surveyor
Certificate Number: **FRANK F. JARAMILLO, PLS 12797**
SURVEY NO. 6411

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) 743-1283 Fax: (575) 748-9720
 District III
 1000 Rio Bravo Road, Artesia, NM 87410
 Phone: (305) 334-6178 Fax: (505) 334-6170
 District IV
 1230 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

HOBBS OCD

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MAY 30 2019

RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 20-016 46050		' Pool Code 98094		' Pool Name BOBCAT DRAW; UPR WOLFCAMP	
' Property Code 30684 31773		' Property Name GREEN WAVE 20-32 FED STATE COM			' Well Number 8H
' OGRID No. 6137		' Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			' Elevation 3349.2

" Surface Location

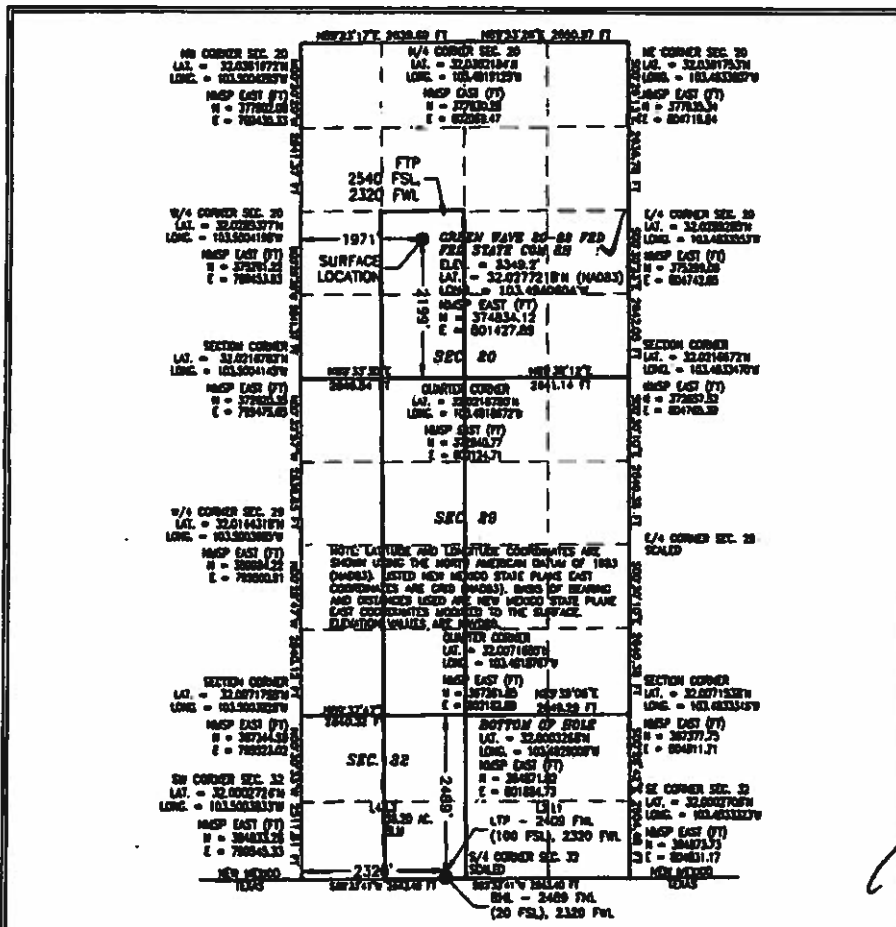
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	26 S	34 E	K	2199	SOUTH	1971	WEST	LEA

" 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
3	32	26 S	34 E	F	2489	NORTH	2320	WEST	LEA

" Dedicated Acres 316.2	" Joint or Infill	" Consolidation Code	" 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.



" 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 retained 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: *Rebecca Deal* Date: **10/15/2018**
Rebecca Deal, Regulatory Analyst
 Printed Name
 Email Address: **rebecca.deal@dmv.com**

" 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.

Date of Survey: **JULY 30, 2018**
 Signature and Seal of Professional Surveyor:
FILMON F JARAMILLO
 PROFESSIONAL SURVEYOR
 Certificate Number: **2011177** SURVEY NO. 6404A

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
HOBBS OCD
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-4609		2 Pool Code 98094		3 Pool Name BOBCAT DRAW; UPR WOLFCAMP	
4 Property Code 30884		5 Property Name GREEN WAVE 20-32 FED STATE COM		6 Well Number 9H	
7 OGRID No. 6137		8 Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		9 Elevation 3354.1	

10 Surface Location

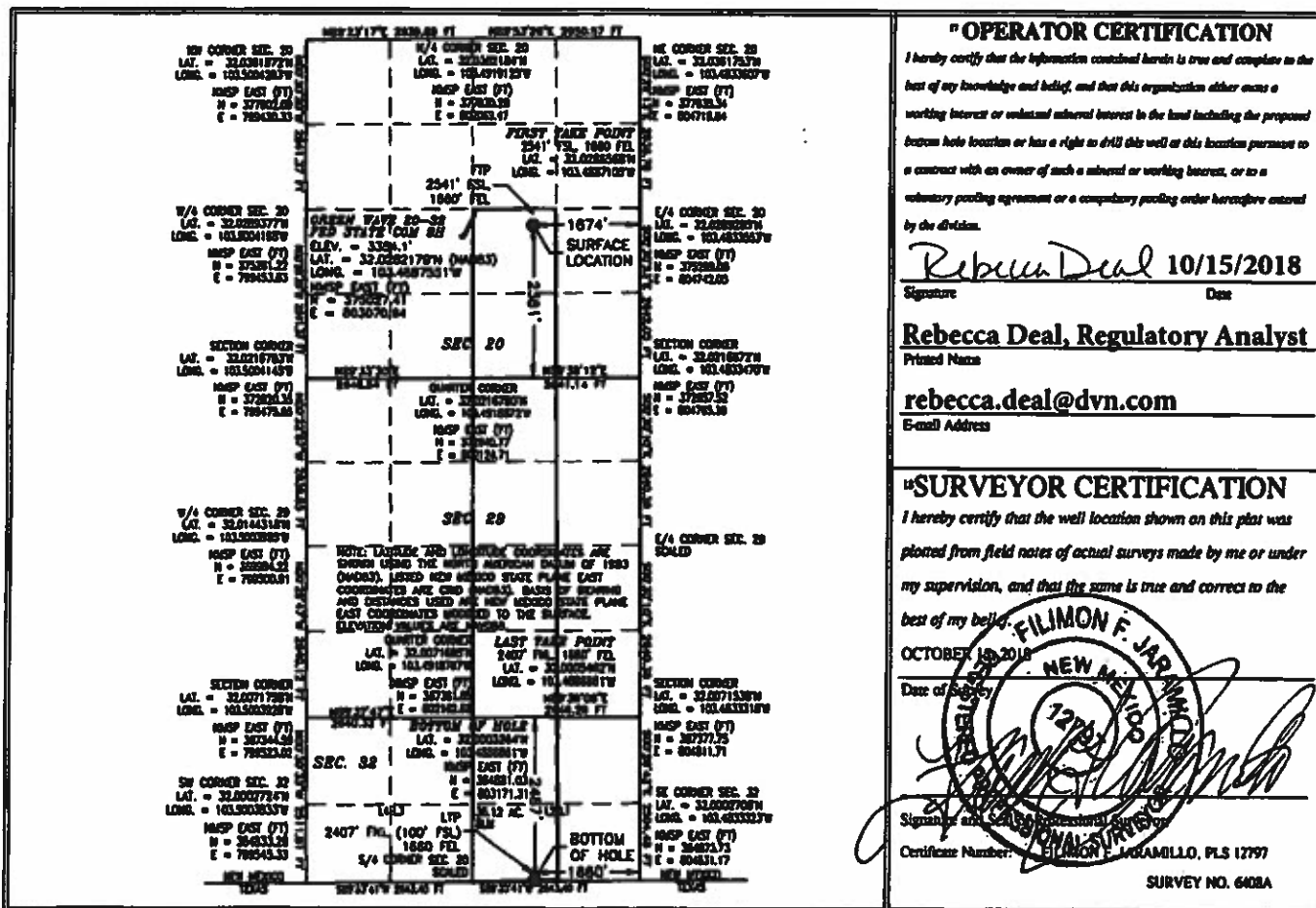
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
J	20	26 S	34 E	J	2381	SOUTH	1674	EAST	LEA

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
2	32	26 S	34 E	G	2487	NORTH	1660	EAST	LEA

12 Dedicated Acres 316.12	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.



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 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.

Rebecca Deal 10/15/2018
Signature Date
Rebecca Deal, Regulatory Analyst
Printed Name
rebecca.deal@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.

FILIMON F. JARAMILLO
OCTOBER 18 2018
Date of Signify
Signature
Certificator Number: **FILIMON F. JARAMILLO, PLS 17797**
SURVEY NO. 6408A

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: (505) 748-1283 Fax: (505) 748-0720

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

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AMENDED REPORT

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MAY 30 2019
HOBBS OGD

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-46052		2 Pool Code 98094		3 Pool Name BOBCAT DRAW; UPR WOLFCAMP	
4 Property Code 30884 31775		5 Property Name GREEN WAVE 20-32 FED STATE COM			6 Well Number 10H
7 OGRID No. 6137		8 Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			9 Elevation 3343.1

Surface Location

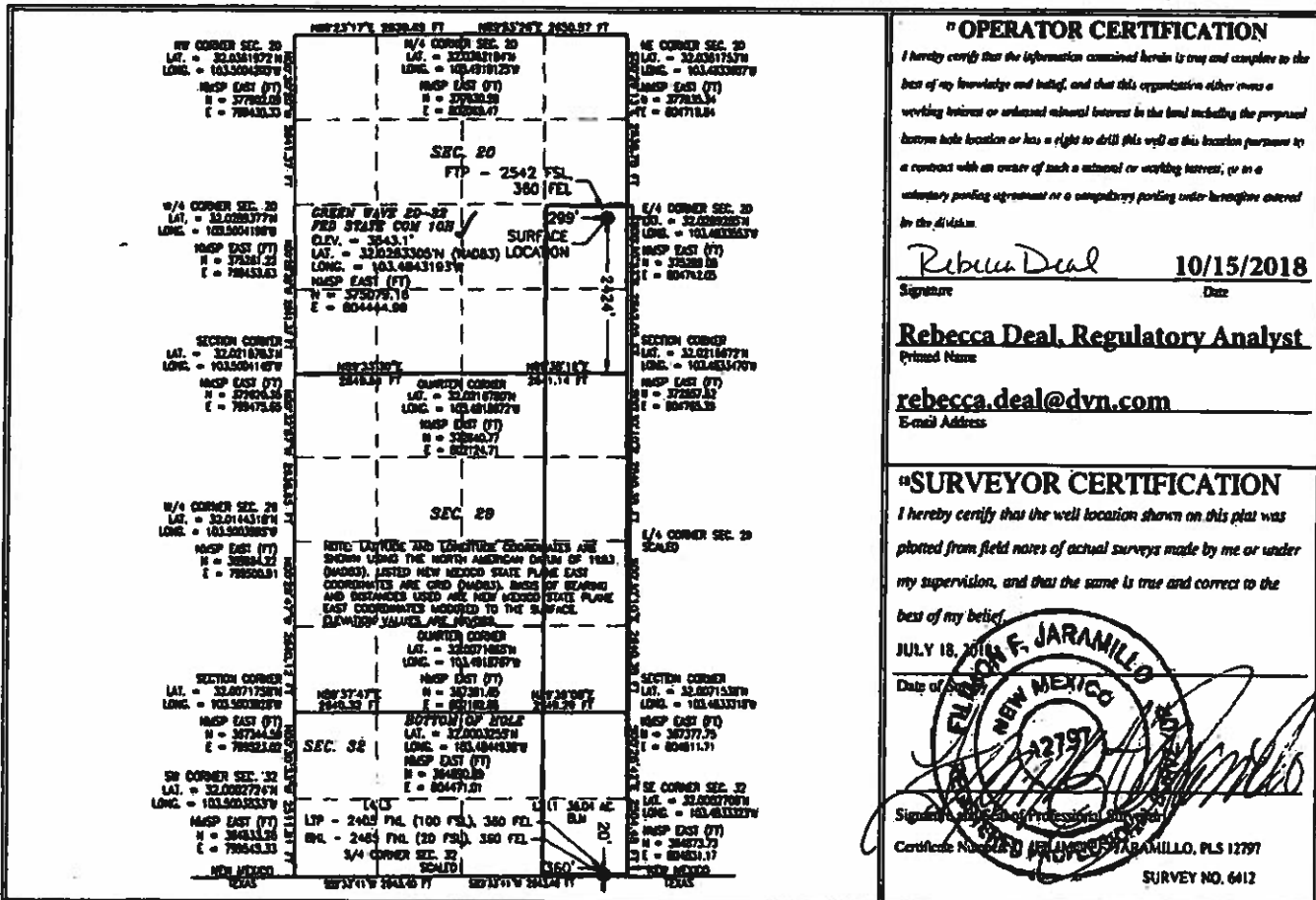
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	26 S	34 E	I	2424	SOUTH	299	EAST	LEA

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
H	32	26 S	34 E	1	20	SOUTH	360	EAST	LEA

10 Dedicated Acres	11 Joint or Infill	12 Consolidation Code	13 Order No.
316.04			

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.



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

**CASE NO. 20732
ORDER NO. R-21013**

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR APPROVAL OF 1264.64-ACRE NON-STANDARD SPACING UNITS IN THE BONE SPRING AND WOLFCAMP FORMATIONS COMPRISED OF ACREAGE SUBJECT TO PROPOSED COMMUNITIZATION AGREEMENTS, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 5, 2019, at Santa Fe New Mexico, before Examiner William V. Jones.

NOW, on this 13th day of January, 2020, the Division Director, having considered the testimony, the record, and the recommendations of the Examiners,

FINDS THAT

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) Devon Energy Production Company, L.P. ("Applicant" or "Devon") seeks approval of a 1264.64-acre non-standard horizontal spacing unit for production from all Division designated pools in the Bone Spring formation underlying the S/2 of Section 20, all of Section 29 and all of irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico (the "Subject Lands"). This proposed non-standard horizontal spacing unit will be initially dedicated to the following horizontal wells:

1. Green Wave 20-32 Fed State Com 1H (30-025-43186) drilled and completed in the WG-025 G-0652634079; Upper Bone Spring Pool (97892),
2. Green Wave 20-32 Fed State Com 3H (30-025-43184) drilled in the Bradley Bone Spring Pool (7280),
3. Green Wave 20-32 Fed State Com 15H (30-025-46141) permitted in the Bradley Bone Spring Pool (7280),
4. Green Wave 20-32 Fed State Com 16H (30-025-46056) permitted in the Bradley Bone Spring Pool (7280),
5. Green Wave 20-32 Fed State Com 17H (30-025-46057) permitted in the Bradley Bone Spring Pool (7280), and

6. Green Wave 20-32 Fed State Com 18H (30-025-46058) permitted in the Bradley Bone Spring Pool (7280).

(3) Devon also seeks approval of a 1264.64-acre non-standard horizontal spacing unit for production from all Division designated pools in the Wolfcamp formation underlying the Subject Lands. This proposed non-standard horizontal spacing unit will be initially dedicated to the following proposed horizontal wells permitted in the Bobcat Draw; Upper Wolfcamp Pool (98094):

1. Green Wave 20-32 Fed State Com 2H (30-025-44594),
2. Green Wave 20-32 Fed State Com 4H (30-025-46046),
3. Green Wave 20-32 Fed State Com 5H (30-025-46047),
4. Green Wave 20-32 Fed State Com 6H (30-025-46048),
5. Green Wave 20-32 Fed State Com 7H (30-025-46049),
6. Green Wave 20-32 Fed State Com 8H (30-025-46050),
7. Green Wave 20-32 Fed State Com 9H (30-025-46051),
8. Green Wave 20-32 Fed State Com 10H (30-025-46052),
9. Green Wave 20-32 Fed State Com 11H (30-025-46053),
10. Green Wave 20-32 Fed State Com 12H (30-025-46054),
11. Green Wave 20-32 Fed State Com 13H (30-025-46055),
12. Green Wave 20-32 Fed State Com 14H (30-025-45746).

(4) Applicant appeared at the hearing through counsel and presented the following testimony:

a. The Subject Lands are comprised of three leases: A federal lease covering the NE/4 NE/4 of Section 29 (USA NMNM 110840), a federal lease covering the remainder of Section 29 and the S/2 of Section 20 (USA NMNM 114991), and a state lease covering irregular Section 32 along the state line with Texas (VB-2225-0004).

b. All working interests in the Subject Lands are consolidated under joint operating agreements and no pooling is necessary for these non-standard horizontal spacing units.

c. All working interest owners in the Subject Lands are expected to ratify separate communitization agreements for the Bone Spring and Wolfcamp formations that require production from all wells within the proposed non-standard horizontal spacing units to be allocated among leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to the agreements.

d. The Bureau of Land Management ("BLM") has informed Devon that due to the configuration of the lots under the state lease covering irregular Section 32, the BLM will not permit commingling of production from standard spacing units unless each standard unit has an independent tank battery, separator and Coriolis meter.

e. The BLM has further stated that to avoid these additional surface facilities, it would prefer to consolidate the Subject Lands under a communitization agreement for each formation.

f. The State Land Office ("SLO") has likewise expressed a desire to consolidate the Subject Lands under a communitization agreement for each formation but noted Division approval of a non-standard horizontal well spacing unit in each formation is necessary before the SLO can approve the desired communitization agreements.

g. The SLO has indicated it will approve a communitization agreement covering all pools within the Bone Spring formation and a separate communitization agreement covering all pools within the Wolfcamp formation after the Division approves corresponding non-standard spacing units in these formations.

h. Devon's existing and proposed wells will develop all 40-acre tracts within the Bone Spring and the Wolfcamp formations underlying the Subject Lands.

i. Consolidation of the Subject Lands under non-standard horizontal spacing units will allow flexibility in the spacing of wells, allow Devon to efficiently and effectively develop the Bone Spring and Wolfcamp formations, and reduce the necessary surface disturbances.

j. Devon has estimated that approval of this application will reduce the necessary surface disturbance by 50% and further result in a cost savings of approximately \$4.7 million.

k. Both the Bone Spring formation and Wolfcamp formation are continuous throughout the Subject Lands and all quarter-quarter sections to be included in the non-standard horizontal spacing units are expected to be productive in the Bone Spring and Wolfcamp formations.

l. Notice of this application and hearing was provided to the BLM and the SLO.

m. Notice of this application was provided to all mineral owners, including overriding royalty interests, in the Subject Lands and to all affected parties in the tracts that adjoin the Subject Lands.

n. Notice of this application and hearing was published in a newspaper of general circulation in Lea County, New Mexico.

(5) No other party appeared at the hearing or otherwise opposed the granting of this application.

THE DIVISION CONCLUDES THAT,

(6) The Division has statutory authority under Section 70-2-18(C), NMSA 1978, to approve non-standard spacing units.

(7) Applicant has met the notice requirements for approval of non-standard horizontal spacing units under 19.15.16.15.B(5) NMAC.

(8) Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.,* 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC and 19.15.16.15.C(7) NMAC.

(9) Consolidation of the Subject Lands into a single non-standard spacing unit in the Bone Spring formation and a single non-standard horizontal spacing unit in the Wolfcamp formation will not impair correlative rights.

(10) Approval of this application will allow Devon to efficiently locate surface facilities, reduce surface disturbances, promote effective well spacing and reduce development costs.

(11) Applicant's request for a 1264.64-acre non-standard horizontal spacing unit for production from all Division designated pools in the Bone Spring formation underlying the Subject Lands should be approved.

(12) Applicant's request for a 1264.64-acre non-standard horizontal spacing unit for production from all Division designated pools in the Wolfcamp formation underlying the Subject Lands should be approved.

IT IS THEREFORE ORDERED THAT

1. Devon's application to create a 1264.64-acre non-standard horizontal spacing unit for production from all Division designated pools in the Bone Spring formation underlying the S/2 of Section 20, all of Section 29 and all of irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico is hereby approved.

2. Devon's application to create a 1264.64-acre non-standard horizontal spacing unit for production from all Division designated pools in the Wolfcamp formation underlying the S/2 of Section 20, all of Section 29 and all of irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico is hereby approved.

3. Devon shall file amended forms C-102 reflecting the correct acreage dedication for each of the existing and proposed wells identified above.

4. Jurisdiction of this case is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL
Director

Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

Federal Communitization Agreement

Contract No. NM 7714) 300

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

WITNESSETH:

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

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

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

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

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

TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.

SECTION 20: S/2 (320.00 acres)

SECTION 29: ALL (640.00 acres)

SECTION 32: N/2 N/2 and Lot 1 (36.04 ac) and Lot 2 (36.12 ac) and Lot 3 (36.20 ac) and Lot 4 (36.28 ac) a/d/a ALL (304.64 acres)

Lea County, New Mexico.

Containing **1,264.64** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, 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 West Sheridan Avenue, Oklahoma City, Oklahoma 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 included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

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 December 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 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.

Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

**OPERATOR AND WORKING INTEREST OWNER
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.

12/19/2019
Date

By: Catherine Lebsack
Catherine Lebsack, Vice President 

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this 19th day of December, 2019, by **Catherine Lebsack**, as **Vice President of Devon Energy Production Company, L.P.**, and acknowledged to me that she executed the same as a free and voluntary act and deed for the uses and purposes therein set forth.



(SEAL)

10/21/23
My Commission Expires

Lisa Othow
Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT
WORKING INTEREST**

**COMMUNITIZATION AGREEMENT: GREEN WAVE 20-32 FED STATE COM
4H, 5H, 6H, 8H, 9H and 10H wells**

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

I, further certify that the Communitization Agreement follows the standard form except for Sections 1, 3 and 10.

NAME: Catherine Lebsack

Printed: Catherine Lebsack

Title: Vice President

Phone number: (405) 235-3611

Email: Catherine.Lebesack@dvn.com

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this 19 day of December, 2019, by **Catherine Lebsack**, as **Vice President of Devon Energy Production Company, L.P.** and acknowledged to me that she executed the same as a free and voluntary act and deed for the uses and purposes therein set forth.

(SEAL)



10/21/23
My Commission Expires

Lisa Othon
Notary Public

Communitization Agreement
 Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
 S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

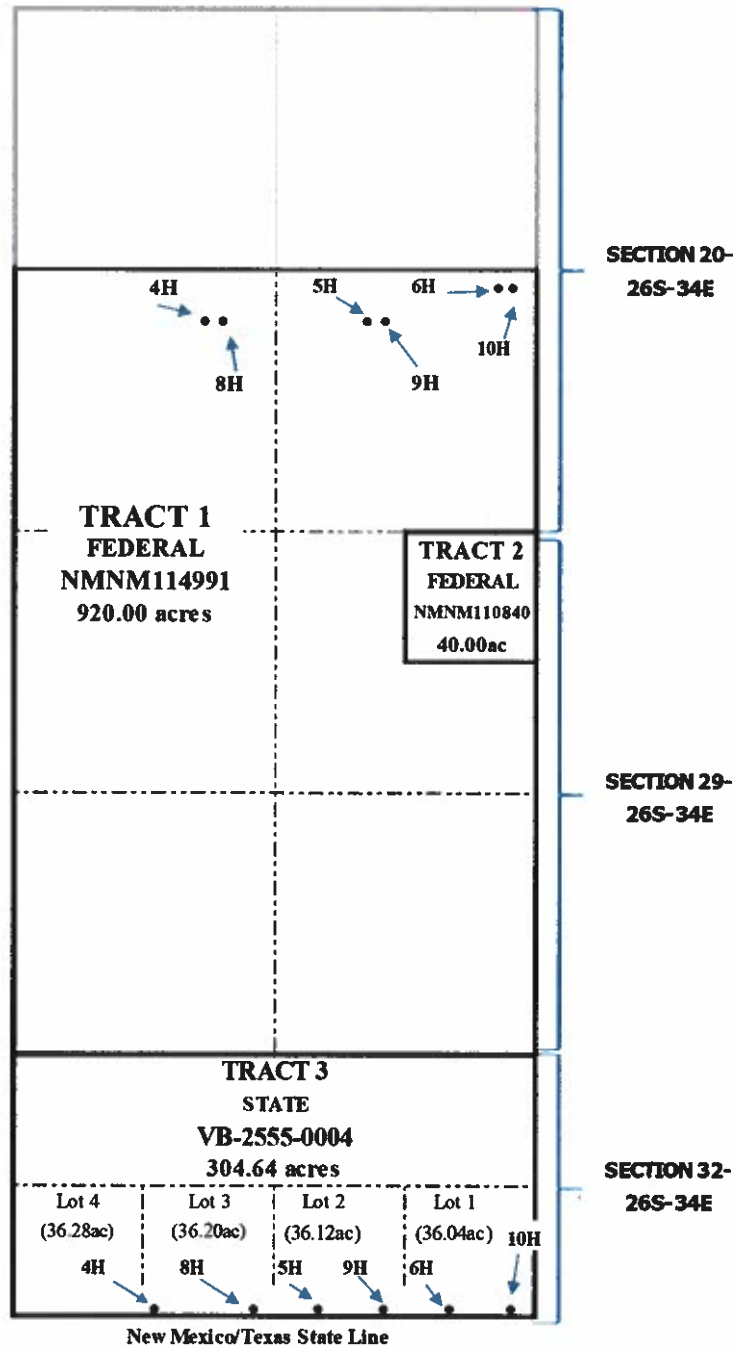
EXHIBIT "A"

Plat of communitized area covering 1,264.64 acres in the S/2 of Section 20, All of Section 29 and N/2 N/2 and Lots 1-4 in Section 32-26S-34E, N.M.P.M., Lea County, New Mexico.

GREEN WAVE 20-32 FED STATE COM 4H, 5H, 6H, 8H, 9H & 10H WELLS

Surface location for Green Wave 20-32 Fed State Com:
 4H in NE/4 SW/4 (K) Sec 20-26S-34E
 5H in NW/4 SE/4 (J) Sec 20-26S-34E
 6H in NE/4 SE/4 (I) Sec 20-26S-34E
 8H in NE/4 SW/4 (K) Sec 20-26S-34E
 9H in NW/4 SE/4 (J) Sec 20-26S-34E
 10H in NE/4 SE/4 (I) Sec 20-26S-34E

Bottomhole Location for the Green Wave 20-32 Fed State Com:
 4H in Lot 3 (F) Sec 32-26S-34E
 5H in Lot 2 (G) Sec 32-26S-34E
 6H in Lot 1 (H) Sec 32-26S-34E
 8H in Lot 3 (F) Sec 32-26S-34E
 9H in Lot 2 (G) Sec 32-26S-34E
 10H in Lot 1 (H) Sec 32-26S-34E



Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement dated December 1, 2019, embracing the following described land in S/2 Section 20, All of Section 29 and N/2 N/2 and Lot 1, Lot 2, Lot 3, and Lot 4 of Section 32-26S-34E, 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:	NMNM114991	
Effective Date:	December 1, 2005	
Lease Term:	10 years (HBP)	
Lease Recorded:	Book 1415, Page 206, Lea County, NM	
Lessor:	United States of America	
Original Lessee:	Chalfant Properties, Inc.	
Present Lessee:	Devon Energy Production Company, L.P.	50.0000%
	Chevron U.S.A. Inc.	50.0000%
Description of Land Committed:	<u>Township 26 South, Range 34 East, N.M.P.M.</u> SECTION 20: S/2 (320.00 acres) SECTION 29: SE/4 NE/4 and W/2 NE/4 and W/2 and SE/4 (600.00 acres)	
Number of Gross Acres:	920.00 acres	
Number of Net Acres:	920.00 acres	
Interest Covered:	100%	
Pooling:	No	
Royalty:	12.50%	
Working Interest Owners And Interest:	Devon Energy Production Company, L.P.	50.0000%
	Chevron U.S.A. Inc.	50.0000%
ORRI Owner Name and Interest:	None	

Tract No. 2

Lease Serial Number: **NMNM110840**
 Effective Date: **September 1, 2003**
 Lease Term: **10 years (HBP)**
 Lease Recorded: **Book 2132, Page 860, Lea County, NM**
 Lessor: **United States of America**
 Original Lessee: **Echo Production, Inc.**
 Present Lessee: **Echo Production, Inc. 100.0000%**

Description of Land Committed: **Township 26 South, Range 34 East, N.M.P.M.**
SECTION 29: NE/4 NE/4

Number of Gross Acres: **40.00 acres**
 Number of Net Acres: **40.00 acres**
 Interest Covered: **100%**
 Pooling: **No**
 Royalty: **12.50%**

Working Interest Owners and Interest:

Devon Energy Production Company, L.P.	60.0000%
Chevron U.S.A. Inc.	20.0000%
The Allar Company	10.0000%
Chief Capital (O & G) II LLC	10.0000%

ORRI Owner Name and Interest:

Cornerstone Family Trust	0.7500%
Crownrock Minerals, L.P.	0.7500%
Allar Development, LLC	1.2000%
Apollo Investment Corporation	0.4000%
Strategic Energy Income Fund IV, LP	0.7200%
Constitution Resources II, LP	0.3000%
Shepherd Royalty, LLC	0.0400%
Highland (Texas) Energy Company	0.0400%

Tract No. 3

Lease Serial Number:	VB-2225-0004	
Effective Date:	December 1, 2012	
Lease Term:	5 years (HBP)	
Lease Recorded:	Book 1813, Page 852, Lea County, NM	
Lessor:	State of New Mexico	
Original Lessee:	Ronald Miles	
Present Lessee:	Devon Energy Production Company, L.P.	100.0000%
Description of Land Committed:	<u>Township 26 South, Range 34 East, N.M.P.M.</u> Section 32: N/2 N/2 and Lot 1 (36.04 ac) and Lot 2 (36.12 ac) and Lot 3 (36.20 ac) and Lot 4 (36.28 ac) a/d/a ALL	
Number of Gross Acres:	304.64 acres	
Number of Net Acres:	304.64 acres	
Interest Covered:	100%	
Pooling:	No	
Royalty:	18.75%	
Working Interest Owners and Interest:	Devon Energy Production Company, L.P.	100.0000%
ORRI Owner Name and Interest:	OGX Royalty Fund II, LP	6.2500%

Communitization Agreement
 Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
 S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

RECAPITULATION

Tract	Type of Lease	No. of Acres Committed	Percentage of Interest in Communitized Area
1	Federal NMNM114991	920.00	72.7480%
2	Federal NMNM110840	40.00	3.1629%
3	State VB-2225-0004	304.64	24.0891%
Total		1264.64	100.0000%

Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

SUMMARY OF OWNERS

Unleased Fee Mineral Owners:

None

Working Interest and/or Leasehold Interest Owners:

Devon Energy Production Company, L.P.

Chevron U.S.A. Inc.

The Allar Company

Chief Capital (O & G) II LLC

Echo Production, Inc.

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* No parties were pooled and subject to the terms and penalties provided under State of New Mexico Department of Energy, Minerals and Natural Resources Oil Conservation Division.

Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

Federal Communitization Agreement

Contract No. NM NM 141300

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

WITNESSETH:

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

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

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

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

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

TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.

SECTION 20: S/2 (320.00 acres)

SECTION 29: ALL (640.00 acres)

SECTION 32: N/2 N/2 and Lot 1 (36.04 ac) and Lot 2 (36.12 ac) and Lot 3 (36.20 ac) and Lot 4 (36.28 ac) a/d/a ALL (304.64 acres)

Lea County, New Mexico.

Containing **1,264.64** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, 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 West Sheridan Avenue, Oklahoma City, Oklahoma 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 included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

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

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT
WORKING INTEREST**

**COMMUNITIZATION AGREEMENT: GREEN WAVE 20-32 FED STATE COM
4H, 5H, 6H, 8H, 9H and 10H wells**

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

I, further certify that the Communitization Agreement follows the standard form except for Sections 1, 3 and 10.

NAME: Catherine Lebsack

Printed: Catherine Lebsack

Title: Vice President

Phone number: (405) 235-3611

Email: Catherine.Lebsack@dvn.com



ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this 19 day of December, 2019, by **Catherine Lebsack**, as **Vice President of Devon Energy Production Company, L.P.** and acknowledged to me that she executed the same as a free and voluntary act and deed for the uses and purposes therein set forth.

(SEAL)



10/21/23
My Commission Expires

Lisa Othon
Notary Public

Communitization Agreement
 Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
 S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

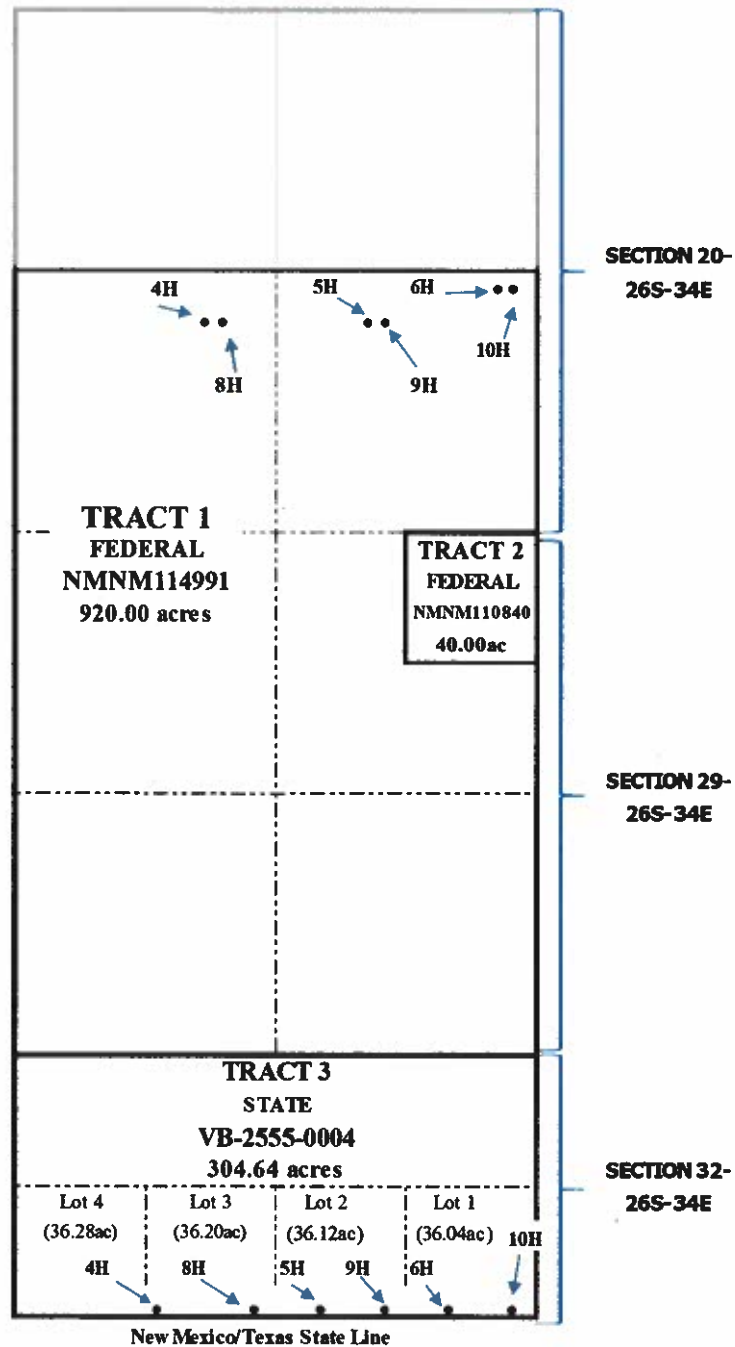
EXHIBIT "A"

Plat of communitized area covering 1,264.64 acres in the S/2 of Section 20, All of Section 29 and N/2 N/2 and Lots 1-4 in Section 32-26S-34E, N.M.P.M., Lea County, New Mexico.

GREEN WAVE 20-32 FED STATE COM 4H, 5H, 6H, 8H, 9H & 10H WELLS

Surface location for Green Wave 20-32 Fed State Com:
 4H in NE/4 SW/4 (K) Sec 20-26S-34E
 5H in NW/4 SE/4 (J) Sec 20-26S-34E
 6H in NE/4 SE/4 (I) Sec 20-26S-34E
 8H in NE/4 SW/4 (K) Sec 20-26S-34E
 9H in NW/4 SE/4 (J) Sec 20-26S-34E
 10H in NE/4 SE/4 (I) Sec 20-26S-34E

Bottomhole Location for the Green Wave 20-32 Fed State Com:
 4H in Lot 3 (F) Sec 32-26S-34E
 5H in Lot 2 (G) Sec 32-26S-34E
 6H in Lot 1 (H) Sec 32-26S-34E
 8H in Lot 3 (F) Sec 32-26S-34E
 9H in Lot 2 (G) Sec 32-26S-34E
 10H in Lot 1 (H) Sec 32-26S-34E



Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement dated December 1, 2019, embracing the following described land in S/2 Section 20, All of Section 29 and N/2 N/2 and Lot 1, Lot 2, Lot 3, and Lot 4 of Section 32-26S-34E, 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:	NMNM114991	
Effective Date:	December 1, 2005	
Lease Term:	10 years (HBP)	
Lease Recorded:	Book 1415, Page 206, Lea County, NM	
Lessor:	United States of America	
Original Lessee:	Chalfant Properties, Inc.	
Present Lessee:	Devon Energy Production	50.0000%
	Company, L.P.	
	Chevron U.S.A. Inc.	50.0000%
Description of Land Committed:	<u>Township 26 South, Range 34 East, N.M.P.M.</u> SECTION 20: S/2 (320.00 acres) SECTION 29: SE/4 NE/4 and W/2 NE/4 and W/2 and SE/4 (600.00 acres)	
Number of Gross Acres:	920.00 acres	
Number of Net Acres:	920.00 acres	
Interest Covered:	100%	
Pooling:	No	
Royalty:	12.50%	
Working Interest Owners And Interest:	Devon Energy Production	50.0000%
	Company, L.P.	
	Chevron U.S.A. Inc.	50.0000%
ORRI Owner Name and Interest:	None	

Tract No. 2

Lease Serial Number: **NMNM110840**
 Effective Date: **September 1, 2003**
 Lease Term: **10 years (HBP)**
 Lease Recorded: **Book 2132, Page 860, Lea County, NM**
 Lessor: **United States of America**
 Original Lessee: **Echo Production, Inc.**
 Present Lessee: **Echo Production, Inc. 100.0000%**

Description of Land Committed: **Township 26 South, Range 34 East, N.M.P.M.**
SECTION 29: NE/4 NE/4

Number of Gross Acres: **40.00 acres**
 Number of Net Acres: **40.00 acres**
 Interest Covered: **100%**
 Pooling: **No**
 Royalty: **12.50%**

Working Interest Owners and Interest:

Devon Energy Production Company, L.P.	60.0000%
Chevron U.S.A. Inc.	20.0000%
The Allar Company	10.0000%
Chief Capital (O & G) II LLC	10.0000%

ORRI Owner Name and Interest:

Cornerstone Family Trust	0.7500%
Crownrock Minerals, L.P.	0.7500%
Allar Development, LLC	1.2000%
Apollo Investment Corporation	0.4000%
Strategic Energy Income Fund IV, LP	0.7200%
Constitution Resources II, LP	0.3000%
Shepherd Royalty, LLC	0.0400%
Highland (Texas) Energy Company	0.0400%

Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

Tract No. 3

Lease Serial Number:	VB-2225-0004	
Effective Date:	December 1, 2012	
Lease Term:	5 years (HBP)	
Lease Recorded:	Book 1813, Page 852, Lea County, NM	
Lessor:	State of New Mexico	
Original Lessee:	Ronald Miles	
Present Lessee:	Devon Energy Production Company, L.P.	100.0000%
Description of Land Committed:	<u>Township 26 South, Range 34 East, N.M.P.M.</u> Section 32: N/2 N/2 and Lot 1 (36.04 ac) and Lot 2 (36.12 ac) and Lot 3 (36.20 ac) and Lot 4 (36.28 ac) a/d/a ALL	
Number of Gross Acres:	304.64 acres	
Number of Net Acres:	304.64 acres	
Interest Covered:	100%	
Pooling:	No	
Royalty:	18.75%	
Working Interest Owners and Interest:	Devon Energy Production Company, L.P.	100.0000%
ORRI Owner Name and Interest:	OGX Royalty Fund II, LP	6.2500%

RECAPITULATION

Tract	Type of Lease	No. of Acres Committed	Percentage of Interest in Communitized Area
1	Federal NMNM114991	920.00	72.7480%
2	Federal NMNM110840	40.00	3.1629%
3	State VB-2225-0004	304.64	24.0891%
Total		1264.64	100.0000%

Communitization Agreement
Green Wave 20-32 Fed State Com 4H, 5H, 6H, 8H, 9H and 10H Wells
S/2 Section 20 and All Section 29 and All Section 32-26S-34E, Lea County, New Mexico

SUMMARY OF OWNERS

Unleased Fee Mineral Owners:

None

Working Interest and/or Leasehold Interest Owners:

Devon Energy Production Company, L.P.

Chevron U.S.A. Inc.

The Allar Company

Chief Capital (O & G) II LLC

Echo Production, Inc.

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* No parties were pooled and subject to the terms and penalties provided under State of New Mexico Department of Energy, Minerals and Natural Resources Oil Conservation Division.

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR APPROVAL OF 1264.64-ACRE NON-STANDARD SPACING UNITS IN THE BONE SPRING AND WOLFCAMP FORMATIONS COMPRISED OF ACREAGE SUBJECT TO PROPOSED COMMUNITIZATION AGREEMENTS, LEA COUNTY, NEW MEXICO.

CASE NO. 20732

APPLICATION

Devon Energy Production Company, L.P. ("Devon") through its undersigned attorneys, files this application with the Oil Conservation Division for an order approving 1264.64 acre non-standard spacing units in the Bone Spring and Wolfcamp formations comprised of acreage subject to corresponding Communitization Agreements covering the S/2 of Section 20, all of Section 29 and all of Irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. In support of this application, Devon states:

1. Devon (OGRID No. 6137) is the designated operator under a Joint Operating Agreement covering federal and state leases in the Bone Spring and Wolfcamp formations underlying the S/2 of Section 20, all of Section 29 and all of Irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. Irregular Section 32 borders the State of Texas.
2. There are two pools within the Bone Spring formation underlying the proposed non-standard spacing unit: The WG-025 G-0652634079; Upper Bone Spring (Pool Code 97892) defined by the Division' District Office as the top of the Bone Spring formation to the top of the First Bone Spring Sand interval, and the Bradley; Bone Spring (Pool Code 7280) defined as the top of the First Bone Spring Sand interval to the base of the Third Bone Spring Sand interval.

3. Within the proposed non-standard spacing unit, Devon has drilled the **Green Wave 20-32 Fed State Com 1H** (30-025-43186) in the WG-025 G-0652634079; Upper Bone Spring Pool and has drilled or permitted the following wells in the deeper Bradley; Bone Spring Pool:

- Green Wave 20-32 Fed State Com 3H (30-025-43184)
- Green Wave 20-32 Fed State Com 15H (30-025-46141)
- Green Wave 20-32 Fed State Com 16H (30-025-46056)
- Green Wave 20-32 Fed State Com 17H (30-025-46057)
- Green Wave 20-32 Fed State Com 18H (30-025-46058)

Devon's drilling program for this area will develop the Bone Spring formation underlying each of the 40-acre tracts comprising the proposed non-standard project area.

4. There are also two pools within the Wolfcamp formation underlying the proposed non-standard spacing unit: The Bobcat Draw; Upper Wolfcamp (Pool Code 98094) defined by the Division's District Office as the top of the Wolfcamp to a depth of 500 feet, and the Bradley; Wolfcamp (Gas) (Pool Code 72860) defined as the remainder of the Wolfcamp formation.

5. Within the proposed non-standard spacing unit, Devon has permitted the following wells in the Bobcat Draw; Upper Wolfcamp Pool:

- Green Wave 20-32 Fed State Com 2H (30-025-44594)
- Green Wave 20-32 Fed State Com 4H (30-025-46046)
- Green Wave 20-32 Fed State Com 5H (30-025-46047)
- Green Wave 20-32 Fed State Com 6H (30-025-46048)
- Green Wave 20-32 Fed State Com 7H (30-025-46049)
- Green Wave 20-32 Fed State Com 8H (30-025-46050)
- Green Wave 20-32 Fed State Com 9H (30-025-46051)
- Green Wave 20-32 Fed State Com 10H (30-025-46052)
- Green Wave 20-32 Fed State Com 11H (30-025-46053)
- Green Wave 20-32 Fed State Com 12H (30-025-46054)
- Green Wave 20-32 Fed State Com 13H (30-025-46055)
- Green Wave 20-32 Fed State Com 14H (30-025-45746)

Devon's drilling program for this area will develop the Bobcat Draw; Upper Wolfcamp Pool underlying each of the 40-acre tracts comprising the proposed non-standard project area.

6. Devon seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing units.

7. Both the New Mexico State Land Office and the Bureau of Land Management have informed Devon that they prefer and will approve separate Communitization Agreements for the Bone Spring and the Wolfcamp formations underlying the acreage comprising the proposed non-standard spacing units.

8. To allow the existing and permitted wells to be dedicated to the acreage subject to the desired Communitization Agreements, Devon requires approval of corresponding non-standard spacing units in the Bone Spring and Wolfcamp formations.

9. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.,* 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC and 19.15.16.15.C(7) NMAC.

10. Approval of this application will allow Devon to efficiently locate surface facilities; reduce surface disturbance; consolidate roads, tanks and pipelines; and promote effective well spacing.

11. Notice of this application will be provided as required by Division rules.


12. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 5, 2019, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By:



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**ATTORNEYS FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

CASE 15953:

Application Of Devon Energy Production Company, L.P., For Approval Of 1264.64-Acre Non-Standard Spacing Units In The Bone Spring And Wolfcamp Formations Comprised Of Acreage Subject To Proposed Communitization Agreements, Lea County, New Mexico.

Applicant in the above-styled cause seeks an order approving 1264.64 acre non-standard spacing units in the Bone Spring and Wolfcamp formations comprised of acreage subject to corresponding Communitization Agreements covering the S/2 of Section 20, all of Section 29 and all of Irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. The acreage underlying the proposed non-standard spacing units is subject to the following Division designated pools:

- WG-025 G-0652634079; Upper Bone Spring (Pool Code 97892)
- Bradley; Bone Spring (Pool Code 7280)
- Bobcat Draw; Upper Wolfcamp (Pool Code 98094)
- Bradley; Wolfcamp (Gas) (Pool Code 72860)

The subject area is located approximately 20 miles Southwest of Jal, New Mexico.

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