

Devon Energy Production Company 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102

January 17, 2022

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Interest Owners

Re:	Central Tank Battery Fiji 17 CTB 1:					
	Sec.,T, R:	NE/4 SW/4 NE/4 & NW/4 SE/4 NW/4 of 23S-31E-17				
	Lease:	NMNM045235, NMNM077046, NMNM081953				
	Pool:	[40295] LOS MEDANOS: BONE SPRING				
	County:	Eddy 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.

		H-17-23S-31E	40295 LOS
FIJI 17-5 FED	30-015-	2330 FNL	MEDANOS;
COM 233H	47632	1310 FEL	BONE SPRING
		H-17-23S-31E	40295 LOS
FIJI 17-5 FED	30-015-	2330 FNL	MEDANOS;
COM 234H	47633	1280 FEL	BONE SPRING

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Please contact the undersigned at (405) 552-6560 should you have any questions or need anything further.

Sincerely,

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

Enclosure

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RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD DIVISIO	DN USE ONLY	
	- Geologia	O OIL CONSERVAT cal & Engineering B ancis Drive, Santa	Bureau -	· · · · · · · · · · · · · · · · · · ·
	ADMINISTR	ATIVE APPLICATIO	N CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR AL		ONS FOR EXCEPTIONS TO DIVISION	RULES AND
pplicant: Devo	on Energy Production		OGRID Num	ber: 6137
	e attachments for mul			
	MEDANOS;BONE SPR		Pool Code	40295
SUBMIT ACCURAT	E AND COMPLETE INFORM	ATION REQUIRED TO P BELOW	ROCESS THE TYPE OF APP	LICATION INDICATED
A. Location	ICATION: Check those - Spacing Unit – Simult NSL INSP whe only for [1] or [11] mingling – Storage – Mea DHC ICTB XPL ction – Disposal – Pressu WFX IPMX ISN	aneous Dedication oject AREA) DNSP(surement C DPC XOLS ire Increase – Enhan	ced Oil Recovery	
A. Offse B. X Roya C. Appli D. Notifi E. X Notifi F. Surfac G. For al	N REQUIRED TO: Check toperators or lease hold by, overriding royalty over cation requires published cation and/or concurre cation and/or concurre ce owner l of the above, proof o ptice required	those which apply. ders wners, revenue own ed notice ent approval by SLO ent approval by BLM	ers	FOR OCD ONLY Notice Complete Application Content Complete
approval is acc	: I hereby certify that the curate and complete to the oplication until the require	ne best of my knowled	dge. I also understand the	at no action will be
	also the state of	the all leaves are the alternation of the 199		

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jenny Harms	<u>1-17-2022</u> Date
Print or Type Name Signature	<u>405-552-6560</u> Phone Number jenny.harms@dvn.com e-mail Address

					- "8	
<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240		of New Mexico d Natural Resources De	epartment		Form C-107-B August 1, 2011	
<u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u>		RVATION DIVIS	•	Submit	the original	
1000 Rio Brazos Road, Aztec, NM 87410	0 Rio Brazos Road, Aztec, NM 87410 trict IV 1220 S. St Francis Drive					
1220 S. St Francis Dr, Santa Fe, NM 87505	Santa Fe,	New Mexico 87505		office with one appropriate Dis		
APPLICATION	FOR SURFACE	COMMINGLING	G (DIVERSE	OWNERSHIP)		
	nergy Production					
OPERATOR ADDRESS: <u>333 W S</u> APPLICATION TYPE:	Sheridan Avenue, (Oklahoma City, OK	73102			
Pool Commingling Lease Commingling	ng Pool and Lease Co	mmingling Off-Lease	Storage and Measur	ement (Only if not Surfac	e Commingled)	
LEASE TYPE: 🗌 Fee 🗌	State X Fede	ral				
Is this an Amendment to existing Order Have the Bureau of Land Management Yes No					ingling	
		DL COMMINGLIN s with the following in				
	Gravities / BTU of	Calculated Gravities /		Calculated Value of		
(1) Pool Names and Codes	Non-Commingled Production	BTU of Commingled Production		Commingled Production	Volumes	
See attachments						
 (2) Are any wells producing at top allowa (3) Has all interest owners been notified b (4) Measurement type: Metering (5) Will commingling decrease the value 	by certified mail of the pro		☐Yes ⊠No. ibe why commingli	ng should be approved		
		SE COMMINGLIN				
 Pool Name and Code. Is all production from same source of Has all interest owners been notified by Measurement type: Metering 	supply? XYes N		∑Yes □N	0		
		LEASE COMMIN				
(1) Complete Sections A and E.	T lease attach sheet	s with the following h	mormation			
(1	D) OFF-LEASE ST	ORAGE and MEA	SUREMENT			
		ets with the following	information			
 Is all production from same source of Include proof of notice to all interest of 		0				
(2) Include proof of notice to all interest of	Jw11015.					
(E) Al		RMATION (for all s with the following in		vpes)		
(1) A schematic diagram of facility, inclu-	ding legal location.					
(2) A plat with lease boundaries showing(3) Lease Names, Lease and Well Number		ions. Include lease numb	ers if Federal or Sta	te lands are involved.		
I hereby certify that the information above it	s true and complete to the	best of my knowledge an	nd belief.			

TYPE OR PRINT NAME: Jenny Harms

SIGNATURE

enni

E-MAIL ADDRESS: Jenny.harms@dvn.com_

L

TITLE: Regulatory Professional

Date: 1-17-2022

TELEPHONE NO .: 405-552-6560

(1) The proposed commingling includes production from more than one:

(iii) Federal unit PA or CA where each unit PA or CA proposed for commingling has the same proportion of Federal interest, and which interest is subject to the same fixed royalty rate and revenue distribution.

Proposal for Fiji 17 CTB 1:

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

FIJI 17-5 FED COM 233H	30-015- 47632	H-17-23S-31E 2330 FNL 1310 FEL	40295 LOS MEDANOS; BONE SPRING	NMNM045235 (Rity rate 12.5-25% sch b)	NMNM077046- 12.5%	NMNM081953- 12.5%
FIJI 17-5 FED COM 234H	30-015- 47633	H-17-23S-31E 2330 FNL 1280 FEL	40295 LOS MEDANOS; BONE SPRING	NMNM045235 (Rity rate 12.5-25% sch b)	NMNM077046- 12.5%	NMNM081953- 12.5%

CA:

Fiji 17-5 Fed Com 233H- W2NE of Section 17-23S-31 E, and the W2E2 of Section 8-23S-31 E, and Lot 2, SWNE, AND W2SE of Section 5-23S-31 E (399.88 AC)

Fiji 17-5 Fed Com 234H- E2NE of Section 17-23S-31 E, and the E2E2 of Section 8-23 S-31 E, and Lot 1, SENE, AND E2SE of Section 5-238-31 E (399.82 AC)

Oil & Gas metering:

The Fiji 17 CTB 1 central tank battery is in NE/4 SW/4 NE/4 & NW/4 SE/4 NW/4 of 23S-31E-17 in Eddy County, NM.

Each well flows to its own 3-Phase Separator where the full well stream is separated into independent gas, oil, and water streams.

3-Phase gas flows through an independent and designated orifice meter for rate allocation. The gas then flows into a manifold where it is combined with gas from other 3-Phases. The combined stream flows into the 2-Phase Separator(s) for further conditioning. The conditioned gas stream flows through an orifice meter(s) for Federal Measurement Point/Sales/Royalty Payment.

3-Phase oil flows through an independent and designated Coriolis meter for rate allocation. The oil then flows into a manifold where it is combined with oil from other 3-Phases. The combined stream flows into the Heater Treater(s) and then ULPS(s) for further conditioning and then into one of the oil tanks for storage. The stored oil is pumped into a LACT unit for Federal Measurement Point/Sales/Royalty Payment.

Flash gas from oil conditioning is recovered using compression (VRU). The recovered gas flows through a designated orifice meter for rate allocation.

3-Phase water flows through an independent and designated magnetic meter for rate allocation. The water then flows into a manifold where it is combined with water from other 3-Phases. The combined stream flows into one of the water tanks for storage.

The central tank battery has three oil tanks and two water tanks that all wells utilize. All wells have one common gas delivery point(s) on location and one common oil delivery point(s) (LACT) on or directly adjacent to location.

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Secondary recovery will utilize recycled or buyback gas for gas lift. The gas is compressed and flows through and individual orifice meter to each wellhead.

Well Name	Individual Meters						
wen ivanie	Gas Allocation	Oil Allocation	Water Allocation				
Fiji 17-5 Fed Com 233H	DVN / *	DVN / *	DVN / *				
Fiji 17-5 Fed Com 234H	DVN / *	DVN / *	DVN / *				
Common Me	eters						
VRU Allocation	DVN / *						
Gas FMP #1	DCP / *						
Gas FMP #2	DCP / *						
Oil FMP	ENLINK / *						

Meter Owner / Serial Number:

* Meter serial numbers to be provided after construction of facility.

Process and Flow Descriptions:

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). NMOCD Notice Variance Requested: Devon Energy Production Company, LP request approval to add new leases and pools and/or new wells producing from the authorized leases and pools. Devon Energy Production Company, LP request approval to only notice the interest owners of new leases and pools to be added via amendment (reference rule 19.15.12.10(C)(4)(g) NMAC)

Allocation Methodology

PRORATED ALLOCATION

GAS ALLOCATION

Each well has a Wellhead Allocation (WH ALLOC) meter and a Gas Lift Injection (GL INJ) meter. The CTB has a commingled gas Meter (BATT ALLOC or 3rd Party Sales) that measures the volume of gas that leaves the CTB, this meter would be considered the FMP. Any Buy Back meter that measures off-lease gas coming on lease used for gas lift injection from the gathering line would be considered an FMP.

- 1. Buyback is the volume of off-lease gas used for gas lift, compression fuel, and well injection.
- Net Well Production is base amount of production not used for gas lift and is calculated by subtracting gas lift injection (GL INJ) volume from the wellhead allocation (WH ALLOC) meter reading.
- 3. Lease use gas is allocated by theoretical % for each well * total amount of lease use volume.
- 4. Theoretical % used for the allocation of production/sales is calculated by dividing the Net Well Production volume for each well into the sum of the Net Well Production.
- Net CTB Gas is Battery Allocation (BATT ALLOC) or 3rd Party Sales meter measuring commingled CTB gas less any Buy Back. All off lease Buy Back will be metered as an FMP and netted out of the BATT ALLOC FMP metered volume to derive both the Total Net FMP and total Net CTB production.
- 6. Theoretical % for each well is multiplied by the Net CTB Gas.
- 7. HP Flare is volume of gas flared from the CTB, allocated to wells by Theoretical % for each well * HP FL volume.
- 8. VRU measures the gas that flashes from the ultra-low-pressure separator (ULPS) and is piped in upstream of the commingled CTB BATT ALLOC meter. The VRU volume will be allocated based on the same allocation methodology applied for WH ALLOC allocated gas.
- 9. Allocated Production is all gas produced by CTB and is calculated by adding Total Net FMP Volumes+ HP Flare + Lease Use.

OIL ALLOCATION

Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Sales Volume (FMP) back to each well.

- 1. Allocated production is volume of oil produced by the CTB and is calculated by Ending Tank Inventory + Pipeline LACT (FMP) Beginning Tank Inventory.
- 2. Available oil for sale is calculated by Pipeline LACT (FMP) + Beginning Tank Inventory.
- 3. Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
- 4. The Theoretical % available for sale is the well sales available divided by the total available sales.
- 5. Total Sales Volume is the volume of oil sold through the FMP meter
- 6. Beginning Inventory comes from previous accounting period's Ending Inventory for each well.
- 7. Ending Inventory for each well is calculated by multiplying the theoretical production % by total ending inventory.

WATER ALLOCATION

Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Transferred Volume back to each well.

- 1. CTB Allocated production is volume of water produced by the CTB and is calculated by Ending Tank Inventory + Water Transfer – Beginning Tank Inventory.
- 2. CTB Available Water to Transfer is calculated by Water Transfer + Tank Inventory.
- 3. Theoretical % is calculated by dividing each water meter volume into the sum of the water meters.
- 4. The Theoretical % available for transfer for each well is the well production available divided the total Available water.
- 5. Total Transfer Volume is the volume of water metered by the water transfer meter.
- 6. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
- 7. Ending Inventory for each well is calculated by multiplying the theoretical production % by total ending inventory.

Proposed Federal CA's with lease numbers and allocation percentages per lease

		Tract 1	Tract 2 NM NM 77046-	Tract 3 NM NM 45235 (Rity rate 12.5-
	TOTAL ACRES	NM NM 81953-12.5%	12.5%	25% sch b)
CA 1				
W2NE of Section 17-23S-31 E, and the W2E2 of				
Section 8-23S-31 E, and Lot				
2, SWNE, AND W2SE of Section 5-23S-31 E	100	40%	40%	20%
BONESPRING	399.88	159.88	160	80

Fiji 17-5 Fed Com 233H

	1			
				Tract 3
			Tract 2	NM NM 45235
		Tract 1	NM NM 77046-	(Rity rate 12.5-
	TOTAL ACRES	NM NM 81953-12.5%	12.5%	25% sch b)
CA 2				
E2NE of Section 17-23S-31 E, and the E2E2 of				
Section 8-23 S-31 E, and Lot 1, SENE, AND E2SE				
of Section 5-238-31 E	100	40%	40%	20%
BONESPRING	399.82	159.82	160	80

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 1, 2021, embracing the W2NE of Section 17-23S-31E, and the W2E2 of Section 8-23S-31E, and Lot 2, SWNE, AND W2SE of Section 5-23S-31E, Eddy County, New Mexico; Bone Spring Formation

Fiji 17-5 Fed Com 233H API 30-015-47632 SHL: 2330' FNL & 1310' FEL, Sec 17-23S-31E BHL: 20' FNL & 1980' FEL, Sec 5-23S-31E	5	1	
Tract 3 159.88 AC NMNM 81953			
Tract 2 160 AC NMNM 77046			
	8		
Tract 1 80 AC NMNM 45235			
	17		

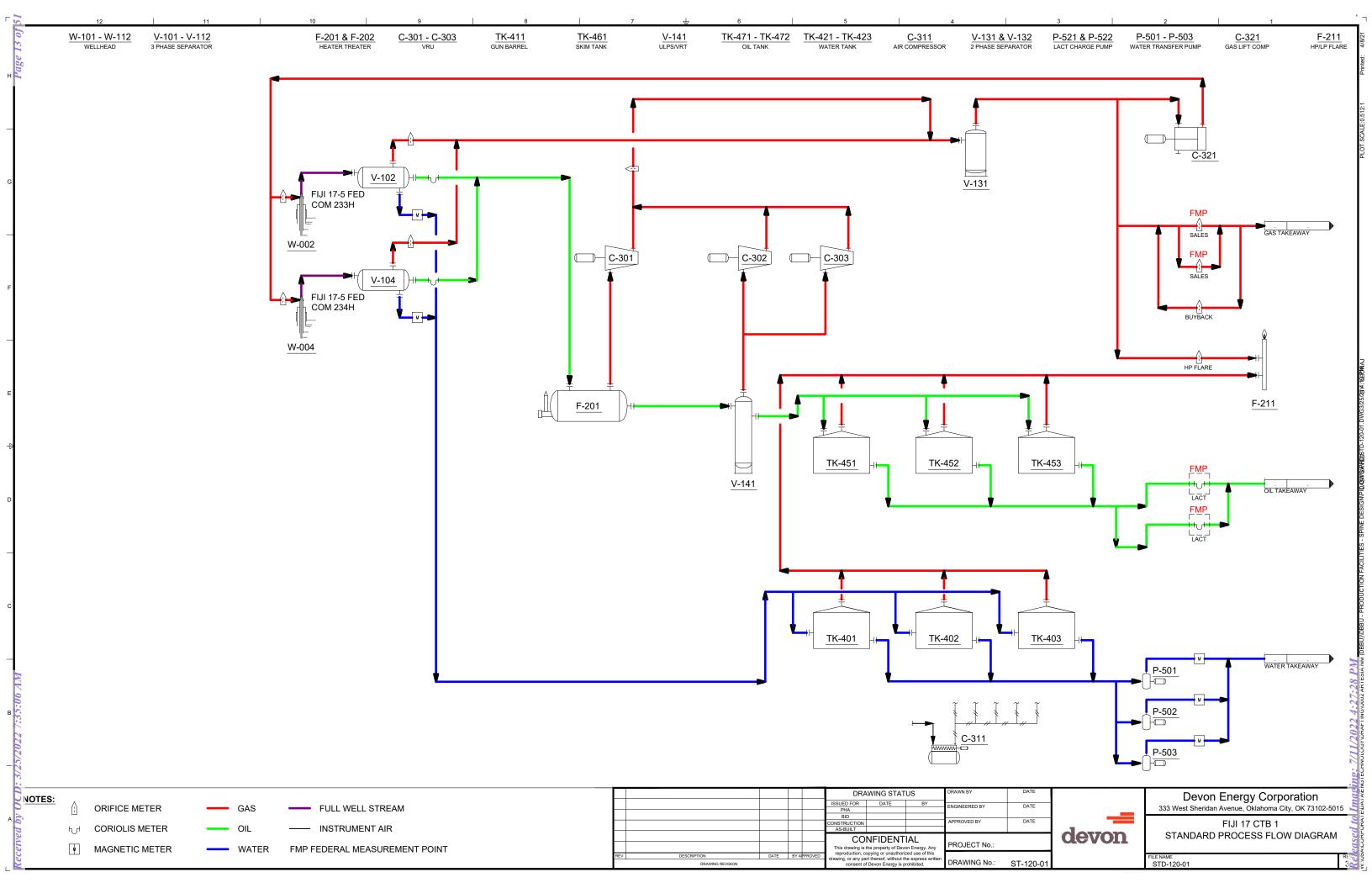
EXHIBIT "A"

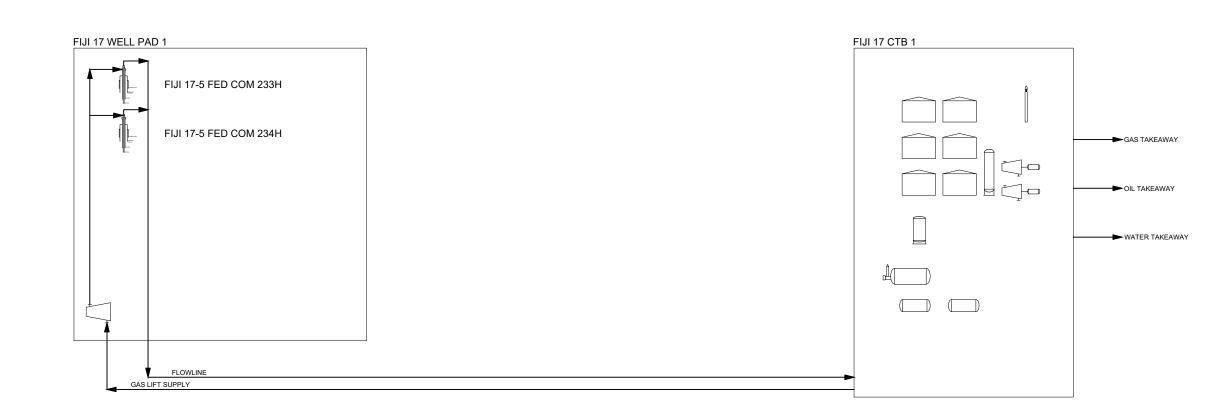
Attached to and made a part of that Communitization Agreement dated June 1, 2021, embracing the E2NE of Section 17-23S-31E, and the E2E2 of Section 8-23S-31E, and Lot 1, SENE, AND E2SE of Section 5-23S-31E, Eddy County, New Mexico; Bone Spring Formation

<u>Fiji 17-5 Fed Com 234H</u> API 30-015-47633 SHL: 2330' FNL & 1280' FEL, Sec 17-23S-31E BHL: 20' FNL & 660' FEL, Sec 5-23S-31E	5		
Tract 3 159.82 AC			
NMNM 81953			
Tract 2 160 AC NMNM 77046	8		
	0		
Tract 1 80 AC NMNM 45235			
	17		

Fiji 17-5 Fed Com 234H

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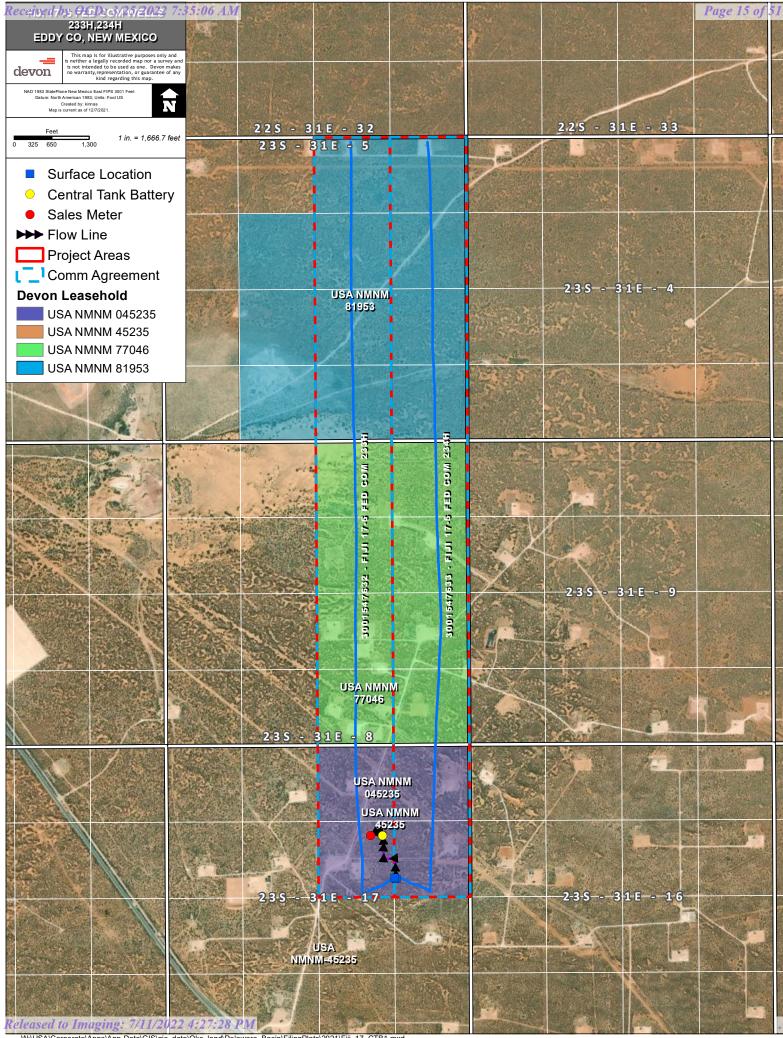
NOTES:						DRAWING STATUS	DRAWIN BY	DATE
1. EQUIPMENT AND LAYOUT CONFIGURATIONS ARE ONLY REPRESENTATIVE 2. MEASUREMENT POINTS SHOWN IN PROCESS FLOW DIAGRAM						ISSUED FOR DATE BY PHA	ENGINEERED BY	DATE
						CONSTRUCTION AS-BUILT	APPROVED BY	DATE
						CONFIDENTIAL	PROJECT No.:	#######
	REV	DESCRIPTION	DATE	BY A	PPROVED	This drawing is the property of Devon Energy. Any reproduction, copying or unauthorized use of this drawing, or any part thereof, without the express written		
		DRAWING REVISION				consent of Devon Energy is prohibited.	DRAWING No.:	ST-120-02

DATE DATE DATE devon ######

Devon Energy Corporation 333 West Sheridan Avenue, Oklahoma City, OK 73102-5015 FIJI 17 CTB 1 STANDARD PROCESS MAP

FILE NAME STD-120-02

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AttentionTo	TRACKING	STATUS	Address1	Address2	Address3	City	Region	Country	Phone	Email	Notes	Residentia D	UNS
		Delivered January 23, 2022 at 9:07 pm											
EOG RESOURCES INC	9405509898642860702879	DALLAS, TX 75260	PO BOX 840321			DALLAS	тх	US					
		Delivered January 23, 2022 at 9:07 pm											
ORY USA INC	9405509898642860703012	DALLAS, TX 75260 Delivered, Front Desk/Reception/Mail Room	PO BOX 841803			DALLAS	TX	US					
		January 24, 2022 at 10:45 am											
CAMTERRA RESOURCES PTNRS LTD	9405509898642167999750	MARSHALL, TX 75672 Delivered, PO Box	2615 E END BLVD S			MARSHALL	TX	US	+	+	+		
		January 24, 2022 at 8:34 am											
XTO DELAWARE BASIN LLC % XTO ENERGY INC	9405509898642860703142		110 W 7TH ST			FORT WORTH		us					
XTO DELAWARE BASIN LLC % XTO ENERGY INC	9405509898642860703142	FORT WORTH, TX 76102 Delivered, PO Box	110 W 71H ST			FORT WORTH	1X	US	-	+		++	
		March 23, 2022 at 9:08 am											
ONRR ROYALTY MANAGEMENT PROGRAM	9405509898642902792967	DENVER, CO 80225	PO BOX 1328			DENVER	co	us					
UNKR RUTALI I MANAGEMENT PROGRAM	5405505858642502752567	Delivered, PO Box	FO BOX 1528			DEIVVEN	100	03	-	+	-		
		January 24, 2022 at 1:24 pm											
ELLIOTT INDUSTRIES	9405509898642860703326	SANTA FE, NM 87504	PO BOX 1231			SANTA FE	NM	us					
		Delivered, PO Box					-		-	+	1		
		January 25, 2022 at 8:21 am											
ELLIOT-HALL COMPANY	9405509898642860703470	OGDEN, UT 84402	PO BOX 1231			OGDEN	UT	us		1			
		Delivered, In/At Mailbox						-	1		1		
		January 24, 2022 at 2:19 pm						1		1			
GWEN M WILLIAMS FAMILY LLC	9405509898642168000066	KATY, TX 77494	27710 COLD SPRING TRACE			KATY	тх	US					
		Delivered, PO Box											
Estate of Carl Edmond Speight, Deceased (Carl T. Speight, John		January 24, 2022 at 12:16 pm											
Trustee of Trust A U/W/O of Carl E Speight	9405509898642861059903	MIDLAND, TX 79702	POB 72			MIDLAND	тх	US					
		Delivered, PO Box											
		January 24, 2022 at 12:16 pm											
CARL T SPEIGHT	9405509898642168000103	MIDLAND, TX 79702	PO BOX 72	<u> </u>		MIDLAND	тх	us		+	+	\vdash	
		Delivered, PO Box January 24, 2022 at 8:50 am											
								1		1			
JOHN M SPEIGHT	9405509898642860703555	MIDLAND, TX 79711	PO BOX 60871			MIDLAND	тх	US				\vdash	
		Delivered 02/28/2022 7:49 AM											
		Delivered, Parcel Locker											
PAUL E SPEIGHT	9405509898642887379795	Location: MIDLAND, TX 79710 Delivered, In/At Mailbox	PO BOX 50505			MIDLAND	тх	US	+	+			
		January 24, 2022 at 2:17 pm											
PHILLIP T SPEIGHT	9405509898642860703999	MIDLAND, TX 79705 Delivered, In/At Mailbox	217 BAYBERRY		-	MIDLAND	TX	US	+	+	+	+	
		January 24, 2022 at 1:47 pm						1		1			
ROGERS RESOURCES LP BY ROGERS MGMT LLC GEN PTR	9405509898642860704194	MIDLAND, TX 79707					TX	115		1			
NODERS RESOURCES IF BT ROBERS MONT LLC DEN PTR	340303030004200U/04134	Delivered, PO Box	416 MANOR VILLAGE CIR	1		MIDLAND	1.X	105	+	+	1	+ +	
		January 24, 2022 at 7:53 am						1		1			
PEGASUS RESOURCES II LLC	9405509898642860704217	FORT WORTH, TX 76147	PO BOX 470698			FORT WORTH	TX	US		1			
		Delivered, Parcel Locker						1					
		January 24, 2022 at 5:58 pm											
TD MINERALS LLC	9405509898642860704286	DALLAS, TX 75225	8111 WESTCHESTER DR STE 900			DALLAS	TX	us		1			
		Delivered, In/At Mailbox		1				1	1	1	1		
		January 24, 2022 at 3:16 pm						1		1			
JOHN R MCCONN SEPARATE PROPERTY	9405509898642860704361	HOUSTON, TX 77056	5207 GREEN TREE RD			HOUSTON	тх	us					
		Delivered, In/At Mailbox											
		January 24, 2022 at 6:35 pm						1		1			
MELINDA A MCCONN CHERNOSKY SEPARATE PROPERTY	9405509898642860704385	HOUSTON, TX 77024	602 FALL RIVER RD			HOUSTON	тх	us		1			
		Delivered, In/At Mailbox		I –				1		1		I T	
		January 24, 2022 at 3:00 pm						1		1			
MEREDITH E MCCONN ZENNER SEPARATE PROPERTY	9405509898642860704453	HOUSTON, TX 77096	4919 VALKEITH DR			HOUSTON	тх	US		+		\vdash	
		Delivered, In/At Mailbox						1		1			
	1	January 24, 2022 at 3:21 pm						1	1	1			
LANELL JOY HONEYMAN	9405509898642860704699	MIDLAND, TX 79705	406 SKYWDOD CIR			MIDLAND	тх	US		-			
LANELL JOY HONEYMAN	9405509898642860704699	MIDLAND, TX 79705 Delivered, In/At Mailbox January 24, 2022 at 3:21 pm	406 SKYWOOD CIR			MIDLAND	тх	US	\vdash	\vdash	+		



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Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
FIJI 17-5 FED	234H	3001547633	NMNM045235	NMNM045235	DEVON
FIJI 17-5 FED	233H	3001547632	NMNM045235	NMNM045235	DEVON

Notice of Intent

Sundry ID: 2663902

Type of Submission: Notice of Intent

Date Sundry Submitted: 03/25/2022

Date proposed operation will begin: 03/25/2022

Type of Action: Commingling (Surface)

Time Sundry Submitted: 07:10

Procedure Description: APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE 43 CFR 3173.14 (a)(1)(i-iv) (1) The proposed commingling includes production from more than one: (iii) Federal unit PA or CA where each unit PA or CA proposed for commingling has the same proportion of Federal interest, and which interest is subject to the same fixed royalty rate and revenue distribution. Proposal for Fiji 17 CTB 1: Devon Energy Production Company, LP is requesting approval for a Lease Commingle

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

FIJI_17_CTB_1_BLM_COMMINGLE_1_11_2022_20220325070935.pdf

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: JENNY HARMS Name: DEVON ENERGY PRODUCTION COMPANY LP Title: Regulatory Compliance Professional Street Address: 333 West Sheridan Avenue City: Oklahoma City State: OK Phone: (405) 552-6560 Email address: jennifer.harms@dvn.com

State:

Representative Name:

Street Address:

City:

Phone:

Email address:

Zip:

Signed on: MAR 25, 2022 07:09 AM

From:	AFMSS
To:	Harms, Jenny
Subject:	Well Name: Batch Sundry, Sundry Id: 2663902, Notification of Batch Sundry Received
Date:	Friday, March 25, 2022 8:10:21 AM

The Bureau of Land Management

- Notice Of Intent Receipt Operator Name: DEVON ENERGY PRODUCTION COMPANY LP
 - Well Name: Batch Sundry
 - Well Number: Batch Sundry
 - US Well Number: Batch Sundry
 - Sundry ID: 2663902

The BLM received your Notice Of Intent, Commingling (Surface) sundry on 03/25/2022. This is to notify you that we are processing your sundry.

You may contact the field office if you have any questions.

If we need more information we will contact you. Thank you.

This notification is automatically generated. Please do not reply to this message as this account is not monitored.

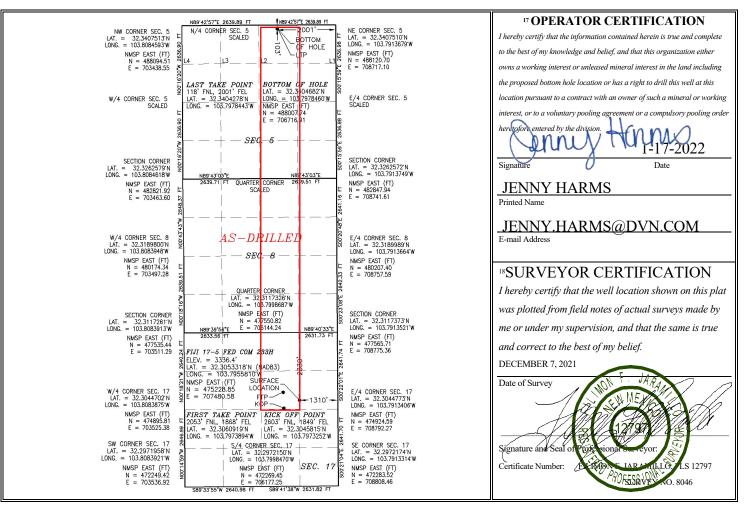
Phone: (505) 476-3460 Fax: (505) 476-3462

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

AMENDED REPORT

			WELL LO	DCATIO	N AND ACR	REAGE DEDIC	CATION PLA	AT				
¹ A	PI Number	r		² Pool Cod	³ Pool Name							
30-	015-4763	32	4()295	L	los Medanos B	one Spring					
⁴ Property C	ode				⁵ Property	Name			⁶ Well Number			
329787					FIJI 17-5 FE	ED COM			233Н			
⁷ OGRID N	lo.				⁸ Operator	Name				⁹ Elevation		
6137			3336.4									
¹⁰ Surface Location												
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County		
Н	17	23 S	31 E		2330	NORTH	1310	EAS	ST	EDDY		
			и]	Bottom H	Iole Location	If Different Fr	om Surface			·		
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County		
2	5	23 S	31 E		103	NORTH	2001	EAS	AST EDDY			
¹² Dedicated Acres	¹³ Joint	or Infill	¹⁴ Consolidatio	n Code	¹⁵ Order No.							
399.88												
	1											

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.



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Received by OCD: 3/25/2022 7:35:06 AM

Intent

1	API #	

30-015-47632		
Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, L.P.	FIJI 17-5 FED COM	233H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
G	17	23S	31E		2603	NORTH	1849	EAST	EDDY
Latitu 32.3	^{de} 04581	5			Longitude 103.7973	3252			NAD 83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
G	17	23S	31E		2053	NORTH	1868	EAST	EDDY
Latitu 32.3	^{de} 806091	9			Longitude 103.7973	3894			NAD 83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	5	23S	31E	2	118	NORTH	2001	EAST	EDDY
Latitu 32.3	^{de} 340427	8			Longitud	^{le} 978443			NAD 83

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

Is this well an infill well?

Ν

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
	•	

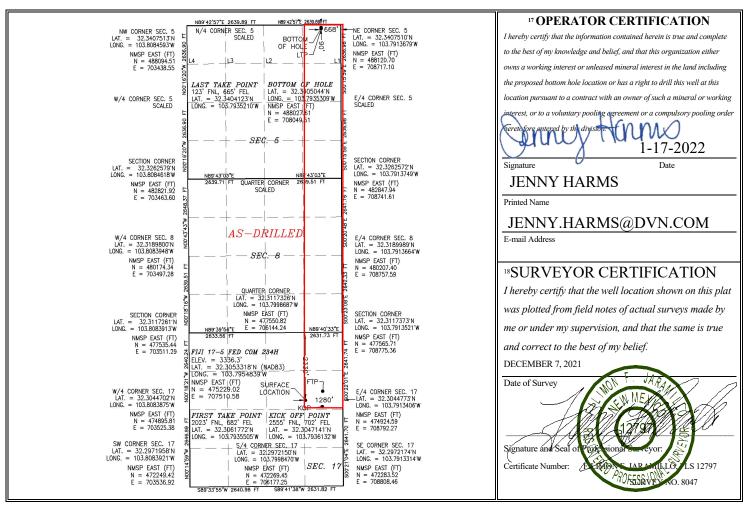
KZ 06/29/2018

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

AMENDED REPORT

			WELL LO	DCATIO	N AND ACK	REAGE DEDIC	CATION PLA				
¹ API Number				² Pool Code	e	³ Pool Name					
30-015-47633 40295					Los Medanos Bone Spring						
⁴ Property C	Code				⁵ Property	Name			⁶ Well Number		
32978′	7				FIJI 17-5 FF	ED COM			234H		
⁷ OGRID N	lo.				⁸ Operator	Name				⁹ Elevation	
6137			DEV	ON ENEI	ERGY PRODUCTION COMPANY, L.P.				3336.3		
¹⁰ Surface Location											
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line		County	
Н	17	23 S	31 E		2330	NORTH	1280	EAS	EDDY		
			пŀ	Bottom H	lole Location	If Different Fr	om Surface			- -	
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
1	5	23 S	31 E		90	NORTH	668	EAS	ST	EDDY	
¹² Dedicated Acres	s ¹³ Joint	t or Infill ¹⁴ Consolidation Code		n Code	•	•	¹⁵ Order No.				
399.82											

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.



Received by OCD: 3/25/2022 7:35:06 AM

API #	

30-015-47633		
Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, L.P.	FIJI 17-5 FED COM	234H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
H	17	23S	31E		2555	NORTH	702	EAST	EDDY
	Latitude 32.3047141			Longitude 103.7936	6132			NAD 83	

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
H	17	23S	31E		2023	NORTH	682	EAST	EDDY
	Latitude 32.3061772			Longitude 103.7935	5505	NAD 83			

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	5	23S	31E	1	123	NORTH	665	EAST	EDDY
Latitude 32.3404123				Longitud	^{հe} 935210		NAD 83		

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

Is this well an infill well?

Ν

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

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of June 2021, 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 31 East, N.M.P.M.Section 5:Lot 2, SWNE, W2SESection 8:W2E2Section 17:W2NEEddy County, New Mexico

Containing 399.88 acres, and this agreement shall include only the **Bone Spring** formation underlying said lands and the oil, natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK 73102. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is June 1, 2021, 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 2year 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. <u>Nondiscrimination</u>. 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.

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 1, 2021, embracing the W2NE of Section 17-23S-31E, and the W2E2 of Section 8-23S-31E, and Lot 2, SWNE, AND W2SE of Section 5-23S-31E, Eddy County, New Mexico; Bone Spring Formation

Fiji 17-5 Fed Com 233H API 30-015-47632 SHL: 2330' FNL & 1310' FEL, Sec 17-23S-31E BHL: 20' FNL & 1980' FEL, Sec 5-23S-31E	5	1	
Tract 3 159.88 AC NMNM 81953			
Tract 2 160 AC NMNM 77046			
	8		
Tract 1 80 AC NMNM 45235			
	17		

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated June 1, 2021, embracing the W2E2 of Section 9-23S-31E, and Lot 2, SWNE, and W2SE of Section 4-23S-31E, Eddy County, New Mexico; Bone Spring Formation

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 45235
Lease Date:	August 1, 1981
Lease Term:	5 Years
Lessor:	United States of America
Original Lessee:	Coquina Oil Corporation
Description of Land Committed:	Township 23 South, Range 31 East Section 17: Insofar and only insofar as said lease covers W2NE
Number of Acres:	80.00
Current Lessee of Record:	EOG Resources Inc. Devon Energy Production Company, L.P. OXY USA Inc.
Royalty Rate:	On oil, ranging from 12.5% when production is not more than 50 barrels per well per day up to 25% when production is 400 barrels or more per well per day, averaged on a monthly basis. On gas, 12.5% when production is not more than 5 million cubic feet per well per day and 16 2/3% when production is more than 5 million cubic feet per well per day, averaged on a monthly basis.
Name of Working Interest Owners:	Devon Energy Production Company, LP – 71.77734% Camterra Resources Partners, Ltd. – 10.253906% XTO Delaware Basin, LLC – 12.5% EOG Resources Inc. – 1.041667% OXY USA Inc. 4.427083%

ORRI Owners:

CARL T SPEIGHT **CTV-CTAM BPEOR NM LLC CTV-LMB I BPEOR NM LLC CTV-LMB II BPEOR NM LLC CTV-SRB I BPEOR NM LLC CTV-SRB II BPEOR NM LLC GWEN M WILLIAMS FAMILY LLC** JOHN M SPEIGHT JOHN R MCCONN SEPARATE PROPERTY **KEYSTONE -CTAM- BPEOR NM LLC KEYSTONE RMB BPEOR NM LLC** LANELL JOY HONEYMAN LESLIE ROBERT HONEYMAN TRUST LANELL JOY HONEYMAN TRUSTEE LMBI I BPEOR NM LLC LMBI II BPEOR NM LLC MELINDA A MCCONN CHERNOSKY SEPARATE PROPERTY MEREDITH E MCCONN ZENNER SEPARATE PROPERTY **OXY USA INC** PAUL E SPEIGHT PHILLIP T SPEIGHT PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO GEORGE OVERBEY COO ROGERS RESOURCES LP BY ROGERS MGMT LLC GEN PTR SRBI I BPEOR NM LLC SRBI II BPEOR NM LLC **TD MINERALS LLC** THRU LINE BPEOR NM LLC **ELLIOT INDUSTRIES ELLIOT-HALL COMPANY** KHODY LANDY & MINERALS COMPANY

Tract No. 2

Lease Serial Number:	NMNM 77046
Lease Date:	September 1, 1988
Lease Term:	5 Years
Lessor:	United States of America

Fiji 17-5 Fed Com 233H

•

Original Lessee:	Santa Fe Energy Operating Partners LP
Description of Land Committed:	Township 23 South, Range 31 East Section 8: Insofar and only insofar as said lease covers W2E2
Number of Acres:	160
Current Lessee of Record:	Devon Energy Production Company, L.P
Royalty Rate:	12.50%
Name of Working Interest Owners:	Devon Energy Production Company, L.P 100.00%
ORRI Owners:	None
	Tract No. 3
Lease Serial Number:	NMNM 81953
Lease Date:	September 1, 1989
Lease Term:	5 Years
Lessor:	United States of America
Original Lessee:	Yates Petroleum Corporation
Description of Land Committed:	Township 23 South, Range 31 East Section 5: Insofar and only insofar as said lease covers Lot 2, SWNE, and W2SE
Number of Acres:	159.88
Current Lessee of Record:	Devon Energy Production Company, L.P Camterra Resources Partners, Ltd. EOG Resources Inc.
Royalty Rate:	12.50%
Name of Working Interest Owners:	Devon Energy Production Company, L.P. – 93.75% Camterra Resources Partners, Ltd. – 6.25%
ORRI Owners:	None

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Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	20.006002%
2	160.00	40.012004%
3	159.88	39.981994%
TOTAL	399.88	100.00%

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

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

8-17 -2021 Date

)
By:	
Name: Lindsey N. Miles	- NA
Title: Land Manager_	Tere

ACKNOWLEDGEMENT

STATE OF <u>OKLAHOMA</u>) SS. COUNTY OF <u>OKLAHOMA</u>)

On this 17^k day of <u>August</u>, 2021, before me, a Notary Public for the State of OKLAHOMA, personally appeared <u>Lindsey N. Miles</u>, known to me to be the Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership on behalf of said partnership.

(SEAL)

 $\frac{5/7/23}{My Commission Expires}$



Notary Public

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of June 2021, 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 31 East, N.M.P.M.Section 5:Lot 1, SENE, E2SESection 8:E2E2Section 17:E2NEEddy County, New Mexico

Containing 399.82 acres, and this agreement shall include only the **Bone Spring** formation underlying said lands and the oil, natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK 73102. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is June 1, 2021, 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 2year 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. <u>Nondiscrimination</u>. 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.

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 1, 2021, embracing the E2NE of Section 17-23S-31E, and the E2E2 of Section 8-23S-31E, and Lot 1, SENE, AND E2SE of Section 5-23S-31E, Eddy County, New Mexico; Bone Spring Formation

<u>Fiji 17-5 Fed Com 234H</u> API 30-015-47633 SHL: 2330' FNL & 1280' FEL, Sec 17-23S-31E BHL: 20' FNL & 660' FEL, Sec 5-23S-31E	5		
Tract 3 159.82 AC			
NMNM 81953			
Tract 2 160 AC NMNM 77046	0		
	8		
Tract 1 80 AC NMNM 45235			
	47		
	17		

Fiji 17-5 Fed Com 234H

Released to Imaging: 7/11/2022 4:27:28 PM

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated June 1, 2021, embracing the E2NE of Section 17-23S-31E, and the E2E2 of Section 8-23S-31E, and Lot 1, SENE, AND E2SE of Section 5-23S-31E, Eddy County, New Mexico; Bone Spring Formation

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

DESCRIPTION OF LEASES COMMITTED

	Tract No. 1
Lease Serial Number:	NMNM 45235
Lease Date:	August 1, 1981
Lease Term:	5 Years
Lessor:	United States of America
Original Lessee:	Coquina Oil Corporation
Description of Land Committed:	Township 23 South, Range 31 East Section 17: Insofar and only insofar as said lease covers E2NE
Number of Acres:	80.00
Current Lessee of Record:	EOG Resources Inc. Devon Energy Production Company, L.P. OXY USA Inc.
Royalty Rate:	On oil, ranging from 12.5% when production is not more than 50 barrels per well per day up to 25% when production is 400 barrels or more per well per day, averaged on a monthly basis. On gas, 12.5% when production is not more than 5 million cubic feet per well per day and 16 2/3% when production is more than 5 million cubic feet per well per day, averaged on a monthly basis.
Name of Working Interest Owners:	Devon Energy Production Company, LP – 71.77734% Camterra Resources Partners, Ltd. – 10.253906% XTO Delaware Basin, LLC – 12.5% EOG Resources Inc. – 1.041667% OXY USA Inc. 4.427083%

ORRI Owners:

CARL T SPEIGHT **CTV-CTAM BPEOR NM LLC CTV-LMB I BPEOR NM LLC CTV-LMB II BPEOR NM LLC CTV-SRB I BPEOR NM LLC CTV-SRB II BPEOR NM LLC GWEN M WILLIAMS FAMILY LLC** JOHN M SPEIGHT JOHN R MCCONN SEPARATE PROPERTY **KEYSTONE -CTAM- BPEOR NM LLC KEYSTONE RMB BPEOR NM LLC** LANELL JOY HONEYMAN LESLIE ROBERT HONEYMAN TRUST LANELL JOY HONEYMAN TRUSTEE LMBI I BPEOR NM LLC LMBI II BPEOR NM LLC MELINDA A MCCONN CHERNOSKY SEPARATE PROPERTY MEREDITH E MCCONN ZENNER SEPARATE PROPERTY **OXY USA INC** PAUL E SPEIGHT PHILLIP T SPEIGHT PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO GEORGE OVERBEY COO ROGERS RESOURCES LP BY ROGERS MGMT LLC GEN PTR SRBI I BPEOR NM LLC SRBI II BPEOR NM LLC **TD MINERALS LLC** THRU LINE BPEOR NM LLC **ELLIOT INDUSTRIES ELLIOT-HALL COMPANY KHODY LANDY & MINERALS COMPANY**

Tract No. 2

Lease Serial Number:	NMNM 77046
Lease Date:	September 1, 1988
Lease Term:	5 Years
Lessor:	United States of America

.

Original Lessee:	Santa Fe Energy Operating Partners LP
Description of Land Committed:	Township 23 South, Range 31 East Section 8: Insofar and only insofar as said lease covers E2E2
Number of Acres:	160
Current Lessee of Record:	Devon Energy Production Company, L.P
Royalty Rate:	12.50%
Name of Working Interest Owners:	Devon Energy Production Company, L.P 100.00%
ORRI Owners:	None
	Tract No. 3
Lease Serial Number:	NMNM 81953
Lease Date:	September 1, 1989
Lease Term:	5 Years
Lessor:	United States of America
Original Lessee:	Yates Petroleum Corporation
Description of Land Committed:	Township 23 South, Range 31 East Section 5: Insofar and only insofar as said lease covers Lot 1, SENE, and E2SE
Number of Acres:	159.82
Current Lessee of Record:	Devon Energy Production Company, L.P Camterra Resources Partners, Ltd. EOG Resources Inc.
Royalty Rate:	12.50%
Name of Working Interest Owners:	Devon Energy Production Company, L.P. – 93.75% Camterra Resources Partners, Ltd. – 6.25%
ORRI Owners:	None

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Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	20.009004%
2	160.00	40.018008%
3	159.82	39.972988%
TOTAL	399.82	100.00%

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

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

8-17-2021 Date

By: Name: Lindsey N. Miles Title: Land Manager

ACKNOWLEDGEMENT

STATE OF OF	KLAHOMA)
COUNTY OF_	Oklahom) ss.)

On this <u>7</u>^Mday of <u>A</u> <u>s</u> <u>s</u> <u>s</u>, 2021, before me, a Notary Public for the State of OKLAHOMA, personally appeared <u>Lindsey N. Miles</u>, known to me to be the Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership on behalf of said partnership.

(SEAL)

5/7/23

My Commission Expires



Clint Dame

Notary Public

From:	Engineer, OCD, EMNRD
To:	Harms, Jenny
Cc:	McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher
Subject:	Approved Administrative Order CTB-1044
Date:	Monday, July 11, 2022 4:17:36 PM
Attachments:	CTB1044 Order.pdf

NMOCD has issued Administrative Order CTB-1044 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
		W/2 E/2	5-23S-31E	
30-015-47632	Fiji 17 5 Federal Com #233H	W/2 E/2	8-23S-31E	40295
		W/2 NE/4	17-23S-31E	
		E/2 E/2	5-23S-31E	
30-015-47633	Fiji 17 5 Federal Com #234H	E/2 E/2	8-23S-31E	40295
		E/2 NE/4	17-23S-31E	

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 OIL CONSERVATION DIVISION

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

ORDER NO. CTB-1044

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 in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 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.
- 8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

Order No. CTB-1044

CONCLUSIONS OF LAW

- 9. 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.
- 10. 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.
- 11. 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.
- 12. 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.
- 13. 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.
- 14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

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. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a

Order No. CTB-1044

description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

- 3. 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.
- 4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
- 5. 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.
- 6. 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.
- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 8. 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.

- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. 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, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. 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).
- 13. 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



DATE: 7/11/2022

	State of New Mexi	ico		
	Energy, Minerals and Natural Res	ources Department		
	Exhibit A	L		
	Order: CTB-1044			
	Operator: Devon Energy P	roduction Compan	y, LP (6137)	
	Central Tank Battery: Fiji 17 Central T	Sank Battery 1		
Centra	l Tank Battery Location: UL G, Section 17	7, Township 23 Sou	th, Range 31 Eas	it
Gas Title	Fransfer Meter Location: UL G, Section 17	7, Township 23 Sou	th, Range 31 Eas	it
	Pools			
	Po	ol Name	Pool Code	
	LOS MEDANOS	; BONE SPRING	40295	
	Leases as defined in 19.15.1	12.7(C) NMAC		
	Lease	UL or Q/Q	S-T-R	
	NMNM 0002887B	E/2	5-23S-31E	
	NMNM 077046	E/2	8-23S-31E	
	NMNM 045235	NE /4	17-23S-31E	
	Wells			
Well API	Well Name	UL or Q/Q	S-T-R	Pool
		W/2 E/2	5-23S-31E	
30-015-47632	Fiji 17 5 Federal Com #233H	W/2 E/2	8-23S-31E	40295
		W/2 NE/4	17-23S-31E	
		E/2 E/2	5-23S-31E	
30-015-47633	Fiji 17 5 Federal Com #234H	E/2 E/2	8-23S-31E	40295
			0 200 012	

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State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: CTB-1044 Operator: Devon Energy Production Company, LP (6137)

Pooled Areas			
UL or Q/Q	S-T-R	Acres	Pooled Area ID
W/2 E/2	5-23S-31E		
W/2 E/2	8-23S-31E	399.88	Α
W/2 NE/4	17-23S-31E		
E/2 E/2	5-23S-31E		
E/2 E/2	8-23S-31E	399.82	B
E/2 NE/4	17-23S-31E		
	UL or Q/Q W/2 E/2 W/2 E/2 W/2 NE/4 E/2 E/2 E/2 E/2	UL or Q/Q S-T-R W/2 E/2 5-238-31E W/2 E/2 8-238-31E W/2 NE/4 17-238-31E E/2 E/2 5-238-31E E/2 E/2 5-238-31E E/2 E/2 8-238-31E	UL or Q/QS-T-RAcresW/2 E/25-238-31E399.88W/2 E/28-238-31E399.88W/2 NE/417-238-31E2000000000000000000000000000000000000

Leases Comprising Pooled Areas Pooled Lease UL or Q/Q S-T-R Acres Area ID NMNM 0002887B W/2 E/2 5-23S-31E 159.88 A NMNM 077046 W/2 E/2 8-23S-31E 160 Α NMNM 045235 W/2 NE/4 17-23S-31E 80 A NMNM 0002887B E/2 E/2 5-23S-31E 159.82 B NMNM 077046 E/2 E/2 8-23S-31E 160 B NMNM 045235 E/2 NE/4 17-23S-31E 80 B

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

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CONDITIONS

Action 93071

CONDITIONS

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	93071
	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.	7/11/2022