



Devon Energy Production Company  
333 W. Sheridan Avenue  
Oklahoma City, Oklahoma 73102  
Phone: (405)-552-7970  
Erin.Workman@devn.com

January 29, 2021

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

Re: Central Tank Battery Alley Cat 17 CTB 3  
Sec., T, R: NWNE, 17-23S-32E  
Lease: NMNM018848, NMNM097891, NMNM098826, NMNM062223, NMNM086153  
Pool: [53805] SAND DUNES; BONE SPRING, SOUTH  
[53800] SAND DUNES; BONE SPRING  
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
ALLEY CAT 17 FED COM 211H	30-025 45064
ALLEY CAT 17 FED COM 212H	30-025-45065
ALLEY CAT 17-20 FED COM 524H	30-025-46023
ALLEY CAT 17-20 FED COM 525H	30-025-46251
ALLEY CAT 17-20 FED COM 526H	30-025-46252

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@devn.com](mailto:Jennifer.harms@devn.com)  
Devon Energy Center-Tower  
333 West Sheridan Avenue Oklahoma City OK 73102-5015

Enclosure

Revised March 23, 2017

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:** [53805] SAND DUNES; BONE SPRING, SOUTH **Pool Code:** \_\_\_\_\_  
[53800] SAND DUNES; BONE SPRING

**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
- 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

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 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

Jenny Harms  
 Signature

1/29/2021  
 Date

405-552-6560  
 Phone Number

jenny.harms@dv.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: 1-29-2021

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

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

Form 3160-5  
(June 2015)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.  
NMNM18848

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
ALLEY CAT 17 FED COM 211H9. API Well No.  
30-025-4506410. Field and Pool or Exploratory Area  
SALT LAKE11. County or Parish, State  
LEA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY

Contact: JENNIFER HARMS

Email: jennifer.harms@devon.com

3a. Address

333 W SHERIDAN AVE  
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405-552-6560

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 17 T23S R32E NWNW 251FNL 821FWL

## 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	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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, L.P. respectfully requests approval for a Surface Lease Commingle/Off Lease Measurement for the following 5 wells going to Alley Cat 17 CTB 3. Please see attachments.

ALLEY CAT 17 FED COM 211H 30-025-45064  
 ALLEY CAT 17 FED COM 212H 30-025-45065  
 ALLEY CAT 17-20 FED COM 524H 30-025-46023  
 ALLEY CAT 17-20 FED COM 525H 30-025-46251  
 ALLEY CAT 17-20 FED COM 526H 30-025-46252

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

**Electronic Submission #503335 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 02/14/2020

**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.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***



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

## Proposal for Alley Cat 17 CTB 3

Devon Energy Production Company, LP is requesting approval for a Lease Commingle/Off Lease Measurement for the following 5 wells:

Well Name	SHL Location	API	POOL
ALLEY CAT 17 FED COM 211H	17-23S-32E	30-025-45064	SAND DUNES; BONE SPRING, SOUTH-53805
ALLEY CAT 17 FED COM 212H	17-23S-32E	30-025-45065	SAND DUNES; BONE SPRING, SOUTH-53805
ALLEY CAT 17-20 FED COM 524H	8-23S-32E	30-025-46023	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 525H	8-23S-32E	30-025-46251	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 526H	8-23S-32E	30-025-46252	SAND DUNES; BONE SPRING- 53800

### Federal Lease NMNM018848 (12.5%)

Well Name	SHL Location	API	POOL
ALLEY CAT 17 FED COM 211H	17-23S-32E	30-025-45064	SAND DUNES; BONE SPRING, SOUTH-53805
ALLEY CAT 17 FED COM 212H	17-23S-32E	30-025-45065	SAND DUNES; BONE SPRING, SOUTH-53805

### Federal Lease NMNM097891 (12.5%)

Well Name	SHL Location	API	POOL
ALLEY CAT 17 FED COM 211H	17-23S-32E	30-025-45064	SAND DUNES; BONE SPRING, SOUTH-53805
ALLEY CAT 17 FED COM 212H	17-23S-32E	30-025-45065	SAND DUNES; BONE SPRING, SOUTH-53805
ALLEY CAT 17-20 FED COM 524H	8-23S-32E	30-025-46023	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 525H	8-23S-32E	30-025-46251	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 526H	8-23S-32E	30-025-46252	SAND DUNES; BONE SPRING- 53800

### Federal Lease NMNM098826 (12.5%)

Well Name	SHL Location	API	POOL
ALLEY CAT 17-20 FED COM 524H	8-23S-32E	30-025-46023	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 525H	8-23S-32E	30-025-46251	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 526H	8-23S-32E	30-025-46252	SAND DUNES; BONE SPRING- 53800

### Federal Lease NMNM062223 (12.5%)

Well Name	SHL Location	API	POOL
ALLEY CAT 17-20 FED COM 524H	8-23S-32E	30-025-46023	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 525H	8-23S-32E	30-025-46251	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 526H	8-23S-32E	30-025-46252	SAND DUNES; BONE SPRING- 53800

### Federal Lease NMNM086153 (12.5%)

Well Name	SHL Location	API	POOL
ALLEY CAT 17-20 FED COM 524H	8-23S-32E	30-025-46023	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 525H	8-23S-32E	30-025-46251	SAND DUNES; BONE SPRING- 53800
ALLEY CAT 17-20 FED COM 526H	8-23S-32E	30-025-46252	SAND DUNES; BONE SPRING- 53800

### CA Has been submitted:

ALLEY CAT 17 FED COM 211H – CA: USA NMNM 138942  
 ALLEY CAT 17 FED COM 212H – CA: USA NMNM 138942  
 ALLEY CAT 17-20 FED COM 524H – CA: USA NMNM 138762  
 ALLEY CAT 17-20 FED COM 525H – CA: USA NMNM 138763 (approved NSL)  
 ALLEY CAT 17-20 FED COM 526H – CA: USA NMNM 138763

### Oil & Gas metering:

The central tank battery, ALLEY CAT 17 CTB 3, is located in NWNE, S17, T23S, R32E 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 allocation, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas sales orifice meter(s) for the purpose of Federal measurement Point/Royalty Payment/Sales. The oil from the 3-phase separator is measured with an independent, designated Coriolis Meter for allocation. 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) for the purpose of Federal Measurement Point/Royalty Payment/Sales. 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 4 oil tanks and 3 water tanks that all wells will utilize. All wells will have 1 common gas delivery point(s) on location. They will also share 1 common oil delivery point(s) (LACT) on or directly adjacent to location.

Meter Owner / Serial Number:

Well Name	Gas Allocation Meter	Oil Allocation Meter	Gas FMP	Oil FMP	Water Allocation Meter	VRU Allocation Meter
ALLEY CAT 17 FED COM 211H	390491146	39030325	742724-00	39050139	n/a	390491149
ALLEY CAT 17 FED COM 212H	390491147	39030324	742724-00	39050139	n/a	390491149
ALLEY CAT 17-20 FED COM 524H	DVN /	DVN /	DCP/	ENLK/	DVN /	DVN /
ALLEY CAT 17-20 FED COM 525H	DVN /	DVN /	DCP/	ENLK/	DVN /	DVN /
ALLEY CAT 17-20 FED COM 526H	DVN /	DVN /	DCP/	ENLK/	DVN /	DVN /

\* 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:

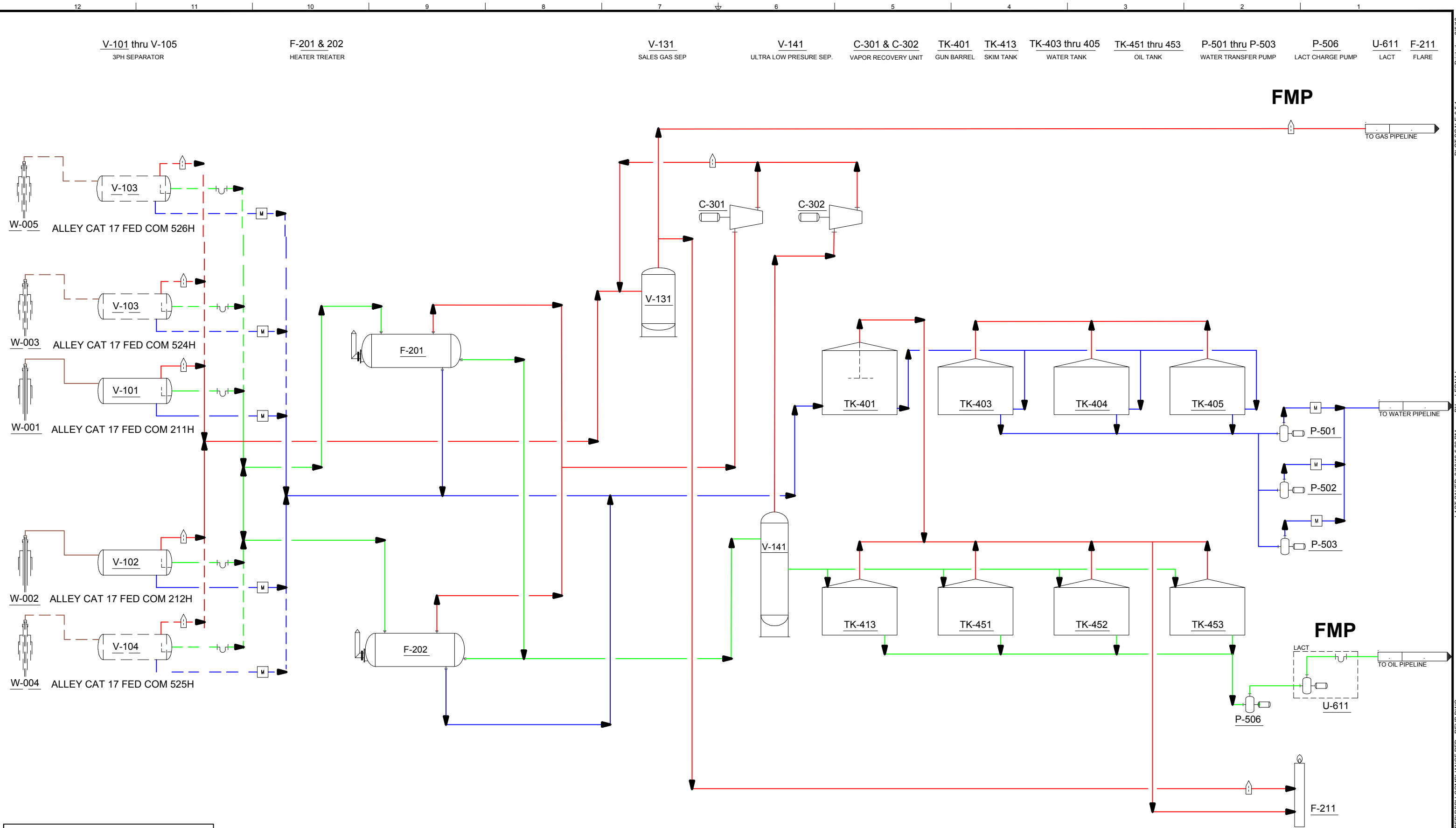
The flow of produced fluids is described above and shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter.

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.

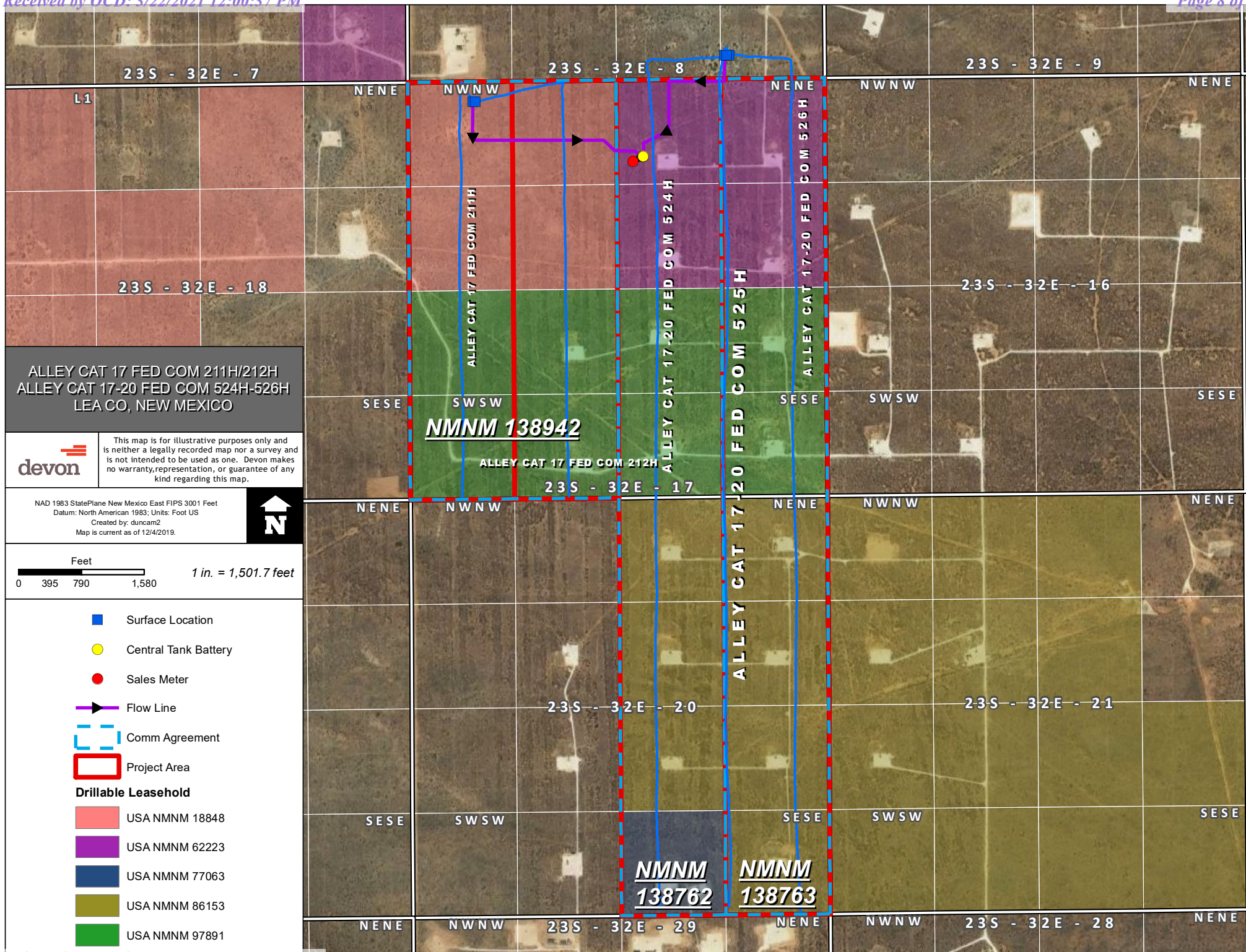
Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Page 7 of 85  
Received by OCD: 3/22/2021 12:00:37 PM  
Released to Imaging: 10/13/2021 3:11:46 PM



Printed: 2/25/19  
PLOT SCALE: 0.51  
BY: LEONAJ  
LAST SAVED: 3/13/19 5:23 PM  
H2019DBBU STANDARD DESIGN PFD DBBU COMPLIANCE PFD - REV B.DWG





USPS CERTIFIED MAIL	STATUS		AttentionTo	Organization	Address1	Address2	Address3	City	Region	Country	Phone	Email	Notes	Residential	DUNS	PostalCode
9414 8149 0152 7181 9084 13	Delivered	2nd attempt	ANDRA COCCIMIGLIO				PO BOX 712091	SALT LAKE	Utah	US						84171-2091
9414 8149 0152 7181 9084 20	Label Created, not yet in system: A status up	SENT BY FED EX 9479-2335-7451- Delivered Monday, February 22, 2021 at 9:27 am	BY ROYALTY LTD CO STEPHANIE A NORIEGA-GARCIA AIF				327 W MAIN	ARTESIA	New Mexico	US						88210
9414 8149 0152 7181 9084 37			CHISOS MINERALS LLC				1111 BAGBY ST STE 2	HOUSTON	Texas	US						77002
9414 8149 0152 7181 9084 44	Delivered		CORNERSTONE FAMILY TRUST JOHN KYLE THOMA SUCC TTEE				PO BOX 558	PEYTON	Colorado	US						80831
9414 8149 0152 7181 9084 51	Delivered		CROWNROCK MINERALS LP				PO BOX 51933	MIDLAND	Texas	US						79710
94148149 0152 7181 9084 75	Delivered		DRAGOON CREEK MINERALS LLC				PO BOX 470857	FORT WORTH	Texas	US						76147
9414 8149 0152 7181 9084 82	Delivered		EILEEN M GROOMS TTEE OF EMG REVOCABLE TRUST				1000 4TH ST	ROSWELL	New Mexico	US						88201
9414 8149 0152 7181 9084 99	Delivered		EOG RESOURCES INC				PO BOX 840321	DALLAS	Texas	US						75284-0321
9414 8149 0152 7181 9085 05	Delivered		GEORGE G VAUGHT JR				PO BOX 13557	DENVER	Colorado	US						80201-3557
9414 8149 0152 7181 9085 12	Delivered		JAREED PARTNERS LTD A TEXAS LIMITED PARTNERSHIP				PO BOX 51451	MIDLAND	Texas	US						79710-1451
9414 8149 0152 7181 9085 29	Delivered		JEAN C OAKASON MEMORIAL LLC DAVID L PATTERSON & LANI ABERCROMBIE MANAGERS % LANI ABERCROMBIE AGEN				3018 E KSEL DR	SANDY	Utah	US						84092
9414 8149 0152 7181 9085 36	Delivered		JUSTIN T CRUM				PO BOX 3598	ROSWELL	New Mexico	US						88202
9414 8149 0152 7181 9085 43	Delivered		KIMBELL ROYALTY HOLDINGS LLC % DUNCAN MANAGEMENT LLC				PO BOX 671099	DALLAS	Texas	US						75367-1099
9414 8149 0152 7181 9085 50	Delivered		KINGDOM INVESTMENTS LIMITED				2101 CEDAR SPRING	DALLAS	Texas	US						75201
9414 8149 0152 7181 9085 67	Delivered		MCMULLEN MINERALS LLC				PO BOX 470857	FORT WORTH	Texas	US						76147
9414 8149 0152 7181 9085 74	Delivered		MERPEL LLC PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO & GEORGE OVERBEY COO AGENTS				3100 MONTICELLO A	DALLAS	Texas	US						75205
9414 8149 0152 7181 9085 81	Delivered		MORRIS E SCHERTZ & WIFE HOLLY K SCHERTZ				P O BOX 2588	ROSWELL	New Mexico	US						88202-2588
9414 8149 0152 7181 9085 98	Delivered		ONRR ROYALTY MANAGEMENT PROGRAM				PO BOX 25627	DENVER	Colorado	US						80225-0627
9414 8149 0152 7181 9086 04	Delivery Attempt	<a href="mailto:PAUL@BARWISEXPL.COM">PAUL@BARWISEXPL.COM- SENT EMAIL 3/22/2021</a>	PAUL R BARWIS % DUTTON HARRIS & CO				PO BOX 230	MIDLAND	Texas	US						79702
9414 8149 0152 7181 9086 11	Delivered		PEGASUS RESOURCES LLC				PO BOX 470698	FORT WORTH	Texas	US						76147
9414 8149 0152 7181 9086 28	Delivered		PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO GEORGE OVERBEY COO				4245 N CENTRAL EXP	DALLAS	Texas	US						75205
9414 8149 0152 7181 9086 35	Delivered		RAVE ENERGY INC				PO BOX 3087	HOUSTON	Texas	US						77253-3087
9414 8149 0152 7181 9086 42	Delivered		RAVE ENERGY INC DBA GEP III				P O BOX 3087	HOUSTON	Texas	US						77253-3087
9414 8149 0152 7181 9086 59	Delivered		RICHARDSON MINERAL & ROYALTY LLC				PO BOX 2423	ROSWELL	New Mexico	US						88202
9414 8149 0152 7181 9086 66	Delivered		RUSK CAPITAL MANAGEMENT LLC				7600 W TIDWELL RD	HOUSTON	Texas	US						77040
9414 8149 0152 7181 9086 73	Delivered		SHARBRO ENERGY LLC ELIZABETH A BAKER AIF				PO BOX 840	ARTESIA	New Mexico	US						88210
9414 8149 0152 7181 9086 80	Delivered		TAURUS ROYALTY LLC % ROBERT B PAYNE JR				PO BOX 1477	LITTLE ELM	Texas	US						75068-1477
9414 8149 0152 7181 9086 97	Delivered		TD MINERALS LLC				8111 WESTCHESTER	DALLAS	Texas	US						75225
9414 8149 0152 7181 9087 03	Delivered		THE OAKASON JR CO LC BANK OF AMERICA NA AGENT				PO BOX 840738	DALLAS	Texas	US						75284-0738
9414 8149 0152 7181 9087 10	Delivered		VENDETTA ROYALTY PARTNERS LTD THOMAS L TAYLOR III RECEIVER VENDETTA ROYALTY MGMT LLC				7600 W TIDWELL STE	HOUSTON	Texas	US						77040



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

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-49064</b>	<sup>2</sup> Pool Cat <b>53560</b>	<sup>3</sup> Pool Name <b>Salt Lake; Bone Spring</b>
<sup>4</sup> Property Code <b>722232</b>	<sup>5</sup> Property Name <b>ALLEY CAT 17 FED COM</b>	<sup>6</sup> Well Number <b>211H</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3602.1</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>17</b>	<b>23 S</b>	<b>32 E</b>		<b>251</b>	<b>NORTH</b>	<b>821</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup> 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>M</b>	<b>17</b>	<b>23 S</b>	<b>32 E</b>		<b>330</b>	<b>SOUTH</b>	<b>400</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
<b>160</b>			

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.

<p>N89°25'44"E 2637.38 FT</p> <p>N Q CORNER SEC. 17 LAT. = 32.3118041°N LONG. = 103.6966871°W</p> <p>NMSP EAST (FT) N = 477750.79 E = 738021.18</p>		<p>N89°21'37"E 2632.81 FT</p> <p>NE CORNER SEC. 17 LAT. = 32.3118416°N LONG. = 103.6881673°W</p> <p>NMSP EAST (FT) N = 477780.18 E = 740653.25</p>	
<p>821'</p> <p>251'</p> <p>NW CORNER SEC. 17 LAT. = 32.3117746°N LONG. = 103.7052219°W</p> <p>NMSP EAST (FT) N = 477724.51 E = 735384.50</p>		<p>SURFACE LOCATION</p> <p><b>ALLEY CAT 17 FED COM 211H</b> ELEV. = 3602.1' LAT. = 32.3110939°N (NAD83) LONG. = 103.7025639°W</p> <p>NMSP EAST (FT) N = 477481.70 E = 736207.13</p>	
<p>W Q CORNER SEC. 17 LAT. = 32.3045169°N LONG. = 103.7052099°W</p> <p>NMSP EAST (FT) N = 475084.23 E = 735403.66</p>		<p>E Q CORNER SEC. 17 LAT. = 32.3045785°N LONG. = 103.6881632°W</p> <p>NMSP EAST (FT) N = 475137.91 E = 740670.42</p>	
<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. VERTICAL DATUM NAVD83.</p>		<p>SE CORNER SEC. 17 LAT. = 32.2973218°N LONG. = 103.6881624°W</p> <p>NMSP EAST (FT) N = 472497.97 E = 740686.53</p>	
<p>BOTTOM OF HOLE LAT. = 32.2981768°N LONG. = 103.7039153°W</p> <p>NMSP EAST (FT) N = 472780.08 E = 735817.2</p>		<p>SW CORNER SEC. 17 LAT. = 32.2972667°N LONG. = 103.7052095°W</p> <p>NMSP EAST (FT) N = 472446.64 E = 735419.26</p>	
<p>330'</p> <p>400'</p>		<p>S Q CORNER SEC. 17 LAT. = 32.2972877°N LONG. = 103.6966876°W</p> <p>NMSP EAST (FT) N = 472469.80 E = 738052.41</p>	
<p>589°29'46"W 2633.83 FT</p>		<p>589°23'14"W 2634.84 FT</p>	

**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: *[Signature]* Date: **1/24/2018**

Printed Name  
**Chance Bland**

E-mail Address  
**Chance.bland@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: **SEPTEMBER 11, 2017**  
Signature and Seal of Professional Surveyor: *[Signature]*  
Certificate Number: **12797**  
SURVEY NO. 5574

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

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AUG 06 2018

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>70-025-45065</b>	<sup>2</sup> Pool Code <b>53560</b>	<sup>3</sup> Pool Name <b>Salt Lake; Bone Spring</b>
<sup>4</sup> Property Code <b>322232</b>	<sup>5</sup> Property Name <b>ALLEY CAT 17 FED COM</b>	<sup>6</sup> Well Number <b>212H</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3602.7</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>17</b>	<b>23 S</b>	<b>32 E</b>		<b>251</b>	<b>NORTH</b>	<b>851</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup> 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>N</b>	<b>17</b>	<b>23 S</b>	<b>32 E</b>		<b>330</b>	<b>SOUTH</b>	<b>1720</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p>N89°25'44"E 2637.38 FT</p> <p>N89°21'37"E 2632.81 FT</p> <p>851'</p> <p>251'</p> <p>NW CORNER SEC. 17 LAT. = 32.3117746°N LONG. = 103.7052219°W NMSP EAST (FT) N = 477724.51 E = 735384.50</p> <p>W Q CORNER SEC. 17 LAT. = 32.3045169°N LONG. = 103.7052099°W NMSP EAST (FT) N = 475084.23 E = 735403.66</p> <p>SW CORNER SEC. 17 LAT. = 32.2972667°N LONG. = 103.7052095°W NMSP EAST (FT) N = 472446.64 E = 735419.26</p> <p>1720'</p> <p>589°29'46"W 2633.83 FT</p>		<p>ALLEY CAT 17 FED COM 212H ELEV. = 3602.7' LAT. = 32.3110942°N (NAD83) LONG. = 103.7024669°W NMSP EAST (FT) N = 477482.01 E = 736237.10</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE, VERTICAL DATUM NAVD83.</p> <p>BOTTOM OF HOLE LAT. = 32.2981873°N LONG. = 103.6996443°W NMSP EAST (FT) N = 472791.68 E = 737136.87</p> <p>330'</p> <p>S Q CORNER SEC. 17 LAT. = 32.2972877°N LONG. = 103.6966876°W NMSP EAST (FT) N = 472469.80 E = 738052.41</p> <p>589°23'14"W 2634.84 FT</p>		<p>NE CORNER SEC. 17 LAT. = 32.3118416°N LONG. = 103.6881673°W NMSP EAST (FT) N = 477780.18 E = 740653.25</p> <p>E Q CORNER SEC. 17 LAT. = 32.3045785°N LONG. = 103.6881632°W NMSP EAST (FT) N = 475137.91 E = 740670.42</p> <p>SE CORNER SEC. 17 LAT. = 32.2973218°N LONG. = 103.6881624°W NMSP EAST (FT) N = 472497.97 E = 740686.53</p> <p>500°22'21"E 2642.90 FT</p> <p>500°20'59"E 2640.56 FT</p>	
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**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* 6-4-2018  
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.

SEPTEMBER 14, 2017  
Date of Survey

*FILIMON F. JARAMILLO*  
Signature and Seal of Professional Surveyor

Certificate Number: FILIMON F. JARAMILLO, PLS 12797

SURVEY NO. 5575



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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District III  
1000 Rio Bruzoz Road, Aztec, NM 87410  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
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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 PLAT

<sup>1</sup> API Number <b>30-025-46023</b>	<sup>2</sup> Pool Code <b>53800</b>	<sup>3</sup> Pool Name <b>SAND DUNES; BONESPRING</b>
<sup>4</sup> Property Code <b>722236</b>	<sup>5</sup> Property Name <b>ALLEY CAT 17-20 FED COM</b>	
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	
		<sup>6</sup> Well Number <b>524H</b>
		<sup>9</sup> Elevation <b>3610.0</b>

## " Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>8</b>	<b>23 S</b>	<b>32 E</b>		<b>302</b>	<b>SOUTH</b>	<b>1266</b>	<b>EAST</b>	<b>LEA</b>

## " 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>O</b>	<b>20</b>	<b>23 S</b>	<b>32 E</b>		<b>20</b>	<b>SOUTH</b>	<b>2160</b>	<b>EAST</b>	<b>LEA</b>

<sup>10</sup> Dedicated Acres <b>640</b>	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> 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.

<p><b>" OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><i>Jenny Harms</i> <b>12-13-2018</b> Signature Date</p> <p><b>JENNY HARMS</b> Printed Name</p> <p><b>JENNY.HARMS@DVN.COM</b> E-mail Address</p>		<p><b>" SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p><b>NOVEMBER 14, 2018</b> Date of Survey</p> <p><i>Filmon F. Jaramillo</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: <b>FILMON F. JARAMILLO, PLS 12797</b> SURVEY NO. 6695</p>	
--	--	---	--

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) 334-6178 Fax: (505) 334-6170

District IV  
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State of New Mexico  
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1220 South St. Francis Dr.  
Santa Fe, NM 87505

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 70-025, 46251	<sup>2</sup> Pool Code 53805 53800	<sup>3</sup> Pool Name SAND DUNES; BONESPRING
<sup>4</sup> Property Code 722236	<sup>5</sup> Property Name ALLEY CAT 17-20 FED COM	<sup>6</sup> Well Number 525H
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>9</sup> Elevation 3609.7

## \* Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	23 S	32 E		302	SOUTH	1236	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
P	20	23 S	32 E		20	SOUTH	1280	EAST	LEA

<sup>10</sup> Dedicated Acres	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> Order No.
640			

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.

<p><b>17 OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><i>Jenny Harms</i> 12-13-2018 Signature Date</p> <p>JENNY HARMS Printed Name</p> <p>JENNY.HARMS@DVN.COM E-mail Address</p>		<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>NOVEMBER 14, 2018 Date of Survey</p> <p><i>FILIPON F. JARAMILLO</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILIPON F. JARAMILLO, PLS 12797 SURVEY NO. 6694</p>	
--	--	--	--

District I  
1625 N. French Dr., Hobbs, NM 88240  
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District II  
811 S. First St., Artesia, NM 88210  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
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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

<sup>1</sup> API Number 30-025-46252	<sup>2</sup> Pool Code 5380599800	<sup>3</sup> Pool Name SAND DUNES; BONESPRING
<sup>4</sup> Property Code 7222 36	<sup>5</sup> Property Name ALLEY CAT 17-20 FED COM	<sup>6</sup> Well Number 526H
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>9</sup> Elevation 3610.0

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	23 S	32 E		302	SOUTH	1206	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
P	20	23 S	32 E		20	SOUTH	400	EAST	LEA

<sup>10</sup> Dedicated Acres 640	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> 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.

<p><b>" OPERATOR CERTIFICATION</b> 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.</p> <p><i>Jenny Harms</i> 12-12-2018 Signature Date</p> <p>JENNY HARMS Printed Name</p> <p>JENNY.HARMS@DVN.COM E-mail Address</p>		<p><b>" SURVEYOR CERTIFICATION</b> 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.</p> <p>NOVEMBER 18, 2018 Date of Survey</p> <p><i>FILMION F. JARAMILLO</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILMION F. JARAMILLO, PLS 12797 SURVEY NO. 6693</p>	
--	--	--	--

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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State of New Mexico  
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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-46023</b>	<sup>2</sup> Pool Code <b>53800</b>	<sup>3</sup> Pool Name <b>SAND DUNES; BONE SPRING</b>
<sup>4</sup> Property Code <b>322236</b>	<sup>5</sup> Property Name <b>ALLEY CAT 17-20 FED COM</b>	<sup>6</sup> Well Number <b>524H</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3610.0</b>

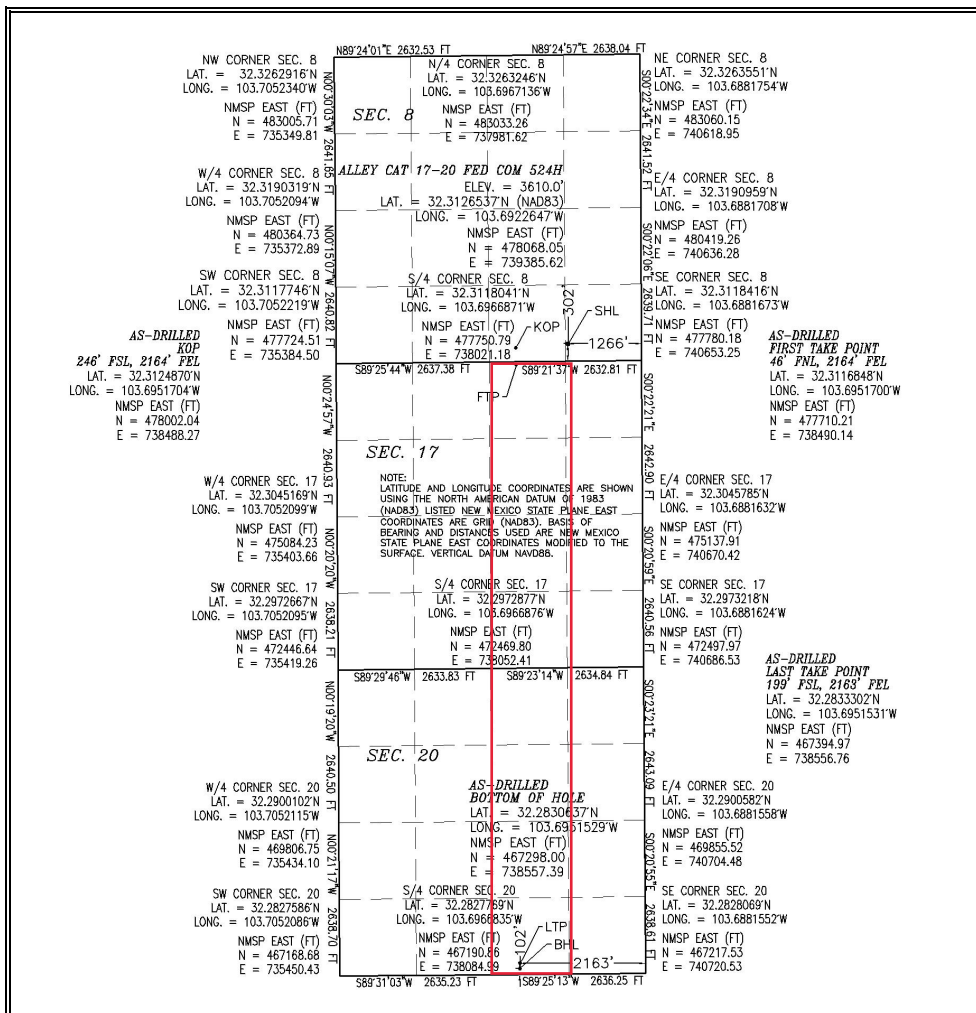
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>8</b>	<b>23 S</b>	<b>32 E</b>		<b>302</b>	<b>SOUTH</b>	<b>1266</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> 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>O</b>	<b>20</b>	<b>23 S</b>	<b>32 E</b>		<b>102</b>	<b>SOUTH</b>	<b>2163</b>	<b>EAST</b>	<b>LEA</b>
<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>17</sup> 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: **3-30-2020**  
Printed Name: **JENNY HARMS**  
E-mail Address: **JENNY.HARMS@DVN.COM**

<sup>18</sup> 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.

NOVEMBER 14, 2018  
Date of Survey  
Signature and Seal of Professional Surveyor: *William F. Jarman*  
Certificate Number: **FIRM 12797**

SURVEY NO. 6695

Intent ☐ As Drilled ☒API #  
30-025-46023

Operator Name:	Property Name:	Well Number
<b>DEVON ENERGY PRODUCTION CO., L.P.</b>	<b>ALLEY CAT 17-20 FED COM</b>	<b>524H</b>

Kick Off Point (KOP)

UL <b>O</b>	Section <b>8</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>246</b>	From N/S <b>SOUTH</b>	Feet <b>2164</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.3124870</b>					Longitude <b>103.6951704</b>			NAD <b>83</b>	

First Take Point (FTP)

UL <b>B</b>	Section <b>17</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>46</b>	From N/S <b>NORTH</b>	Feet <b>2164</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.3116848</b>					Longitude <b>103.6951700</b>			NAD <b>83</b>	

Last Take Point (LTP)

UL <b>O</b>	Section <b>20</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>199</b>	From N/S <b>SOUTH</b>	Feet <b>2163</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.2833302</b>					Longitude <b>103.6951531</b>			NAD <b>83</b>	

Is this well the defining well for the Horizontal Spacing Unit?

☐ NO

Is this well an infill well?

☐ YES

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number

KZ 06/29/2018



**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

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☒ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-46251	<sup>2</sup> Pool Code 53800	<sup>3</sup> Pool Name SAND DUNES; BONE SPRING
<sup>4</sup> Property Code 322236	<sup>5</sup> Property Name ALLEY CAT 17-20 FED COM	
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>6</sup> Well Number 525H  <sup>9</sup> Elevation 3609.7

## <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	23 S	32 E		302	SOUTH	1236	EAST	LEA

<sup>11</sup> 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	20	23 S	32 E		102	SOUTH	1281	EAST	LEA

<sup>12</sup> Dedicated Acres 320-NSL	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

**18 SURVEYOR 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 Date

3-30-2020

---

**JENNY HARMS**


Printed Name

**JENNY.HARMS@DVN.COM**

E-mail Address

**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 Date

3-30-2020

---

**JENNY HARMS**

Printed Name

**JENNY.HARMS@DVN.COM**

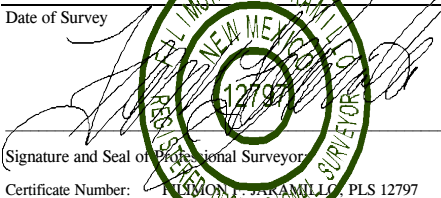
E-mail Address

**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.

NOVEMBER 14, 2018

Date of Survey

  
 Signature and Seal of Professional Surveyor

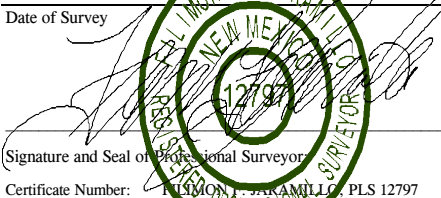
Certificate Number: PLS 12797

**17 OPERATOR 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.

NOVEMBER 14, 2018

Date of Survey

  
 Signature and Seal of Professional Surveyor

Certificate Number: PLS 12797

Intent ☐ As Drilled ☒

API # <b>30-025-46251</b>		
Operator Name: <b>DEVON ENERGY PRODUCTION CO., L.P.</b>	Property Name: <b>ALLEY CAT 17-20 FED COM</b>	Well Number <b>525H</b>

Kick Off Point (KOP)

UL <b>P</b>	Section <b>8</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>403</b>	From N/S <b>SOUTH</b>	Feet <b>1281</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.3129299</b>					Longitude <b>103.6923147</b>				NAD <b>83</b>

First Take Point (FTP)

UL <b>A</b>	Section <b>17</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>114</b>	From N/S <b>NORTH</b>	Feet <b>1281</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.3115108</b>					Longitude <b>103.6923138</b>				NAD <b>83</b>

Last Take Point (LTP)

UL <b>P</b>	Section <b>20</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>139</b>	From N/S <b>SOUTH</b>	Feet <b>1281</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.2831741</b>					Longitude <b>103.6922978</b>				NAD <b>83</b>

Is this well the defining well for the Horizontal Spacing Unit?

☐ NO

Is this well an infill well?

☒ YES

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API # <b>30-025-46251</b>		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018



State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval, Director**  
Oil Conservation Division



July 18, 2019

Ms. Kaitlyn A. Luck  
[kaluck@hollandhart](mailto:kaluck@hollandhart)

NON-STANDARD LOCATION

**Administrative Order NSL-7908**

**Devon Energy Production, L.P. [OGRID 6137]  
Alley Cat 17 20 Federal Com Well No. 525H  
API No. 30-025-PENDING**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	302 FSL & 1236 FEL	P	8	23S	32E	Lea
First Take Point	100 FNL & 1280 FEL	A	17	23S	32E	Lea
Last Take Point	123 FSL & 1280 FEL	P	20	23S	32E	Lea
Terminus	20 FSL & 1280 FEL	P	20	23S	32E	Lea

**Proposed Horizontal Spacing Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 17	320	Sand Dunes; Bone Spring, South	53805
E2 E2 of Section 20			

Reference is made to your application received on June 27, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 40 feet to the western edge. Encroachments will impact the following tracts.

Section 17, encroachment to the W2 E2

Section 20, encroachment to the W2 E2

Administrative Order NSL-7908  
Devon Energy Production, L.P.  
July 18, 2019  
Page 2 of 2

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

The Division understands you seek this location as your preferred well spacing for horizontal wells in the area thereby preventing waste of oil and gas reserves underlying the horizontal spacing unit located within the Bone Spring formation underlying the E2 E2 of Section 17 and Section 20.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



---

**ADRIENNE E. SANDOVAL**  
**Division Director**

AES/lrl

cc: Oil Conservation Division – Hobbs District Office  
Bureau of Land Management – Carlsbad Field Office

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

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-46252</b>	<sup>2</sup> Pool Code <b>53800</b>	<sup>3</sup> Pool Name <b>SAND DUNES; BONE SPRING</b>
<sup>4</sup> Property Code <b>322236</b>	<sup>5</sup> Property Name <b>ALLEY CAT 17-20 FED COM</b>	<sup>6</sup> Well Number <b>526H</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3610.0</b>

<sup>10</sup> Surface Location

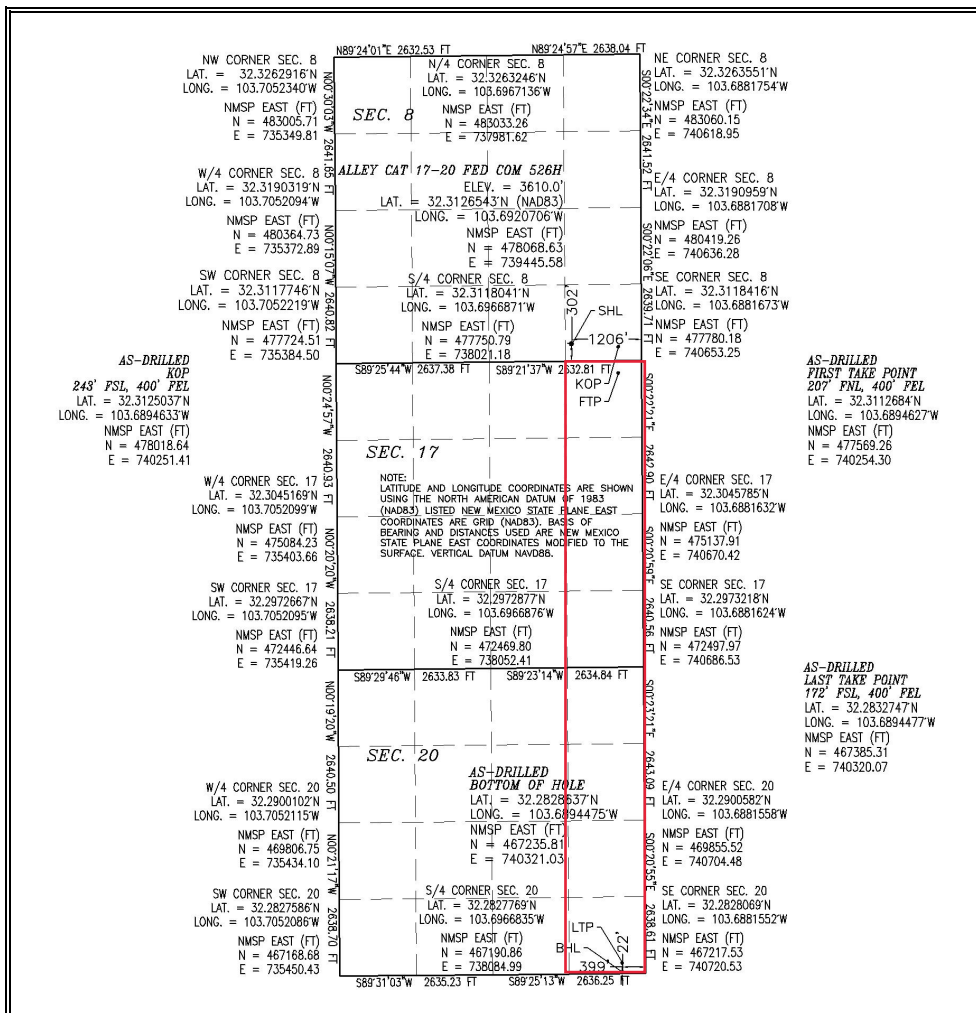
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>8</b>	<b>23 S</b>	<b>32 E</b>		<b>302</b>	<b>SOUTH</b>	<b>1206</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> 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>P</b>	<b>20</b>	<b>23 S</b>	<b>32 E</b>		<b>22</b>	<b>SOUTH</b>	<b>399</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup> 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* 3-30-2020  
Signature Date

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

<sup>18</sup> 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.

NOVEMBER 14, 2018  
Date of Survey

*FILIMON F. JARAMILLO*  
Signature and Seal of Professional Surveyor  
Certificate Number: **FILIMON F. JARAMILLO, PLS 12797**

SURVEY NO. 6693

Intent ☐ As Drilled ☒

API # <b>30-025-46252</b>		
Operator Name: <b>DEVON ENERGY PRODUCTION CO., L.P.</b>	Property Name: <b>ALLEY CAT 17-20 FED COM</b>	Well Number <b>526H</b>

Kick Off Point (KOP)

UL <b>P</b>	Section <b>8</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>243</b>	From N/S <b>SOUTH</b>	Feet <b>400</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.3125037</b>					Longitude <b>103.6894633</b>				NAD <b>83</b>

First Take Point (FTP)

UL <b>A</b>	Section <b>17</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>207</b>	From N/S <b>NORTH</b>	Feet <b>400</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.3112684</b>					Longitude <b>103.6894627</b>				NAD <b>83</b>

Last Take Point (LTP)

UL <b>P</b>	Section <b>20</b>	Township <b>23S</b>	Range <b>32E</b>	Lot	Feet <b>172</b>	From N/S <b>SOUTH</b>	Feet <b>400</b>	From E/W <b>EAST</b>	County <b>LEA</b>
Latitude <b>32.2832747</b>					Longitude <b>103.6894477</b>				NAD <b>83</b>

Is this well the defining well for the Horizontal Spacing Unit?

☐ NO

Is this well an infill well?

☐ YES

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API # <b>30-025-46252</b>		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018





## 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](http://www.blm.gov/new-mexico)



IN REPLY REFER TO:  
IN REPLY REFER TO:  
NMNM138763  
3105.2 (P0220)

SEP - 7 2018

#### Reference:

Communitization Agreement  
Alley Cat 17-20 Fed Com #215H  
Section 17: E2E2  
Section 20: E2E2  
T. 23 S., R. 32 E., N.M.P.M.  
Lea County, NM



Devon Energy Production Co., LP  
333 W. Sheridan Ave.  
Oklahoma City, OK 73102-5015

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138763 involving 80 acres of Federal land in lease NMNM62223, 80 acres of Federal land in lease NMNM 97891, and 160 acres of Federal land in lease NMNM 86153, Lea County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2E2, Sec. 17 and E2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective August 1, 2018. 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 James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

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

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 E2E2 of sec. 17 and E2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: **SEP - 7 2018**

  
Sheila Mallory  
Deputy State Director  
Division of Minerals

Effective: 08/01/2018

Contract No.: Com. Agr. NMNM138763



## COMMUNITIZATION AGREEMENT

Federal/Federal

Contract No. NMNM 138763

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 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.

Section 17: E2E2

Section 20: E2E2

Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, 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 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 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 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 each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 August 1, 2018 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 as to the Bone Spring formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations 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 non-production. 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 occurs 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 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.

**Devon Energy Production Company, L.P.**  
(Operator, Record Title and Operating Rights Owner)

Date: 8-15-2018

By: Catherine Lebsack  
Catherine Lebsack, Vice President

*Handwritten initials*

**Foundation Energy Fund V-B Holding LLC**  
(Record Title)

Date: 7/26/2018

Bv: Joel P. Sauer  
\_\_\_\_\_  
FOUNDATION ENERGY FUND V-B HOLDING, LLC,  
a Texas Limited Liability Company  
By: Joel P. Sauer, Executive Vice President  
FOUNDATION ENERGY MANAGEMENT, LLC,  
a Texas Limited Liability Company, its Manager

**Sharbro Energy, LLC**  
(Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Elizabeth Baker, Attorney-in-Fact

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 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.

**Devon Energy Production Company, L.P.**  
(Operator, Record Title and Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Catherine Lebsack, Vice President

**Foundation Energy Fund IV-B Holding LLC**  
(Record Title)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Sharbro Energy, LLC**  
(Operating Rights Owner)

Date: 6/22/18

By:   
Elizabeth Baker, Attorney-in-Fact



ACKNOWLEDGMENTS

STATE OF OKLAHOMA       §  
    §  
 COUNTY OF OKLAHOMA   §

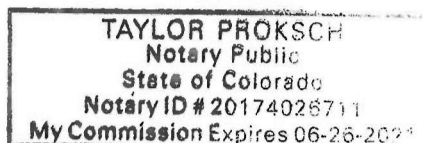
The foregoing instrument was acknowledged before me on this 15<sup>th</sup> day of August, 2018 by Catherine Lebsack, Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

My Commission Expires:



Courtney Thomas  
 Notary Public

STATE OF Colorado       §  
    §  
 COUNTY OF Denver       §



The foregoing instrument was acknowledged before me on this 26<sup>th</sup> day of July, 2018 by Joel P Sauer, as Executive Vice President on behalf of Foundation Energy Fund V-B Holding LLC.

My Commission Expires: 4/26/21

Jayla Renda  
 Notary Public

STATE OF NEW MEXICO   §  
    §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by Elizabeth Baker, Attorney-in-Fact of Sharbro Energy LLC, on behalf of said limited liability company.

My Commission Expires:

\_\_\_\_\_  
 Notary Public

ACKNOWLEDGMENTS

STATE OF OKLAHOMA           §  
    §  
 COUNTY OF OKLAHOMA       §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by Catherine Lebsack, Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_ §  
    §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, as \_\_\_\_\_ on behalf of Foundation Energy Fund IV-B Holding LLC.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
 Notary Public

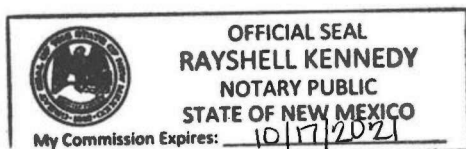
STATE OF NEW MEXICO       §  
    §  
 COUNTY OF Eddy           §

The foregoing instrument was acknowledged before me on this 22<sup>nd</sup> day of June, 2018 by Elizabeth Baker, Attorney-in-Fact of Sharbro Energy LLC, on behalf of said limited liability company.

My Commission Expires:

10/17/2021

Rayshell Kennedy  
 Notary Public





## EXHIBIT "A"

To Communitization Agreement dated August 1, 2018 embracing E2E2 of Section 17 and E2E2 Section 20, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

17	NMNM - 62223  80.00 acres
	NMNM - 97891  80.00 acres
20	NMNM- 86153  160.00 acres

## EXHIBIT "B"

To Communitization Agreement dated August 1, 2018 embracing E2E2 of Section 17 and E2E2 Section 20, 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 No.:	NMNM-62223
Lease Date:	September 1, 1985
Lease Term:	10 years
Lessor:	United States of America
Original Lessee:	Lillie M. Yates
Present Lessee:	Foundation Energy Fund V-B Holdings LLC – 100%
Description of Land Committed:	<u>Township 23 South, Range 32 East, N.M.P.M.</u> Section 17: Insofar and only insofar as said lease covers E2NE
Number of Acres:	80.00
Royalty Rate:	1/8th
Name and Percent WI Owners:	Devon Energy Production Company, L.P. - 81.25% Sharbro Energy LLC – 18.75%
Name and Percent ORRI Owners:	ORRI Owners of Record

Tract No. 2

Lease Serial No.:	NMNM - 97891
Lease Date:	December 1, 1996
Lease Term:	10 years

Lessor: United States of America

Original Lessee: Penwell Energy Inc.

Present Lessee: Devon Energy Production Company, LP

Description of Land Committed: Township 23 South, Range 32 East, N.M.P.M.  
Section 17: Insofar and only insofar as said lease covers  
E2SE

Number of Acres: 80.00

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Company, L.P. - 100.00%

Name and Percent ORRI Owners: ORRI Owners of Record

Tract No. 3

Lease Serial No.: NMNM-86153

Lease Date: April 1, 1991

Lease Term: 10 years

Lessor: United States of America

Original Lessee: Santa Fe Energy Operating Partners, LP

Present Lessee: Devon Energy Production Company, L.P. - 100%

Description of Land Committed: Township 23 South, Range 32 East, N.M.P.M.  
Section 20: Insofar and only insofar as said lease covers  
E2E2

Number of Acres: 160.00

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Company, L.P. - 100.00%

Name and Percent ORRI Owners: ORRI Owners of Record

## RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	80.00	25.000000%
Tract No. 2	80.00	25.000000%
<u>Tract No. 3</u>	<u>160.00</u>	<u>50.000000%</u>
	320.00	100.00%



# 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](http://www.blm.gov/new-mexico)



IN REPLY REFER TO:  
NMNM138762  
3105.2 (P0220)

SEP - 7 2018

### Reference:

Communitization Agreement  
Alley Cat 17-20 Fed Com #216H  
Section 17: W2E2  
Section 20: W2E2  
T. 23 S., R. 32 E., N.M.P.M.  
Lea County, NM

RECEIVED  
SEP 10 2018  
LAND DEPARTMENT

Devon Energy Production Co., LP  
333 W. Sheridan Ave.  
Oklahoma City, OK 73102-5015

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138762 involving 80 acres of Federal land in lease NMNM62223, 80 acres of Federal land in lease NMNM 97891, 120 acres of Federal land in lease NMNM 86153, and 40 acres of Federal land in lease NMNM 77063, Lea County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2E2, Sec. 17 and W2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective August 1, 2018. 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 James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

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)

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. 17 and W2E2 Sec. 20, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: SEP - 7 2018

  
Sheila Mallory  
Deputy State Director  
Division of Minerals

Effective: 08/01/2018

Contract No.: Com. Agr. NMNM138762

Federal/Federal

## COMMUNITIZATION AGREEMENT

Contract No. NM NM 138762

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 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.

Section 17: W2E2

Section 20: W2E2

Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, 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 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 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 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 each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 August 1, 2018 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 as to the Bone Spring formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations 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 non-production. 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 occurs 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 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.

**Devon Energy Production Company, L.P.**  
(Operator, Record Title and Operating Rights Owner)

Date: 8-15-2018

By: Catherine Lebsack  
Catherine Lebsack, Vice President

*re*

**EOG Y Resources, Inc.**  
(Record Title)

Date: July 30, 2018

By: Wendy Dalton *W*  
Name: Wendy Dalton  
Title: Agent and Attorney-in-Fact

**EOG A Resources, Inc.**  
(Record Title)

Date: July 30, 2018

By: Wendy Dalton *W*  
Name: Wendy Dalton  
Title: Agent and Attorney-in-Fact

**EOG M Resources, Inc.**  
(Record Title)

Date: July 30, 2018

By: Wendy Dalton *or*  
Name: Wendy Dalton  
Title: Agent and Attorney-in-Fact

**Foundation Energy Fund IV-B Holding LLC**  
(Record Title)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oxy Y-1 Company**  
(Record Title and Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Sharbro Energy, LLC**  
(Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Elizabeth Baker, Attorney-in-Fact

**Foundation Energy Fund V-B Holding LLC**  
(Record Title)

Date: 7/26/2018

Rv: 

FOUNDATION ENERGY FUND V-B HOLDING, LLC,  
a Texas Limited Liability Company  
By: Joel P. Sauer, Executive Vice President  
FOUNDATION ENERGY MANAGEMENT, LLC,  
a Texas Limited Liability Company, its Manager

**Oxy Y-1 Company**  
(Record Title and Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Sharbro Energy, LLC**  
(Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Elizabeth Baker, Attorney-in-Fact

**Foundation Energy Fund IV-B Holding LLC**  
(Record Title)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_


**Oxy Y-1 Company**  
(Record Title and Operating Rights Owner)

Date: 6/26/2018

By: 

Name: Bradley S. Dusek

Title: Attorney-in-fact

  
JUS

**Sharbro Energy, LLC**  
(Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Elizabeth Baker, Attorney-in-Fact

**Foundation Energy Fund IV-B Holding LLC**  
(Record Title)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oxy Y-1 Company**  
(Record Title and Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Sharbro Energy, LLC**  
(Operating Rights Owner)

Date: 6/22/18

By: Elizabeth Baker  
Elizabeth Baker, Attorney-in-Fact

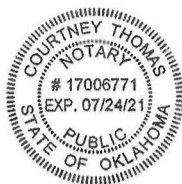


ACKNOWLEDGMENTS

STATE OF OKLAHOMA       §  
    §  
 COUNTY OF OKLAHOMA   §

The foregoing instrument was acknowledged before me on this 15<sup>th</sup> day of August, 2018 by Catherine Lebsack, Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

My Commission Expires:



Courtney Thomas  
 Notary Public

STATE OF TEXAS       §  
    §  
 COUNTY OF MIDLAND   §

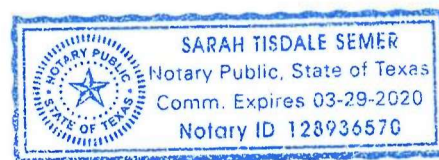
The foregoing instrument was acknowledged before me on this 30<sup>th</sup> day of July, 2018 by Wendy Dalton, as Agent and Attorney-in-Fact on behalf of EOG Y Resources, Inc., a New Mexico Corporation.

My Commission Expires:

March 29, 2020

Sarah Tisdale Semer

Notary Public



STATE OF TEXAS       §  
    §  
 COUNTY OF MIDLAND   §

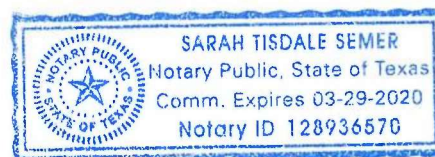
The foregoing instrument was acknowledged before me on this 30<sup>th</sup> day of July, 2018 by Wendy Dalton, as Agent and Attorney-in-Fact on behalf of EOG A Resources, Inc., a New Mexico Corporation.

My Commission Expires:

March 29, 2020

Sarah Tisdale Semer

Notary Public



STATE OF TEXAS                   §  
   §  
 COUNTY OF MIDLAND           §

The foregoing instrument was acknowledged before me on this 30<sup>th</sup> day of July, 2018 by Wendy Dalton, as Agent and Attorney-in-Fact on behalf of EOG M Resources, Inc., a New Mexico Corporation.

*Sarah Tisdale Semer*

Notary Public

My Commission Expires:  
March 29, 2020



STATE OF \_\_\_\_\_ §  
   §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, as \_\_\_\_\_ on behalf of Foundation Energy Fund IV-B Holding LLC.

My Commission Expires:

Notary Public

STATE OF \_\_\_\_\_ §  
   §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, as \_\_\_\_\_ on behalf of Oxy Y-1 Company.

My Commission Expires:

Notary Public

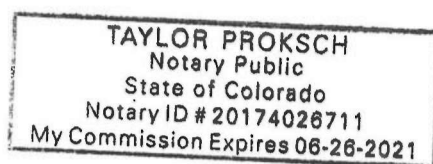
STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, as \_\_\_\_\_ on behalf of EOG M Resources, Inc.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
 Notary Public

STATE OF Colorado §  
 COUNTY OF Denver §



The foregoing instrument was acknowledged before me on this 26th day of July, 2018 by Jay P. Scher, as Exec. Vice President on behalf of Foundation Energy Fund V-B Holding LLC.

My Commission Expires: 6/26/21

Jay P. Scher  
 Notary Public

STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, as \_\_\_\_\_ on behalf of Oxy Y-1 Company.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, as \_\_\_\_\_ on behalf of EOG M Resources, Inc.

My Commission Expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, as \_\_\_\_\_ on behalf of Foundation Energy Fund IV-B Holding LLC.

My Commission Expires: \_\_\_\_\_

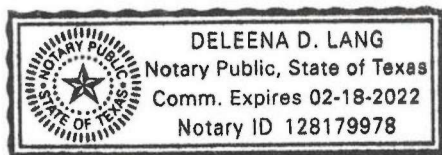
Notary Public

STATE OF Texas §  
 COUNTY OF Harris §

The foregoing instrument was acknowledged before me on this 26<sup>th</sup> day of June, 2018 by Bradley S. Dosek, as Attorney-In-Fact on behalf of Oxy Y-1 Company, a New Mexico Corporation.

My Commission Expires: \_\_\_\_\_

Notary Public





STATE OF NEW MEXICO

§  
§  
§

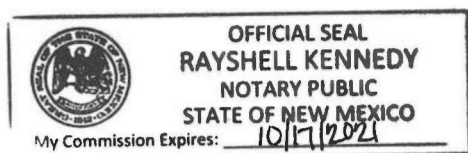
COUNTY OF Eddy

The foregoing instrument was acknowledged before me on this 22<sup>nd</sup> day of June, 2018 by Elizabeth Baker, Attorney-in-Fact of Sharbro Energy LLC, on behalf of said limited liability company.

My Commission Expires:

10/17/2021

Rayshell Kennedy  
Notary Public



## EXHIBIT "A"

To Communitization Agreement dated August 1, 2018 embracing W2E2 of Section 17 and W2E2 Section 20, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

	NMNM - 62223 80.00 acres	17
	NMNM - 97891 80.00 acres	
	NMNM- 86153 120.00 acres	20
	NMNM - 77063 40 acres	

## EXHIBIT "B"

To Communitization Agreement dated August 1, 2018 embracing E2W2 of Section 17 and E2W2 Section 20, 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 No.:	NMNM-62223
Lease Date:	September 1, 1985
Lease Term:	10 years
Lessor:	United States of America
Original Lessee:	Lillie M. Yates
Present Lessee:	Foundation Energy Fund V-B Holdings LLC – 100%
Description of Land Committed:	<u>Township 23 South, Range 32 East, N.M.P.M.</u> Section 17: Insofar and only insofar as said lease covers W2NE
Number of Acres:	80.00
Royalty Rate:	1/8th
Name and Percent WI Owners:	Devon Energy Production Company, L.P. - 81.25% Sharbro Energy LLC – 18.75%
Name and Percent ORRI Owners:	ORRI Owners of Record

Tract No. 2

Lease Serial No.:	NMNM - 97891
Lease Date:	December 1, 1996
Lease Term:	10 years

Lessor: United States of America

Original Lessee: Penwell Energy Inc.

Present Lessee: Devon Energy Production Company, LP

Description of Land Committed: Township 23 South, Range 32 East, N.M.P.M.  
Section 17: Insofar and only insofar as said lease covers  
W2SE

Number of Acres: 80.00

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Company, L.P. - 100.00%

Name and Percent ORRI Owners: ORRI Owners of Record

Tract No. 3

Lease Serial No.: NMNM-86153

Lease Date: April 1, 1991

Lease Term: 10 years

Lessor: United States of America

Original Lessee: Santa Fe Energy Operating Partners, LP

Present Lessee: Devon Energy Production Company, L.P. - 100%

Description of Land Committed: Township 23 South, Range 32 East, N.M.P.M.  
Section 20: Insofar and only insofar as said lease covers  
W2NE & NWSE

Number of Acres: 120.00

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Company, L.P. - 100.00%

Name and Percent ORRI Owners: ORRI Owners of Record



Tract No. 4

Lease Serial No.: NMNM-77063

Lease Date: September 1, 1988

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Yates Petroleum Corporation

Present Lessee: Oxy Y-1 Company – 30.00%  
EOG Y Resources, Inc. – 10.00%  
EOG A Resources, Inc. – 30.00%  
EOG M Resources, Inc. – 30.00%

Description of Land Committed: Township 23 South, Range 32 East, N.M.P.M.  
Section 20: Insofar and only insofar as said lease covers  
SWSE

Number of Acres: 40.00

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Company, L.P. - 70.00%  
Oxy Y-1 Company – 30.00%

Name and Percent ORRI Owners: ORRI Owners of Record

## RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	80.00	25.000000%
Tract No. 2	80.00	25.000000%
Tract No. 3	120.00	37.500000%
<u>Tract No. 4</u>	<u>40.00</u>	<u>12.500000%</u>
	320.00	100.00%



## 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](http://www.blm.gov/new-mexico)



IN REPLY REFER TO:

NMNM138942

3105.2 (NM920)

NOV 20 2018

Reference:

Communitization Agreement

Alley Cat 17 Fed Com #211H

Section 17: W2

T. 23 S., R. 32 E., N.M.P.M.

Lea County, NM

Devon Energy Production Co., LP

333 W. Sheridan Ave.

Oklahoma City, OK 73102-9941

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138942 involving 160 acres of Federal land in lease NMNM 18848, and 160 acres of Federal land in lease NMNM 97891, Lea County, New Mexico, which comprise a 320.00 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2 of Sec. 17, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective August 1, 2018. 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.

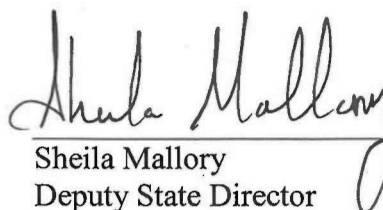
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

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 W2 of sec. 17, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: NOV 20 2018

  
\_\_\_\_\_  
Sheila Mallory  
Deputy State Director  
Division of Minerals


Effective: August 1, 2018

Contract No.: Com. Agr. NMNM138942

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

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)



Federal Communitization AgreementContract No. NM NM 138942

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of August, 2018, 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.****W2 of Section 17, Lea County, New Mexico**

Containing 320.00 acres, and this agreement shall include only the Bone Spring Sandstone Formation underlying said lands and the natural gas and associated liquid 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 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 August 1, 2018, 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, Record Title and Operating Rights Owner)

Date: 9-10-2018

By: Catherine Lebsack  
Catherine Lebsack, Vice President

### ACKNOWLEDGEMENT

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF OKLAHOMA )

On this 10th day of <sup>September</sup>~~August~~, 2018, 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**

**XTO Holdings, LLC**  
(Operating Rights Owner) *fed*

8/17/18  
Date

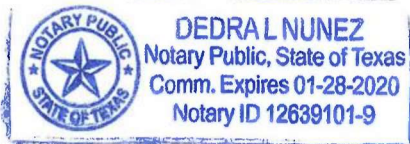
By: *Edwin S. Ryan, Jr.*  
Title: **Vice President**

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
COUNTY OF Harris ) ss.

On this 17<sup>th</sup> day of Aug, 2018, before me, a Notary Public for the State of Texas, personally appeared **Edwin S. Ryan, Jr.**, known to me to be the of XTO Holdings, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



1/28/20  
My Commission Expires

*Dedra L Nunez*  
Notary Public

Chevron USA, Inc.  
(Record Title Owner)

8/30/2018  
Date

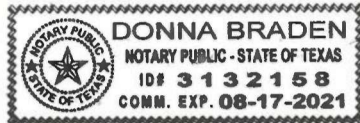
By: Nick Brock  
Title: ATTORNEY-IN-FACT

### ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF MIDLAND ) ss.

On this 30<sup>th</sup> day of Aug., 2018, before me, a Notary Public for the State of Texas, personally appeared NICK BROCK, known to me to be the ATTORNEY-IN-FACT of Chevron U.S.A. Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



8-17-2021  
My Commission Expires

Donna Braden  
Notary Public

**EXHIBIT "A"**

Attached to and made a part of that certain Operating Agreement dated June 1, 2018, by and between Devon Energy Production Company, L.P., as Operator, and XTO Holdings, LLC, and Titus Oil & Gas Production, LLC, as Non-Operators.

**I. Lands Subject to this Agreement:**

NW of Section 17, Township 23 South, Range 32 East, Lea County, New Mexico

SW of Section 17, Township 23 South, Range 32 East, Lea County, New Mexico

**II. Restrictions as to Depths, Formations or Substances:**

All depths below the stratigraphic equivalent of 8,149' MD, being the base of the Delaware formation, as shown in that certain Gamma Ray log dated September 26, 2007 run by Schlumberger on the Glow Worm ALX Federal #14 Well (API 30-015-35316) located in Section 4, T23S, R31E, Eddy County, New Mexico

**III. Addresses of the Parties to this Agreement:**

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

XTO Holdings, LLC  
22777 Springwoods Village Pkway  
Spring, Texas, 77389-1425

Titus Oil & Gas Production, LLC  
100 Throckmorton St., Suite 1630  
Fort Worth, Texas 76102

**IV. Interests of the Parties to this Agreement:**

Devon Energy Production Company, L.P.	0.50000000
XTO Holdings, LLC	0.48082970
Titus Oil and Gas Production, LLC	0.01917030

**V. Oil and Gas Leases or Interests Subject to this Agreement:**

Serial Number: NMNM 18848  
Lessor: United States of America  
Lessee: Ralph D. Wharton  
Date: August 1, 1973  
Form: 3120-19 (May 1968)

Serial Number: NMNM 97891  
Lessor: United States of America  
Lessee: Penwell Energy, Inc.  
Date: December 1, 1996  
Form: 3100-11 (March 1984)

**IV. Burdens on Production:**

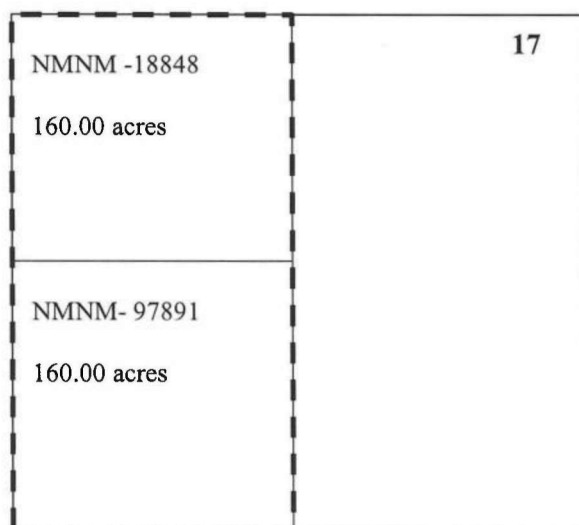
Burdens of record



## EXHIBIT "A"

To Communitization Agreement dated August 1, 2018 embracing the W2 Section 17,  
Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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



Communitized well:

Alley Cat 17 Fed Com 211H

SHL: 251' FNL & 821' FWL  
Section 17-23S-32E, Lea County, NM  
BHL: 330' FSL & 400' FWL  
Section 17-23S-32E, Lea County, NM

## EXHIBIT "B"

To Communitization Agreement dated August 1, 2018 embracing the W2 Section 17, 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 No.:	NMMN-18848
Lease Date:	August 1, 1973
Lease Term:	10 years
Lessor:	United States of America
Original Lessee:	Ralph D. Wharton
Present Lessee:	Chevron USA, Inc. - 100.00%
Description of Land Committed:	<u>Township 23 South, Range 32 East, N.M.P.M.</u> Section 17: Insofar and only insofar as said lease covers NW
Number of Acres:	160.00
Royalty Rate:	1/8
Name and Percent WI Owners:	XTO Holdings, LLC - 100.00%
Contractual WI Ownership:	Devon Energy Production Company, L.P. - 50.00% XTO Holdings, LLC - 48.10% Titus Oil & Gas - 1.9%
Name and Percent ORRI Owners:	ORRI Owners of Record

Tract No. 2

Lease Serial No.:	NMMN - 97891
Lease Date:	December 1, 1996

Lease Term: 10 years

Lessor: United States of America

Original Lessee: Penwell Energy Inc.

Present Lessee: Devon Energy Production Company, LP

Description of Land Committed: Township 23 South, Range 32 East, N.M.P.M.  
 Section 17: Insofar and only insofar as said lease covers  
 SW

Number of Acres: 160.00

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Company, L.P. - 100.00%

Contractual WI Ownership: Devon Energy Production Company, L.P. - 50.00%  
 XTO Holdings, LLC – 48.10%  
 Titus Oil & Gas – 1.9%%

Name and Percent ORRI Owners: ORRI Owners of Record

#### RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	160.00	50.0000000%
<u>Tract No. 2</u>	<u>160.00</u>	<u>50.0000000%</u>
	320.00	100.00%

**From:** [Harms, Jenny](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXT] RE: [EXTERNAL] surface commingling application PLC-752  
**Date:** Monday, June 21, 2021 5:55:32 AM

---

Hi Dean,

I have asked our landman about the pooling order and instead of pooling order created, a JOA covered the W2. Devon acquired the other WI owners' interest, and we now own 100% WI in both wells. Therefore, the JOA is no longer needed. We have a comm agreement that covers the entire W2. At that time, BLM was approving some "super Comms" where ownership was identical for the wells in the CA. I hope this information is helpful. Let us know if you have any more questions.

I will send over the approved Alley Cat sundries as soon as I receive them.

PAUL R BARWIS % DUTTON HARRIS & CO  
PO BOX 230  
MIDLAND, Texas 79702  
[9405509898642704806015](tel:9405509898642704806015)

## Delivered, PO Box

June 9, 2021 at 8:40 am  
MIDLAND, TX 7970

Thank you,

*Jenny Harms*

Regulatory Compliance Professional  
Work Phone: (405)552-6560  
[Jennifer.harms@dvn.com](mailto:Jennifer.harms@dvn.com)  
Devon Energy Center-Tower  
333 West Sheridan Avenue Oklahoma City OK 73102-5015

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**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Thursday, June 17, 2021 4:51 PM  
**To:** Harms, Jenny <Jenny.Harms@dvn.com>  
**Subject:** RE: [EXTERNAL] surface commingling application PLC-752

Hello Jenny,

I see where the correct C-102s were submitted to the OCD for 524H, 525H, and 526H and have corrected E-permitting accordingly.

Regarding 211H and 212H, is there a pooling order or something else in place that established the spacing unit that NMNM 138942 is using? Based upon initial review it looks like these wells would generally require two separate spacing units as is currently being shown in E-permitting unless I am missing something. If I am not missing something, then I'll see what the BLM wants to do; they may be fine with leaving the spacing units as they are and just allocating them both to the same CA since percentages are the same anyway.



Diversely we can discuss whether to go down the path of granting an exception for the spacing unit for it to be the same as the CA or else require 2 new CAs be applied for to match the spacing units currently on file for the wells.

Additionally, do you have any updates regarding notice to the person referenced in my original email in this email chain?

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

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**From:** Harms, Jenny <[Jenny.Harms@dyn.com](mailto:Jenny.Harms@dyn.com)>  
**Sent:** Monday, June 7, 2021 6:51 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** [EXT] RE: [EXTERNAL] surface commingling application PLC-752

Good morning Dean,

I am reviewing your email below regarding the CA reviews of 138762 & 138763. I reviewed the plats and each one was covered under each CA for the producing wellbores in sections 17 & 20. I see now where the issues is, the plats I provided in the commingle application for 524/525/526 have been updated and I did not provide you with the most recent plats. I have attached the corrected plats for your review. Please let me know if you need anything else.

I will update the 211H and 212H plats with the BLM and send over the approved sundry.

Thank you,

*Jenny Harms*

Regulatory Compliance Professional  
Work Phone: (405)552-6560  
[Jennifer.harms@dyn.com](mailto:Jennifer.harms@dyn.com)  
Devon Energy Center-Tower  
333 West Sheridan Avenue Oklahoma City OK 73102-5015

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**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Thursday, May 27, 2021 5:08 PM  
**To:** Harms, Jenny <[Jenny.Harms@dyn.com](mailto:Jenny.Harms@dyn.com)>  
**Subject:** [EXTERNAL] surface commingling application PLC-752

Ms. Harms,

I am reviewing surface commingling application PLC-752 which involves the Alley Cat 17 CTB 3 operated by Devon Energy Production Company, LP (6137).

It appears that the spacing units designated to these wells do not match the CAs listed within the application.

For the following 2 wells, I presume that the intent is for CA BS NMNM 138942 to govern the allocation, but that will require that the spacing units for both wells be updated to be W/2 17 23S-32E:

<b>30-025-45064</b>	<b>Alley Cat 17 Federal Com #211H</b>	<b>W/2 W/2</b>	<b>17-23S-32E</b>	<b>53805</b>
<b>30-025-45065</b>	<b>Alley Cat 17 Federal Com #212H</b>	<b>E/2 W/2</b>	<b>17-23S-32E</b>	<b>53805</b>

For the following 3 wells, you include CA BS NMNM 138762 and 138763, but these CAs are for the W/2 E/2 and E/2 E/2 17 & 20 23S-32E; considering 525H, I presume that a new CA will need to be applied for which covers the E/2 17 & 20 23S-32E:

<b>30-025-46023</b>	<b>Alley Cat 17 20 Federal Com #524H</b>	<b>E/2</b>	<b>17-23S-32E</b>	<b>53800</b>
		<b>E/2</b>	<b>20-23S-32E</b>	
<b>30-025-46251</b>	<b>Alley Cat 17 20 Federal Com #525H</b>	<b>E/2</b>	<b>17-23S-32E</b>	<b>53800</b>
		<b>E/2</b>	<b>20-23S-32E</b>	
<b>30-025-46252</b>	<b>Alley Cat 17 20 Federal Com #526H</b>	<b>E/2</b>	<b>17-23S-32E</b>	<b>53800</b>
		<b>E/2</b>	<b>20-23S-32E</b>	

For the following person, the notice list indicates that notice was provided via email; please supply the response email confirming receipt of notice:

**PAUL R BARWIS % DUTTON HARRIS &  
CO**

**email sent on 3/22/2021**

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

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**From:** Harms, Jenny  
**To:** McClure, Dean, EMNRD  
**Subject:** RE: [EXTERNAL] surface commingling application PLC-752  
**Date:** Monday, October 4, 2021 1:49:06 PM

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Hi Dean,

We received the approved spacing for the Alley Cat locations and I have uploaded them to the NMOCD's website. They were submitted this morning, and are not approved just yet by the NMOCD.

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/OperatorData/ActionStatusItem.aspx?ab=96,51,45,251,110,92,217,181&cd=75,12,131,222,206,147,193,81&ef=76,165,145,58,137,6,62,37&gh=109,96,32,35,105,61,211,66>  
<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/OperatorData/ActionStatusItem.aspx?ab=79,57,226,80,227,13,140,176&cd=44,25,109,124,77,131,218,244&ef=104,225,75,39,174,207,23,232&gh=35,166,60,235,140,185,74,71>

Thank you,

*Jenny Harms*

Regulatory Compliance Professional  
Work Phone: (405)552-6560  
[Jennifer.harms@dvn.com](mailto:Jennifer.harms@dvn.com)  
Devon Energy Center-Tower  
333 West Sheridan Avenue Oklahoma City OK 73102-5015

---

**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Friday, October 1, 2021 7:52 AM  
**To:** Harms, Jenny <Jenny.Harms@dvn.com>  
**Subject:** FW: [EXTERNAL] surface commingling application PLC-752

Hello Jenny,

Please provide an update regarding the below requests.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** McClure, Dean, EMNRD  
**Sent:** Monday, June 21, 2021 4:25 PM  
**To:** Harms, Jenny <[Jenny.Harms@dvn.com](mailto:Jenny.Harms@dvn.com)>  
**Cc:** Lowe, Leonard, EMNRD <[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)>  
**Subject:** RE: [EXTERNAL] surface commingling application PLC-752

Hello Jenny,

To establish the W/2 as the spacing unit for the 211H and 212H, please submit a NSP application via e-permitting. Once submitted please email Leonard Lowe to let him know it has been submitted and the action ID associated with the application. If you have any questions related to the NSP, do not hesitate to reach out to him.

Once you have approval from the BLM for the new spacing unit and C-102s, please submit them to the OCD as you normally would, a C-103A if I am not mistaken. Please include reference to the submitted NSP on that sundry. Paul can approve the sundry and spacing unit prior to approval of the NSP, but it will be conditional approval dependent upon the NSP's approval.

Additionally, please send me a copy of the C-103A submittals via email for me to include in the surface commingling application file.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** Harms, Jenny <[Jenny.Harms@dyn.com](mailto:Jenny.Harms@dyn.com)>  
**Sent:** Monday, June 21, 2021 5:55 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** [EXT] RE: [EXTERNAL] surface commingling application PLC-752

Hi Dean,

I have asked our landman about the pooling order and instead of pooling order created, a JOA covered the W2. Devon acquired the other WI owners' interest, and we now own 100% WI in both wells. Therefore, the JOA is no longer needed. We have a comm agreement that covers the entire W2. At that time, BLM was approving some "super Comms" where ownership was identical for the wells in the CA. I hope this information is helpful. Let us know if you have any more questions.

I will send over the approved Alley Cat sundries as soon as I receive them.

PAUL R BARWIS % DUTTON HARRIS & CO  
PO BOX 230  
MIDLAND, Texas 79702  
[9405509898642704806015](https://www.electronicfiling.com/cases/9405509898642704806015)

**Delivered, PO Box**

June 9, 2021 at 8:40 am  
MIDLAND, TX 7970

Thank you,

*Jenny Harms*  
Regulatory Compliance Professional  
Work Phone: (405)552-6560  
[Jennifer.harms@dyn.com](mailto:Jennifer.harms@dyn.com)



Devon Energy Center-Tower  
333 West Sheridan Avenue Oklahoma City OK 73102-5015

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**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Thursday, June 17, 2021 4:51 PM  
**To:** Harms, Jenny <[Jenny.Harms@dyn.com](mailto:Jenny.Harms@dyn.com)>  
**Subject:** RE: [EXTERNAL] surface commingling application PLC-752

Hello Jenny,

I see where the correct C-102s were submitted to the OCD for 524H, 525H, and 526H and have corrected E-permitting accordingly.

Regarding 211H and 212H, is there a pooling order or something else in place that established the spacing unit that NMNM 138942 is using? Based upon initial review it looks like these wells would generally require two separate spacing units as is currently being shown in E-permitting unless I am missing something. If I am not missing something, then I'll see what the BLM wants to do; they may be fine with leaving the spacing units as they are and just allocating them both to the same CA since percentages are the same anyway. Diversely we can discuss whether to go down the path of granting an exception for the spacing unit for it to be the same as the CA or else require 2 new CAs be applied for to match the spacing units currently on file for the wells.

Additionally, do you have any updates regarding notice to the person referenced in my original email in this email chain?

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** Harms, Jenny <[Jenny.Harms@dyn.com](mailto:Jenny.Harms@dyn.com)>  
**Sent:** Monday, June 7, 2021 6:51 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** [EXT] RE: [EXTERNAL] surface commingling application PLC-752

Good morning Dean,

I am reviewing your email below regarding the CA reviews of 138762 & 138763. I reviewed the plats and each one was covered under each CA for the producing wellbores in sections 17 & 20. I see now where the issues is, the plats I provided in the commingle application for 524/525/526 have been updated and I did not provide you with the most recent plats. I have attached the corrected plats for your review. Please let me know if you need anything else.

I will update the 211H and 212H plats with the BLM and send over the approved sundry.

Thank you,

**Jenny Harms**

Regulatory Compliance Professional

Work Phone: (405)552-6560

[Jennifer.harms@dvn.com](mailto:Jennifer.harms@dvn.com)

Devon Energy Center-Tower

333 West Sheridan Avenue Oklahoma City OK 73102-5015

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>**Sent:** Thursday, May 27, 2021 5:08 PM**To:** Harms, Jenny <[Jenny.Harms@dvn.com](mailto:Jenny.Harms@dvn.com)>**Subject:** [EXTERNAL] surface commingling application PLC-752

Ms. Harms,

I am reviewing surface commingling application PLC-752 which involves the Alley Cat 17 CTB 3 operated by Devon Energy Production Company, LP (6137).

It appears that the spacing units designated to these wells do not match the CAs listed within the application.

For the following 2 wells, I presume that the intent is for CA BS NMNM 138942 to govern the allocation, but that will require that the spacing units for both wells be updated to be W/2 17 23S-32E:

<b>30-025-45064</b>	<b>Alley Cat 17 Federal Com #211H</b>	<b>W/2 W/2</b>	<b>17-23S-32E</b>	<b>53805</b>
<b>30-025-45065</b>	<b>Alley Cat 17 Federal Com #212H</b>	<b>E/2 W/2</b>	<b>17-23S-32E</b>	<b>53805</b>

For the following 3 wells, you include CA BS NMNM 138762 and 138763, but these CAs are for the W/2 E/2 and E/2 E/2 17 & 20 23S-32E; considering 525H, I presume that a new CA will need to be applied for which covers the E/2 17 & 20 23S-32E:

<b>30-025-46023</b>	<b>Alley Cat 17 20 Federal Com #524H</b>	<b>E/2</b>	<b>17-23S-32E</b>	<b>53800</b>
		<b>E/2</b>	<b>20-23S-32E</b>	
<b>30-025-46251</b>	<b>Alley Cat 17 20 Federal Com #525H</b>	<b>E/2</b>	<b>17-23S-32E</b>	<b>53800</b>
		<b>E/2</b>	<b>20-23S-32E</b>	
<b>30-025-46252</b>	<b>Alley Cat 17 20 Federal Com #526H</b>	<b>E/2</b>	<b>17-23S-32E</b>	<b>53800</b>
		<b>E/2</b>	<b>20-23S-32E</b>	

For the following person, the notice list indicates that notice was provided via email; please supply the response email confirming receipt of notice:

**PAUL R BARWIS % DUTTON HARRIS &  
CO**

**email sent on 3/22/2021**

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

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**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Harms, Jenny](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-752  
**Date:** Thursday, October 7, 2021 4:57:12 PM  
**Attachments:** [PLC752 Order.pdf](#)

NMOCD has issued Administrative Order PLC-752 which authorizes Devon Energy Production Company, LP (6137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-45064	Alley Cat 17 Federal Com #211H	W/2	17-23S-32E	53805
30-025-45065	Alley Cat 17 Federal Com #212H	W/2	17-23S-32E	53805
30-025-46023	Alley Cat 17 20 Federal Com #524H	W/2 E/2 W/2 E/2	17-23S-32E 20-23S-32E	53800
30-025-46251	Alley Cat 17 20 Federal Com #525H	E/2 E/2 E/2 E/2	17-23S-32E 20-23S-32E	53800
30-025-46252	Alley Cat 17 20 Federal Com #526H	E/2 E/2 E/2 E/2	17-23S-32E 20-23S-32E	53800

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211



State of New Mexico  
Energy, Minerals and Natural Resources Department

## Notice

Order: **PLC-752**

Operator: **Devon Energy Production Company, LP (6137)**

Publication Date:

Initial Notice Date:

### Noticed Persons

Date	Person	Certified Tracking Number	Status
	BLM	Online	Delivered
2/8/2021	ANDRA COCCIMIGLIO	9414 8149 0152 7181 9084 13	Delivered
	BY ROYALTY LTD CO STEPHANIE A NORI	9414 8149 0152 7181 9084 20	Unknown
2/8/2021	CHISOS MINERALS LLC	9414 8149 0152 7181 9084 37	Delivered
2/6/2021	CORNERSTONE FAMILY TRUST JOHN KY	9414 8149 0152 7181 9084 44	Delivered
2/10/2021	CROWNROCK MINERALS LP	9414 8149 0152 7181 9084 51	Delivered
2/5/2021	DRAGOON CREEK MINERALS LLC	9414 8149 0152 7181 9084 75	Delivered
2/5/2021	EILEEN M GROOMS TTEE OF EMG REVOC	9414 8149 0152 7181 9084 82	Delivered
2/6/2021	EOG RESOURCES INC	9414 8149 0152 7181 9084 99	Delivered
2/10/2021	GEORGE G VAUGHT JR	9414 8149 0152 7181 9085 05	Delivered
2/10/2021	JAREED PARTNERS LTD A TEXAS LIMITE	9414 8149 0152 7181 9085 12	Delivered
2/6/2021	JEAN C OAKASON MEMORIAL LLC DAVII	9414 8149 0152 7181 9085 29	Delivered
2/9/2021	JUSTIN T CRUM	9414 8149 0152 7181 9085 36	Delivered
2/5/2021	KIMBELL ROYALTY HOLDINGS LLC % DI	9414 8149 0152 7181 9085 43	Delivered
2/5/2021	KINGDOM INVESTMENTS LIMITED	9414 8149 0152 7181 9085 50	Delivered
2/5/2021	MCMULLEN MINERALS LLC	9414 8149 0152 7181 9085 67	Delivered
2/5/2021	MERPEL LLC PONY OIL OPERATING LLC	9414 8149 0152 7181 9085 74	Delivered
2/5/2021	MORRIS E SCHERTZ & WIFE HOLLY K SC	9414 8149 0152 7181 9085 81	Delivered
2/6/2021	ONRR ROYALTY MANAGEMENT PROGRA	9414 8149 0152 7181 9085 98	Delivered
	PAUL R BARWIS % DUTTON HARRIS & CC	9414 8149 0152 7181 9086 04	Returned
2/5/2021	PEGASUS RESOURCES LLC	9414 8149 0152 7181 9086 11	Delivered
2/5/2021	PONY OIL OPERATING LLC JOHN PAUL M	9414 8149 0152 7181 9086 28	Delivered
3/12/2021	RAVE ENERGY INC	9414 8149 0152 7181 9086 35	Delivered
3/12/2021	RAVE ENERGY INC DBA GEP III	9414 8149 0152 7181 9086 42	Delivered
2/5/2021	RICHARDSON MINERAL & ROYALTY LLC	9414 8149 0152 7181 9086 59	Delivered
2/8/2021	RUSK CAPITAL MANAGEMENT LLC	9414 8149 0152 7181 9086 66	Delivered
2/5/2021	SHARBRO ENERGY LLC ELIZABETH A BA	9414 8149 0152 7181 9086 73	Delivered
2/24/2021	TAURUS ROYALTY LLC % ROBERT B PAY	9414 8149 0152 7181 9086 80	Delivered
2/5/2021	TD MINERALS LLC	9414 8149 0152 7181 9086 97	Delivered
2/6/2021	THE OAKASON JR CO LC BANK OF AMER	9414 8149 0152 7181 9087 03	Delivered
2/8/2021	VENDETTA ROYALTY PARTNERS LTD TH	9414 8149 0152 7181 9087 10	Delivered
Notice sent prior to 2/22/2021			
2/22/2021	BY ROYALTY LTD CO STEPHANIE A NORI	9479 2335 7451	Delivered
Notice sent prior to 6/9/2021			
6/9/2021	PAUL R BARWIS % DUTTON HARRIS & CC	9405509898642704806015	Delivered

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY DEVON ENERGY PRODUCTION  
COMPANY, LP**

**ORDER NO. PLC-752**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Devon Energy Production Company, LP (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

**CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
9. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
10. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
11. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 10/07/2021

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PLC-752**

Operator: **Devon Energy Production Company, LP (6137)**

Central Tank Battery: **Alley Cat 17 Central Tank Battery 3**

Central Tank Battery Location: **Unit B, Section 17, Township 23 South, Range 32 East**

Gas Custody Transfer Meter Location: **Unit B, Section 17, Township 23 South, Range 32 East**

### Pools

Pool Name	Pool Code
SAND DUNES; BONE SPRING	53800
SAND DUNES; BONE SPRING, SOUTH	53805

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 138762	W/2 E/2	17-23S-32E
	W/2 E/2	20-23S-32E
CA Bone Spring NMNM 138763	E/2 E/2	17-23S-32E
	E/2 E/2	20-23S-32E
CA Bone Spring NMNM 138942	W/2	17-23S-32E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-45064	Alley Cat 17 Federal Com #211H	W/2	17-23S-32E	53805
30-025-45065	Alley Cat 17 Federal Com #212H	W/2	17-23S-32E	53805
30-025-46023	Alley Cat 17 20 Federal Com #524H	W/2 E/2	17-23S-32E	53800
		W/2 E/2	20-23S-32E	
30-025-46251	Alley Cat 17 20 Federal Com #525H	E/2 E/2	17-23S-32E	53800
		E/2 E/2	20-23S-32E	
30-025-46252	Alley Cat 17 20 Federal Com #526H	E/2 E/2	17-23S-32E	53800
		E/2 E/2	20-23S-32E	



**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 Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 21562

**CONDITIONS**

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 21562
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	10/13/2021