



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010
Phone (405) 228-4800

February 7th, 2023

Dean McClure
Petroleum Specialist
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive Santa Fe, New Mexico 87505
(505) 476-3471

Re: Central Tank Battery: Serpentine 2 Facility 1
Sec.-T-R: 2-23S-33E
Wells: SERPENTINE 2-26 STATE FED COM 25H-27H, SERPENTINE 2-26 STATE FED COM 30H-31H
Agreements: Pending CAs Attached
Lease: NMNM113969, NMNM061360, State Lease VB19810
Pool: [5170] BELL LAKE; WOLFCAMP, NORTH, [7320] BRINNINSTOOL; BONE SPRING
County: Lea Co., New Mexico

Dear Mr. McClure:

Please find attached the commingle application for the Central Tank Battery of the aforementioned wells. This application is necessary due to diverse pools and leases/communitization agreements.

The working interest, royalty interest and overriding royalty interest owners are not identical, therefore notifications have been sent.

A copy of the submitted Bureau of Land Management application is attached.

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.

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 228-8429.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Deal". The signature is fluid and cursive, with the first name "Rebecca" and last name "Deal" clearly distinguishable.

Rebecca Deal
Regulatory Compliance Professional

Enclosures

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., LP **OGRID Number:** 6137
Well Name: Serpentine 2-35 State Fed Com wells - See Attached **API:** See Attached
Pool: BELL LAKE; WOLFCAMP, NORTH& BRINNINSTOOL; BONE SPRING **Pool Code:** 5170 & 7320

**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

☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ **Royalty, overriding royalty owners, revenue owners**C. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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.

Rebecca DealPrint or Type
Name

Signature

2/7/2023

Date

405-228-8429

Phone Number

Rebecca.deal@dmv.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
OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

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., LP
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

- (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: Rebecca Deal TITLE: Regulatory Analyst DATE: 2/7/2023
TYPE OR PRINT NAME Rebecca Deal TELEPHONE NO.: 405-228-8429
E-MAIL ADDRESS: Rebecca.deal@dmn.com

APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE**Proposal for Serpentine 2 Facility 1:**

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

State CA Approved (See Attached), Fed CA Pending. Lease NMNM061360-12.5% & VB19810			
WELL NAME	API	LOCATION	POOL
SERPENTINE 2-26 STATE FED COM 25H	30-025-50069	O-02-23S-33E	[5170] BELL LAKE; WOLFCAMP, NORTH

State CA Approved (See Attached), Fed CA Pending. Lease NMNM113969-12.5%			
WELL NAME	API	LOCATION	POOL
SERPENTINE 2-35 STATE FED COM 27H	30-025-50071	P-02-23S-33E	[5170] BELL LAKE; WOLFCAMP, NORTH

Pending CA - State and Fed. Lease NMNM113969-12.5%, NMNM061360-12.5% & VB19810			
WELL NAME	API	LOCATION	POOL
SERPENTINE 2-35 STATE FED COM 26H	30-025-50070	O-02-23S-33E	[7320] BRINNINSTOOL; BONE SPRING
SERPENTINE 2-26 STATE FED COM 30H	30-025-50074	P-02-23S-33E	[7320] BRINNINSTOOL; BONE SPRING
SERPENTINE 2-35 STATE FED COM 31H	30-025-50075	P-02-23S-33E	[7320] BRINNINSTOOL; BONE SPRING

CA:

Attached is the proposed CA allocation method for leases in each CA.

- Approved State CA. Pending CA - SERPENTINE 2-26 STATE FED COM 25H - 359.73 WOLFCAMP - Lot 2, SWNE, and W2SE of Section 2-23S-33E and the W2E2 of Section 35-22S-33E and the SWSE of Section 26-22S-33E, Lea County, New Mexico; Wolfcamp Formation
- Approved State CA. Pending CA - SERPENTINE 2-26 STATE FED COM 27H - 319.85 WOLFCAMP - Lot 1, SENE, and E2SE of Section 2-23S-33E and the E2E2 of Section 35-22S; 33E, Lea County, New Mexico; Wolfcamp Formation
- Pending State and Fed CA - SERPENTINE 2-26 STATE FED COM 26H, 30H & 31H - 679.58 Bonespring - Lot I, Lot 2, S/2NE/4, and SE/4 of Section 2-23S-33E and the E/2 of Section 35-22S-33E and the SW/4SE/4 of Section 26-22S-33E, Lea County, New Mexico;

Oil & Gas metering:

The Serpentine 2 Facility 1 central tank battery is in NE/4 & SE/4, NE/4 & SE/4, SW/4 & SE/4, SE/4 & SE/4, S2, T23S, R33E in Lea County, New Mexico.

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 Federal Measurement Point/Royalty Payment. 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 Sales.

3-Phase oil flows through an independent and designated Coriolis meter for Federal Measurement Point/Royalty Payment. 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) for further conditioning and then into one of the oil tanks for storage. The stored oil is pumped into a LACT unit for Sales.

Flash gas from oil conditioning and from the water and oil tanks 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 and then into one of the water tanks for storage.

The central tank battery has three oil tanks and three 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.

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		
	Gas Allocation	Oil Allocation	Water Allocation
SERPENTINE 2-35 STATE FED COM 31H	DVN / *	DVN / *	DVN / *
SERPENTINE 2-26 STATE FED COM 30H	DVN / *	DVN / *	DVN / *
SERPENTINE 2-26 STATE FED COM 25H	DVN / *	DVN / *	DVN / *
SERPENTINE 2-35 STATE FED COM 26H	DVN / *	DVN / *	DVN / *
SERPENTINE 2-35 STATE FED COM 27H	DVN / *	DVN / *	DVN / *
Common Meters			
VRU Allocation	DVN / *		
Gas FMP	DVN / *		
Oil FMP	ENTERPRISE / *		

Meter Owner / Serial Number:

* 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 Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regards to proving the 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. Due to measurement placement, BLM commingle application is not applicable. 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)

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

Date: 2/7/2023

Economic Justification Report

Serpentine 2 Facility 1

Well Name & Number	Type	Fed Lease 1	Royalty Rate	Fed Lease 2 (if applicable)	Royalty Rate	State (if applicable)	Royalty Rate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
SERPENTINE 2-26 STATE FED COM 25H	Sweet	NMNM061360-12.5%				VB19810		2844	44.8	5799	1273
SERPENTINE 2-26 STATE FED COM 27H	Sweet	NMNM113969-12.5%						1685	44.8	3420	1273
SERPENTINE 2-26 STATE FED COM 26H	Sweet	NMNM113969-12.5%		NMNM061360-12.5%		VB19810		2302	44.8	4683	1273
SERPENTINE 2-26 STATE FED COM 30H	Sweet	NMNM113969-12.5%		NMNM061360-12.5%		VB19810		1491	41.5	1684	1399
SERPENTINE 2-26 STATE FED COM 31H	Sweet	NMNM113969-12.5%		NMNM061360-12.5%		VB19810		1242	41.5	1396	1399

Signed: Rebecca Deal

Date: 2/7/2023

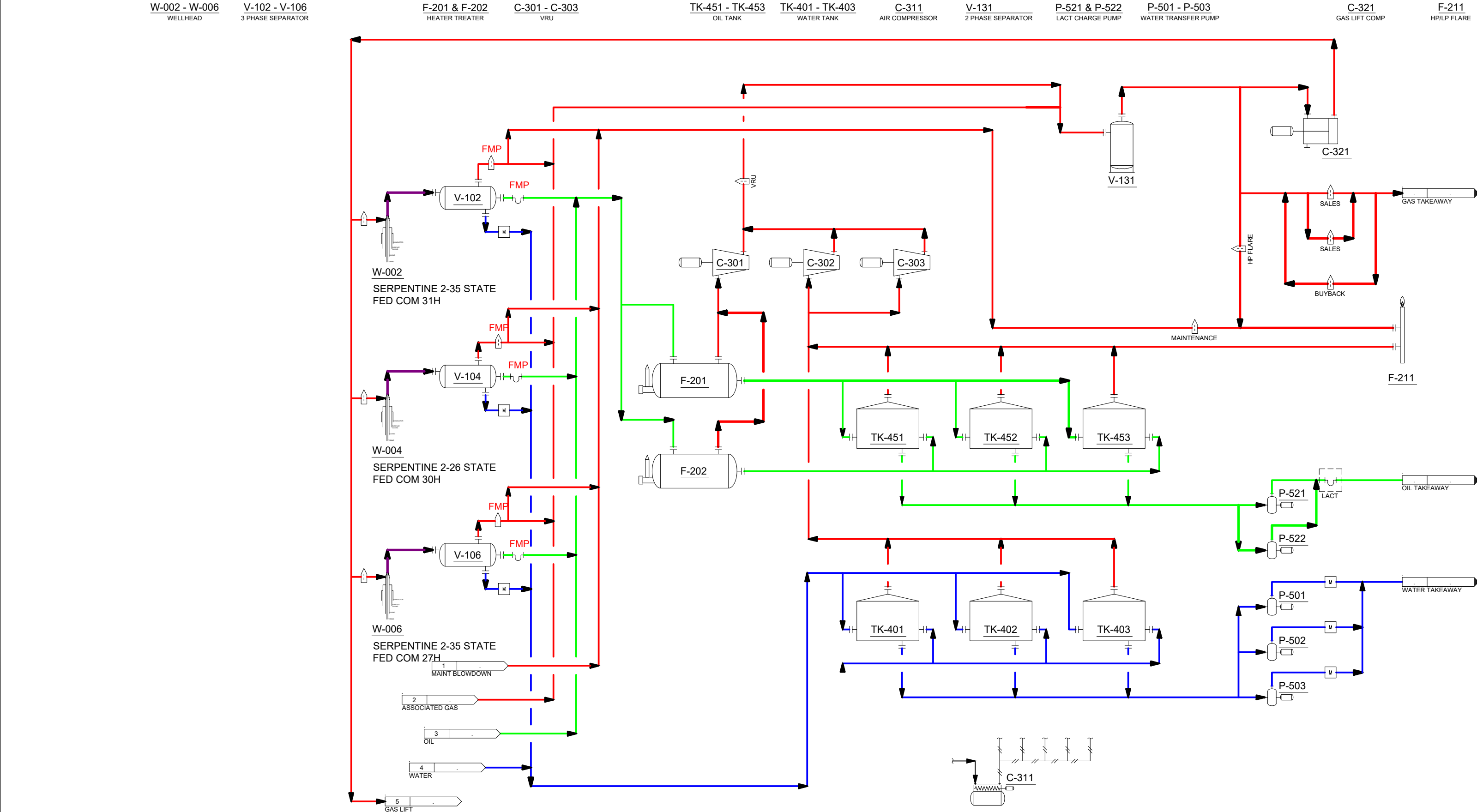
Printed Name: Rebecca Deal

Title: Regulatory Compliance Specialist

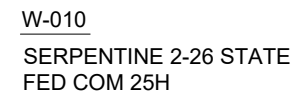
Economic Combined Production

BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
9564.0	43.9	16982.0	1295.9

The combining of production between the wells above will not have any valuation impact due to any quality differences in the oil quality between the Bonespring and Wolfcamp formations.



3 PHASE SEPARATOR



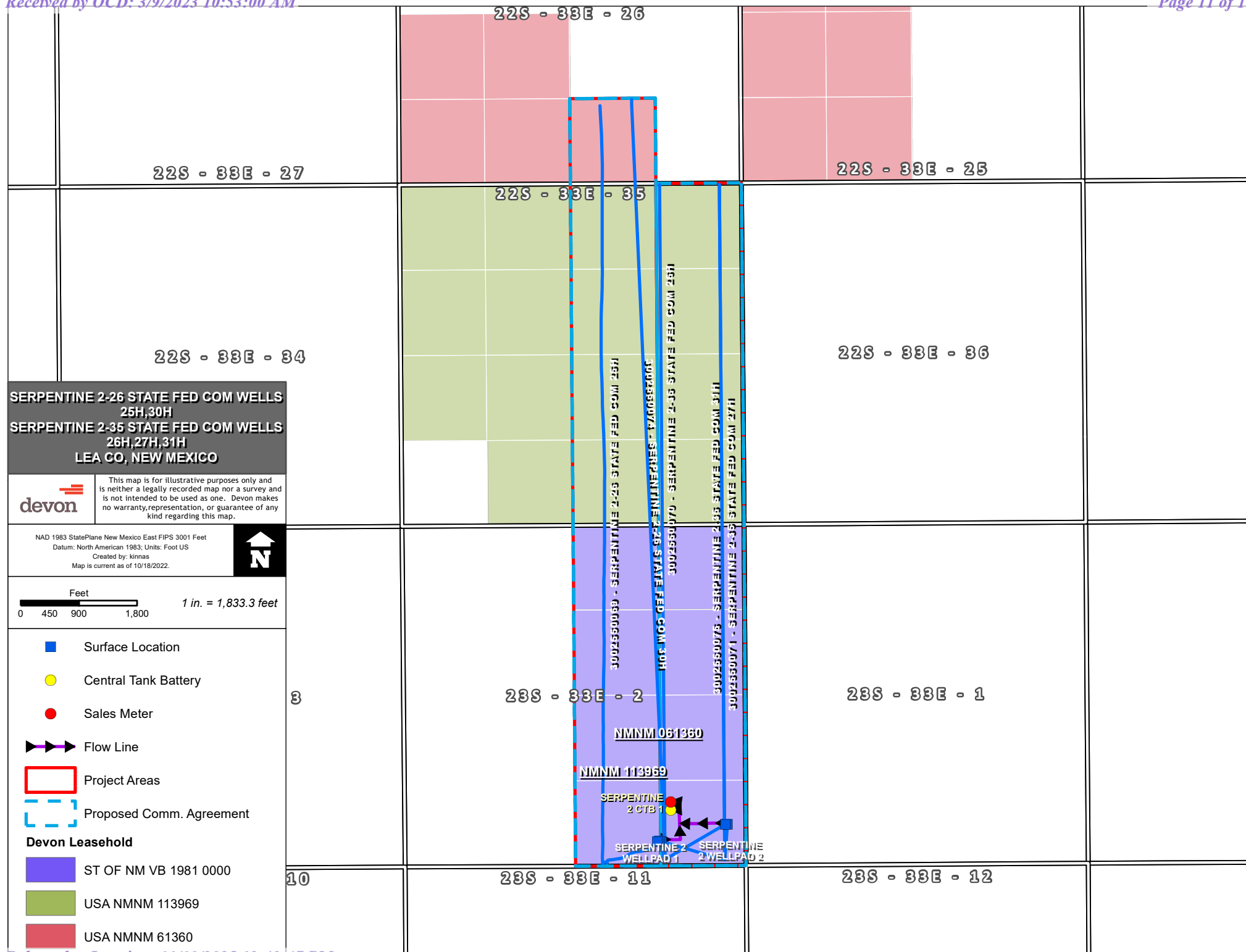
FMP FEDERAL MEASUREMENT POINT

REV
3



1. EQUIPMENT AND LAYOUT CONFIGURATIONS ARE ONLY REPRESENTATIVE
2. MEASUREMENT POINTS SHOWN IN PROCESS FLOW DIAGRAM

Released to Imaging: 11/10/2025 12:43:47 PM



Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 6th day of May 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 33 East, N.M.P.M., Section 2: Lot 1, SENE,
E2SE

Township 22 South, Range 33 East, N.M.P.M., Section 35: E2E2
Lea County, New Mexico

Containing 319.85 acres, and this agreement shall include only the **Wolfcamp** formation underlying said lands and the oil, natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

Serpentine 2-35 State Fed Com 27H

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, 2022, 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

Serpentine 2-35 State Fed Com 27H

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 Working Interest Owner)

Date

By:

Lindsey N. Miles, Land Manager

ACKNOWLEDGEMENT IN A REPRESENTATIVE CAPACITY

STATE OF OKLAHOMA)
) SS
COUNTY OF Adair)

This instrument was acknowledged before me on June 8, 2022, by Lindsey N. Miles, as Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

Jennifer Harms

Signature of Notarial Officer

(Seal)

My Commission Expires:

11/06/25



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EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 1, 2022, embracing Lot 1, SENE, and E2SE of Section 2-23S-33E and the E2E2 of Section 35-22S-33E, Lea County, New Mexico; Wolfcamp Formation

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API 30-025-50071

SHL: 389' FSL & 1308' FEL, Sec 2-23S-33E

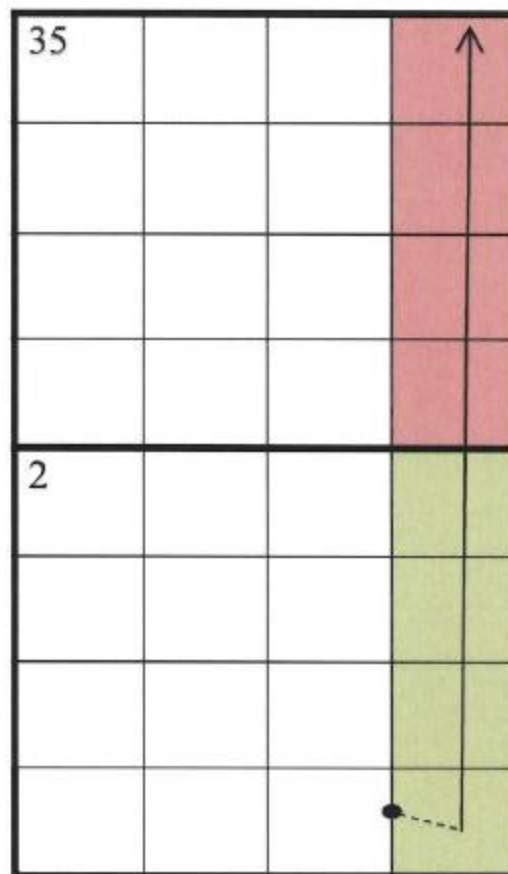
BHL: 20' FNL & 330' FEL, Sec 35-22S-33E



Tract 1
159.85 AC
ST of NM VB 1981



Tract 2
160 AC
NMNM 113969



Serpentine 2-35 State Fed Com 27H

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated June 1, 2022, embracing Lot 1, SENE, and E2SE of Section 2-23S-33E and E2E2 of Section 355-22S-33E, Lea County, New Mexico; Wolfcamp Formation

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

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: ST of NM VB 1981

Lease Date: January 1, 2011

Lease Term: 5 Years

Lessor: State of New Mexico

Original Lessee: Devon Energy Production Company, L.P.

Description of Land Committed: Township 23 South, Range 33 East
Section 2: Insofar and only insofar as said lease covers Lot 1, SENE, E2SE

Number of Acres: 159.85

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 18.75%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: None

Tract No. 2

Lease Serial Number: NMNM 113969

Lease Date: June 1, 2005

Serpentine 2-35 State Fed Com 27H

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Doug J Schutz

Description of Land Committed: Township 22 South, Range 33 East
Section 35: Insofar and only insofar as said lease covers E2E2

Number of Acres: 160.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 12.5%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: None

Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	159.85	49.9766%
2	160.00	50.0234%
Total	319.85	100.0000%

Serpentine 2-35 State Fed Com 27H



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

Peggy Buller
Devon Energy Production Company, LP
333 W. Sheridan Avenue
Oklahoma City, OK 73102

July 12th, 2022

Re: Communitization Agreement Approval
Serpentine 2 35 State Federal Com #027H
Vertical Extent: Wolfcamp
Township: 22 South, Range 33 East, NMPM
Section 35: E2E2
Township: 23 South, Range 33 East, NMPM
Section 02: Lot 1, SE4NE4, E2SE4

Lea County, New Mexico

Dear Ms. Buller,

The Commissioner of Public Lands has this date approved the Serpentine 2 35 State Federal Com #027H Communitization Agreement for the Wolfcamp formation effective 6-1-2022. Enclosed are three Certificates of Approval.

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

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephanie Garcia Richard".

Stephanie Garcia Richard
Commissioner of Public Lands

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Devon Energy Production Company, LP
Serpentine 2 35 State Federal Com #027H
Wolfcamp**

**Township: 22 South, Range: 33 East, NMPM
Section 35: E2E2**

**Township: 23 South, Range: 33 East, NMPM
Section 02: Lot 1, SE4NE4, E2SE4**

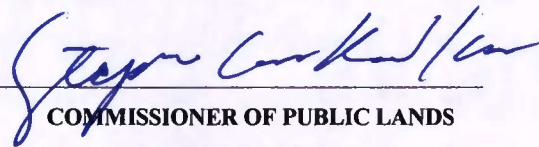
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 1, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **12th day of July, 2022**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Devon Energy Production Company, LP
Serpentine 2 35 State Federal Com #027H
Wolfcamp**

**Township: 22 South, Range: 33 East, NMPM
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**Township: 23 South, Range: 33 East, NMPM
Section 02: Lot 1, SE4NE4, E2SE4**

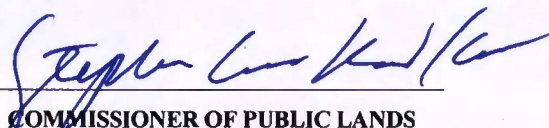
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 1, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **12th day of July, 2022**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

Devon Energy Production Company, LP
Serpentine 2 35 State Federal Com #027H
Wolfcamp

Township: 22 South, Range: 33 East, NMPM
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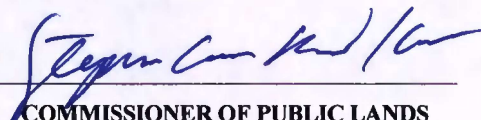
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 1, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **12th day of July, 2022**.


COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised August, 2021

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0²⁵ - 50071

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions Lot 1, SENE, E2SE of Section 2-23S-33E and E2E2 of Section 35-22S-33E,

Sect(s) 2 & 35, T 23S & 22S, R 33H, NMPM Lea County, NM

containing 319.85 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil, natural gas and associated hydrocarbons

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

ONLINE
version
August 2021

State/Fed/Fee

1

2022 JUN 10 AM 9:51

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

2022 JUN 10 AM 9:51

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 1 2022 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee or other successor in interest, and as to Federal lands shall be subject to approval by the

2023 JUN 10 AM 9:51

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator _____ Lessees of Record _____

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

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 Working Interest Owner)

Date

By:

Lindsey N. Miles, Land Manager

ACKNOWLEDGEMENT IN A REPRESENTATIVE CAPACITY

STATE OF OKLAHOMA)
) SS
COUNTY OF Ottawa)

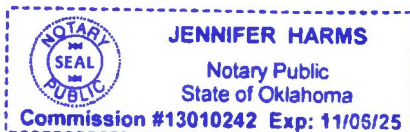
This instrument was acknowledged before me on June 8, 2022, by Lindsey N. Miles, as Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

Jennifer Harms

Signature of Notarial Officer

(Seal)

My Commission Expires: 11/06/25



2022 JUN 10 AM 9:51

Serpentine 2-35 State Fed Com 27H

EXHIBIT "A"

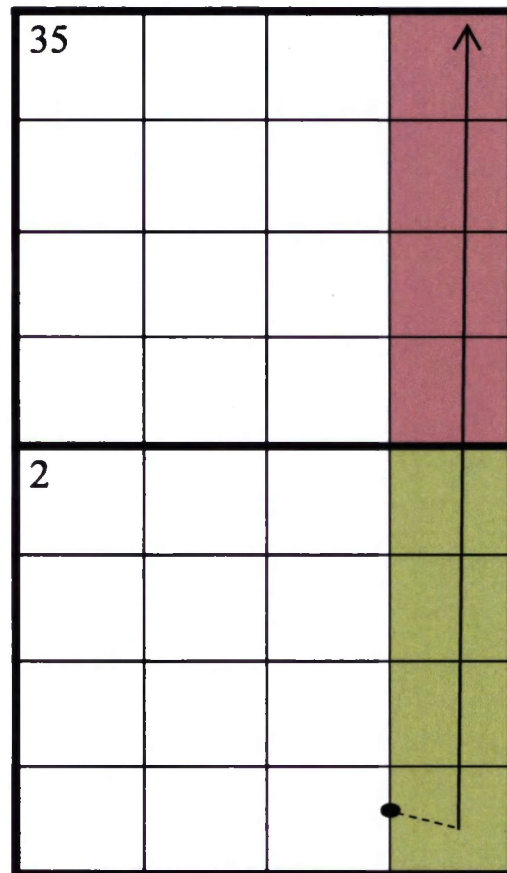
Attached to and made a part of that Communitization Agreement dated June 1, 2022,
embracing Lot 1, SENE, and E2SE of Section 2-23S-33E and the E2E2 of Section 35-22S-
33E, Lea County, New Mexico; Wolfcamp Formation

Serpentine 2-35 State Fed Com 27H**API 30-025-50071****SHL: 389' FSL & 1308' FEL, Sec 2-23S-33E****BHL: 20' FNL & 330' FEL, Sec 35-22S-33E**

Tract 1
159.85 AC
ST of NM VB 1981



Tract 2
160 AC
NMNM 113969



Serpentine 2-35 State Fed Com 27H

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated June 1, 2022, embracing Lot 1, SENE, and E2SE of Section 2-23S-33E and E2E2 of Section 355-22S-33E, Lea County, New Mexico; Wolfcamp Formation

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

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	ST of NM VB 1981
Lease Date:	January 1, 2011
Lease Term:	5 Years
Lessor:	State of New Mexico
Original Lessee:	Devon Energy Production Company, L.P.
Description of Land Committed:	<u>Township 23 South, Range 33 East</u> Section 2: Insofar and only insofar as said lease covers Lot 1, SENE, E2SE
Number of Acres:	159.85
Current Lessee of Record:	Devon Energy Production Company, L.P.
Royalty Rate:	18.75%
Name of Working Interest Owners:	Devon Energy Production Company, LP – 100.00%
Overriding Royalty Owners:	None

Tract No. 2

Lease Serial Number:	NMNM 113969
Lease Date:	June 1, 2005

Serpentine 2-35 State Fed Com 27H

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Doug J Schutz

Description of Land Committed: Township 22 South, Range 33 East
Section 35: Insofar and only insofar as said lease covers E2E2

Number of Acres: 160.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 12.5%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: None

Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	159.85	49.9766%
2	160.00	50.0234%
Total	319.85	100.0000%

Serpentine 2-35 State Fed Com 27H

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 6th day of May 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:

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

Township 23 South, Range 33 East, N.M.P.M., Section 2: Lot 2, SWNE,
W2SE

Township 22 South, Range 33 East, N.M.P.M., Section 35: W2E2

Township 22 South, Range 33 East, N.M.P.M., Section 26: SWSE

Lea County, New Mexico

Containing 359.73 acres, and this agreement shall include only the **Wolfcamp** formation underlying said lands and the oil, natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

Serpentine 2-26 State Fed Com 25H

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, 2022, 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 Working Interest Owner)

Date

By: _____

Lindsey N. Miles, Land Manager

ACKNOWLEDGEMENT IN A REPRESENTATIVE CAPACITY

STATE OF OKLAHOMA)
COUNTY OF Ottawa) SS

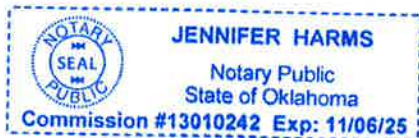
This instrument was acknowledged before me on June 8, 2022, by Lindsey N. Miles, as Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

Jennifer Harms

Signature of Notarial Officer

(Seal)

My Commission Expires: 11/06/25



Fred L. Engle
(Record Title Owner)

7/22/2022
Date

By: [Signature]
Name: Fred L. Engle
Title: OWNER

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

STATE OF FL)
COUNTY OF Sarasota) SS

This instrument was acknowledged before me on July 22, 2022, by
Frederick L Engle, as owner of _____.

[Signature]
Signature of Notarial Officer

(Seal)

My Commission Expires: 3.11.2024

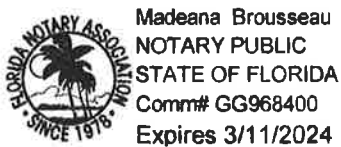


EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 1, 2022, embracing Lot 2, SWNE, and W2SE of Section 2-23S-33E and the W2E2 of Section 35-22S-33E and the SWSE of Section 26-22S-33E, Lea County, New Mexico; Wolfcamp Formation

Serpentine 2-26 State Fed Com 25H

API 30-025-50069

SHL: 389' FSL & 1368' FEL, Sec 2-23S-33E

BHL: 1300' FSL & 2178' FEL, Sec 26-22S-33E



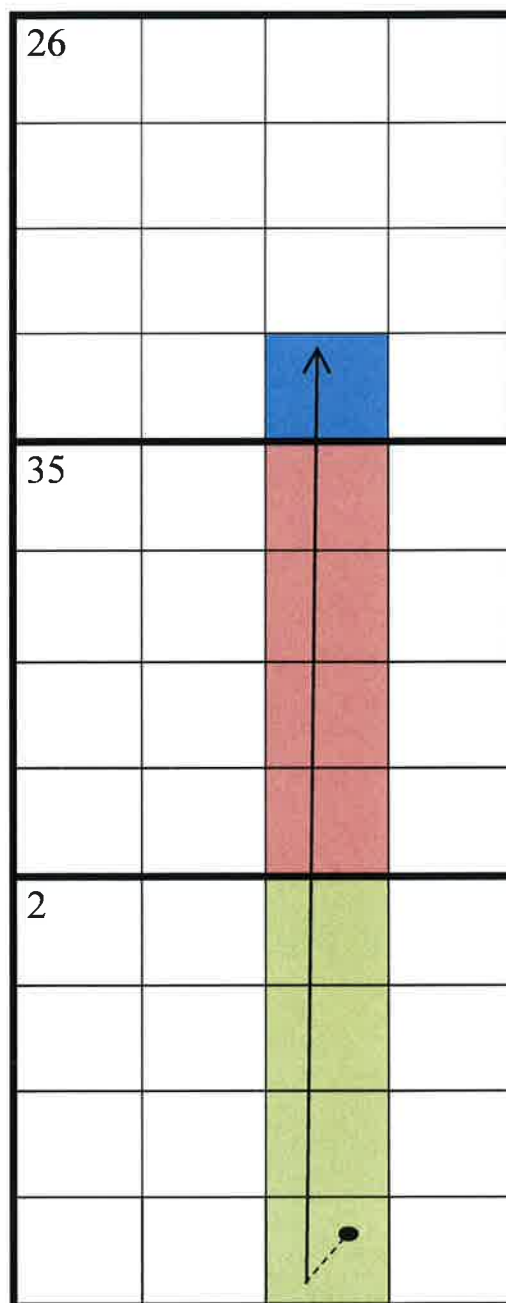
Tract 1
159.85 AC
ST of NM VB 1981



Tract 2
160 AC
NMNM 113969



Tract 3
40 AC
NMNM 61360



Serpentine 2-26 State Fed Com 25H

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated June 1, 2022, embracing Lot 2, SWNE, and W2SE of Section 2-23S-33E and W2E2 of Section 355-22S-33E and SWSE of Section 26-22S-33E, Lea County, New Mexico; Wolfcamp Formation

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

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	ST of NM VB 1981
Lease Date:	January 1, 2011
Lease Term:	5 Years
Lessor:	State of New Mexico
Original Lessee:	Devon Energy Production Company, L.P.
Description of Land Committed:	<u>Township 23 South, Range 33 East</u> Section 2: Insofar and only insofar as said lease covers Lot 2, SWNE, W2SE
Number of Acres:	159.73
Current Lessee of Record:	Devon Energy Production Company, L.P.
Royalty Rate:	18.75%
Name of Working Interest Owners:	Devon Energy Production Company, LP – 100.00%
Overriding Royalty Owners:	None

Tract No. 2

Lease Serial Number:	NMNM 113969
Lease Date:	June 1, 2005

Serpentine 2-26 State Fed Com 25H

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Doug J Schutz

Description of Land Committed: Township 22 South, Range 33 East
Section 35: Insofar and only insofar as said lease covers W2E2

Number of Acres: 160.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 12.5%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: None

Tract No. 3

Lease Serial Number: NMNM 61360

Lease Date: July 1, 1985

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: G. B. Zimmerman

Description of Land Committed: Township 22 South, Range 33 East
Section 26: Insofar and only insofar as said lease covers SWSE

Number of Acres: 40.00

Current Lessee of Record: Fred L. Engle

Serpentine 2-26 State Fed Com 25H

Royalty Rate: 12.5%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: AmeriPermian Holdings, LLC
David B. Engle
McMullen Minerals, LLC
Pegasus Resources, LLC
Viper Energy Partners, LLC

Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	159.73	44.4027%
2	160.00	44.4778%
3	40.00	11.1195%
Total	359.73	100.0000%

Serpentine 2-26 State Fed Com 25H



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

Jake Nourse
Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

August 29th, 2022

Re: Communitization Agreement Approval
Serpentine 2 26 State Federal Com #025H
Vertical Extent: Wolfcamp
Township: 22 South, Range 33 East, NMPM
Section 26: SW4SE4
Section 35: W2E2
Township: 23 South, Range 33 East, NMPM
Section 02: Lot 2, SW4NE4, W2SE4

Lea County, New Mexico

Dear Mr. Nourse,

The Commissioner of Public Lands has this date approved the Serpentine 2 26 State Federal Com #025H Communitization Agreement for the Wolfcamp formation effective 6-01-2022. Enclosed are three Certificates of Approval.

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

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

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

Sincerely,

B. Lamkin

Baylen Lamkin
Petroleum Specialist Supervisor

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Devon Energy Production Company, LP
Serpentine 2 26 State Federal Com #025H
Wolfcamp**

Township: 22 South, Range: 33 East, NMPM

Section 26: SW4SE4

Section 35: W2E2

Township: 23 South, Range: 33 East, NMPM

Section 02: Lot 2, SW4NE4, S2SE4

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 01, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 29th day of August, 2022.


COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Devon Energy Production Company, LP
Serpentine 2 26 State Federal Com #025H
Wolfcamp**

**Township: 22 South, Range: 33 East, NMPM
Section 26: SW4SE4**

**Section 35: W2E2
Township: 23 South, Range: 33 East, NMPM
Section 02: Lot 2, SW4NE4, S2SE4**

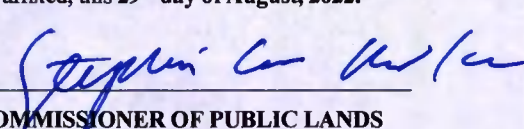
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 01, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **29th** day of August, 2022.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Devon Energy Production Company, LP
Serpentine 2 26 State Federal Com #025H
Wolfcamp**

Township: 22 South, Range: 33 East, NMPM

Section 26: SW4SE4

Section 35: W2E2

Township: 23 South, Range: 33 East, NMPM

Section 02: Lot 2, SW4NE4, S2SE4

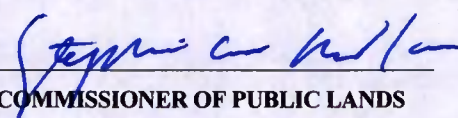
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 01, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **29th day of August, 2022**.


COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0²⁵ - 50069

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions Lot 2, SWNE, W2SE of Section 2-23S-33E and W2E2 of Section 35-22S-33E and SWSE of Section 26-22S-33E,

Sect(s) 2, 35 & 26, T 23S & 22S, R 33H, NMPM Lea County, NM

containing 359.73 acres, more or less, and this agreement shall include only the Wolfcamp Formation

or pool, underlying said lands and the oil, natural gas and associated hydrocarbons

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

ONLINE
version
August 2021

State/Fed/Fee

1

2022 AUG -5 AM 9:56

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

2022 AUG -5 AM 9:56

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 1 2022 Month 1 Day, 2022 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator _____ Lessees of Record _____

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2022 AUG -5 AM 9:56

Fred L. Engle
(Record Title Owner)

07/22/2022
Date

By: [Signature]
Name: Fred L. Engle
Title: owner

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

STATE OF FL)
COUNTY OF Sarasota) SS

This instrument was acknowledged before me on July 22, 2022, by
Frederick L Engle, as owner of _____.

[Signature]

Signature of Notarial Officer

(Seal)

My Commission Expires: 3-11-2024

Madeana Brousseau
NOTARY PUBLIC
STATE OF FLORIDA
Comm# GG968400
Expires 3/11/2024

Serpentine 2-26 State Fed Com 25H

2022 AUG -5 AM 9:56

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 Working Interest Owner)

Date

By:

Lindsey N. Miles, Land Manager

ACKNOWLEDGEMENT IN A REPRESENTATIVE CAPACITY

STATE OF OKLAHOMA)
COUNTY OF Oklahoma) SS

This instrument was acknowledged before me on June 8, 2022, by Lindsey N. Miles, as Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

Jennifer Harms

Signature of Notarial Officer

(Seal)

My Commission Expires: 11/06/25



Serpentine 2-26 State Fed Com 25H

2022 AUG -5 AM 9:56

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 1, 2022, embracing Lot 2, SWNE, and W2SE of Section 2-23S-33E and the W2E2 of Section 35-22S-33E and the SWSE of Section 26-22S-33E, Lea County, New Mexico; Wolfcamp Formation

Serpentine 2-26 State Fed Com 25H

API 30-025-50069

SHL: 389' FSL & 1368' FEL, Sec 2-23S-33E

BHL: 1300' FSL & 2178' FEL, Sec 26-22S-33E



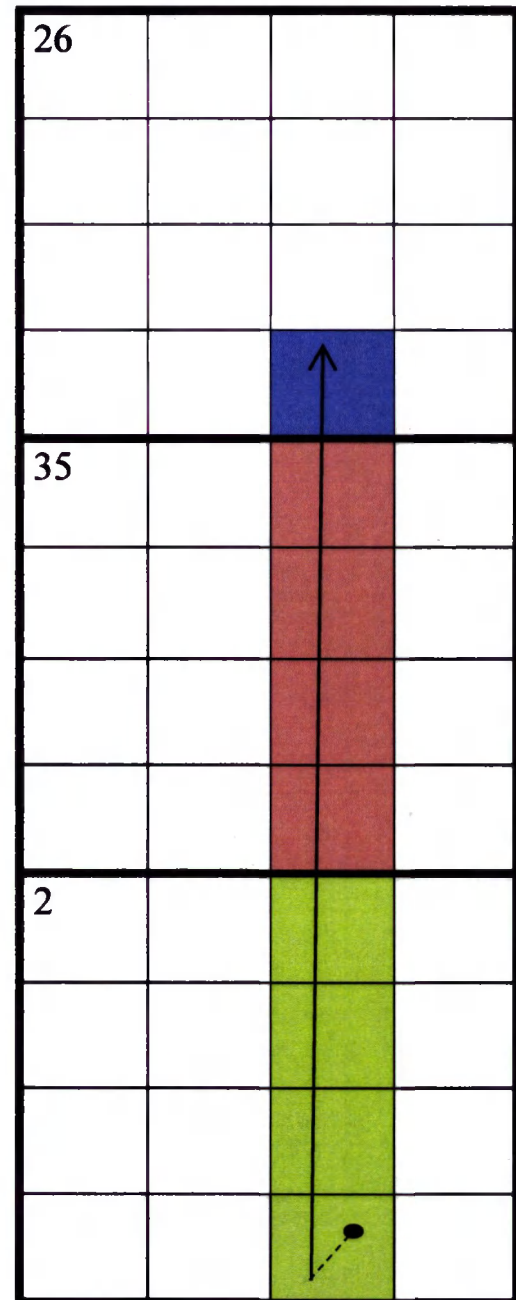
Tract 1
159.85 AC
ST of NM VB 1981



Tract 2
160 AC
NMNM 113969



Tract 3
40 AC
NMNM 61360



Serpentine 2-26 State Fed Com 25H

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated June 1, 2022, embracing Lot 2, SWNE, and W2SE of Section 2-23S-33E and W2E2 of Section 355-22S-33E and SWSE of Section 26-22S-33E, Lea County, New Mexico; Wolfcamp Formation

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

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: ST of NM VB 1981

Lease Date: January 1, 2011

Lease Term: 5 Years

Lessor: State of New Mexico

Original Lessee: Devon Energy Production Company, L.P.

Description of Land Committed: Township 23 South, Range 33 East
Section 2: Insofar and only insofar as said lease covers Lot 2, SWNE, W2SE

Number of Acres: 159.73

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 18.75%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: None

Tract No. 2

Lease Serial Number: NMNM 113969

Lease Date: June 1, 2005

Serpentine 2-26 State Fed Com 25H

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Doug J Schutz

Description of Land Committed: Township 22 South, Range 33 East
Section 35: Insofar and only insofar as said lease covers W2E2

Number of Acres: 160.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 12.5%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: None

Tract No. 3

Lease Serial Number: NMNM 61360

Lease Date: July 1, 1985

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: G. B. Zimmerman

Description of Land Committed: Township 22 South, Range 33 East
Section 26: Insofar and only insofar as said lease covers SWSE

Number of Acres: 40.00

Current Lessee of Record: Fred L. Engle

Serpentine 2-26 State Fed Com 25H

Royalty Rate: 12.5%

Name of Working Interest Owners: Devon Energy Production Company, LP – 100.00%

Overriding Royalty Owners: AmeriPermian Holdings, LLC
David B. Engle
McMullen Minerals, LLC
Pegasus Resources, LLC
Viper Energy Partners, LLC

Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	159.73	44.4027%
2	160.00	44.4778%
3	40.00	11.1195%
Total	359.73	100.0000%

Serpentine 2-26 State Fed Com 25H

Commissioner

Stephanie C

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

Repost

04/18/2023

US POSTAGE \$001.68

Page 56 of 101



ZIP 87504
04/18/2023 11:11

Jake Nourse
Devon Energy Production Company LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of September 2022, 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 22 South, Range 33 East, N.M.P.M.
Section 26: SW/4SE/4
Section 35: E/2

Township 23 South, Range 33 East, N.M.P.M.
Section 02: Lot 1, Lot 2, S/2NE/4, SE/4

Lea County, New Mexico

Serpentine 2-26 State Fed Com 30H

Containing 679.58 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,

Serpentine 2-26 State Fed Com 30H

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 **September 1, 2022**, 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-

Serpentine 2-26 State Fed Com 30H

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.

Serpentine 2-26 State Fed Com 30H

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)

9-8-2022

Date

By: 

David M. Korell
Land Manager

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on September 8th, 2022, by David M. Korell, as Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

(Seal)



Cynthia Sheldon

Signature of Notarial Officer

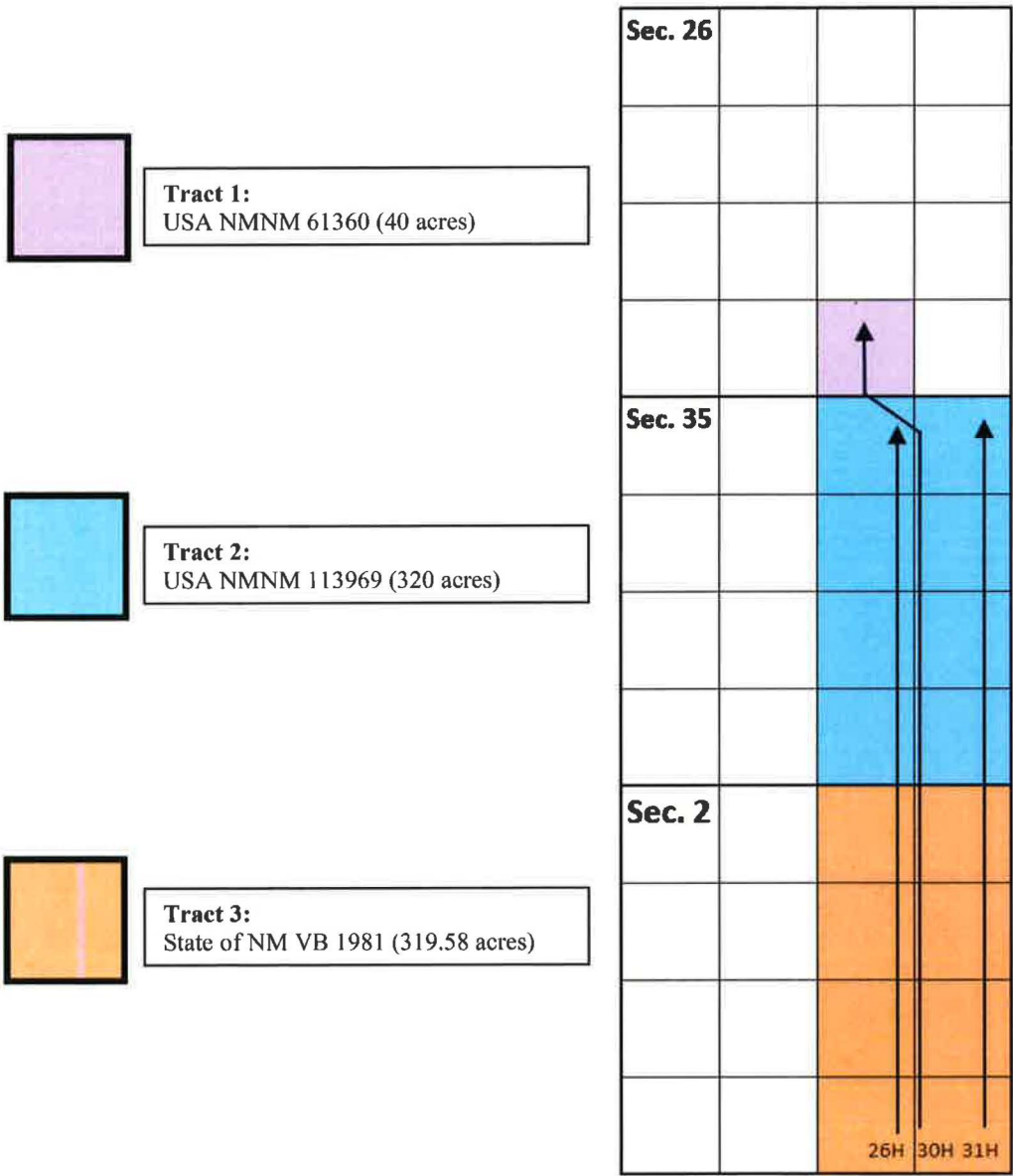
My Commission Expires: 11-25-2025

Serpentine 2-26 State Fed Com 30H

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated September 1, 2022, embracing Lot 1, Lot 2, S/2NE/4, and SE/4 of Section 2-23S-33E and the E/2 of Section 35-22S-33E and the SW/4SE/4 of Section 26-22S-33E, Lea County, New Mexico;
Bone Spring Formation

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



Serpentine 2-35 State Fed Com 26H
SHL: Sec. 02-23S-33E 389' FSL & 1,338' FEL
BHL: Sec. 35-22S-33E 21' FNL & 1,254' FEL

Serpentine 2-26 State Fed Com 30H

Serpentine 2-26 State Fed Com 30H

SHL: Sec. 02-23S-33E 642' FSL & 313' FEL

BHL: Sec. 26-22S-33E 1,300' FSL & 1,680' FEL

Serpentine 2-35 State Fed Com 31H

SHL: Sec. 02-23S-33E 642' FSL & 283' FEL

BHL: Sec. 35-22S-33E 22' FNL & 330' FEL

Serpentine 2-26 State Fed Com 30H

Devon - Public

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated September 1, 2022, covering **679.58** acres, embracing Lot 1, Lot 2, S/2NE/4, and SE/4 of Section 2-23S-33E and the E/2 of Section 35-22S-33E and the SW/4SE/4 of Section 26-22S-33E, Lea 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 61360
Lease Date:	July 1, 1985
Lease Term:	10 Years
Lessor:	United States of America
Original Lessee:	G.B. Zimmerman
Description of Land Committed:	<u>Township 22 South, Range 33 East</u> Insofar and only insofar as said lease covers: Section 26: SW/4SE/4
Number of Acres:	40.00
Current Lessee of Record:	Fred L. Engle
Royalty Rate:	12.50%
Name of Working Interest Owners:	Devon Energy Production Company, L.P. 100%
ORRI Owners:	AmeriPermian Holdings, LLC David B. Engle McMullen Minerals, LLC Pegasus Resources, LLC Viper Energy Partners, LLC

Tract No. 2

Lease Serial Number:	NMNM 113969
Lease Date:	June 1, 2005

Serpentine 2-26 State Fed Com 30H

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Doug J. Schutz

Description of Land Committed: Township 22 South, Range 33 East
Section 35: E/2

Number of Acres: 320.00

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%

ORRI Owners: None of record

Tract No. 3

Lease Serial Number: ST of NM VB 1981

Lease Date: January 1, 2011

Lease Term: 5 Years

Lessor: State of New Mexico, acting by and through its commissioner
of public lands

Original Lessee: Devon Energy Production Company, L.P.

Description of Land Committed: Township 23 South, Range 33 East
Insofar and only insofar as said lease covers:
Section 2: Lot 1, Lot 2, S/2NE/4, SE/4

Number of Acres: 319.58

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 18.75%

Name of Working Interest Owners: Devon Energy Production Company, L.P. 100%

ORRI Owners: None of record

Serpentine 2-26 State Fed Com 30H

Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	40.00	5.88598840%
2	320.00	47.08790724%
3	319.58	47.02610436%
Total	679.58	100.00000000%

Serpentine 2-26 State Fed Com 30H

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised August, 2021

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0 25 - 50074

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions Lot 1, Lot 2, S/2NE/4, SE/4 of Section 2-23S-33E and E/2 of Section 35-22S-33E and SW/4SE/4 of Section 26-22S-33E,

Sect(s) 2, 35 & 26, T 23S & 22S, R 33E, NMPM Lea County, NM

containing 679.58 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil, natural gas and associated hydrocarbons

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

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September 1 2022 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator _____	Lessees of Record _____
By _____	_____
Print name of person	
_____	_____
Type of authority	_____

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

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)

9-8-2022

Date

By: 

David M. Korell
Land Manager

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on September 8th, 2022, by David M. Korell, as Land Manager of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

(Seal)





Signature of Notarial Officer

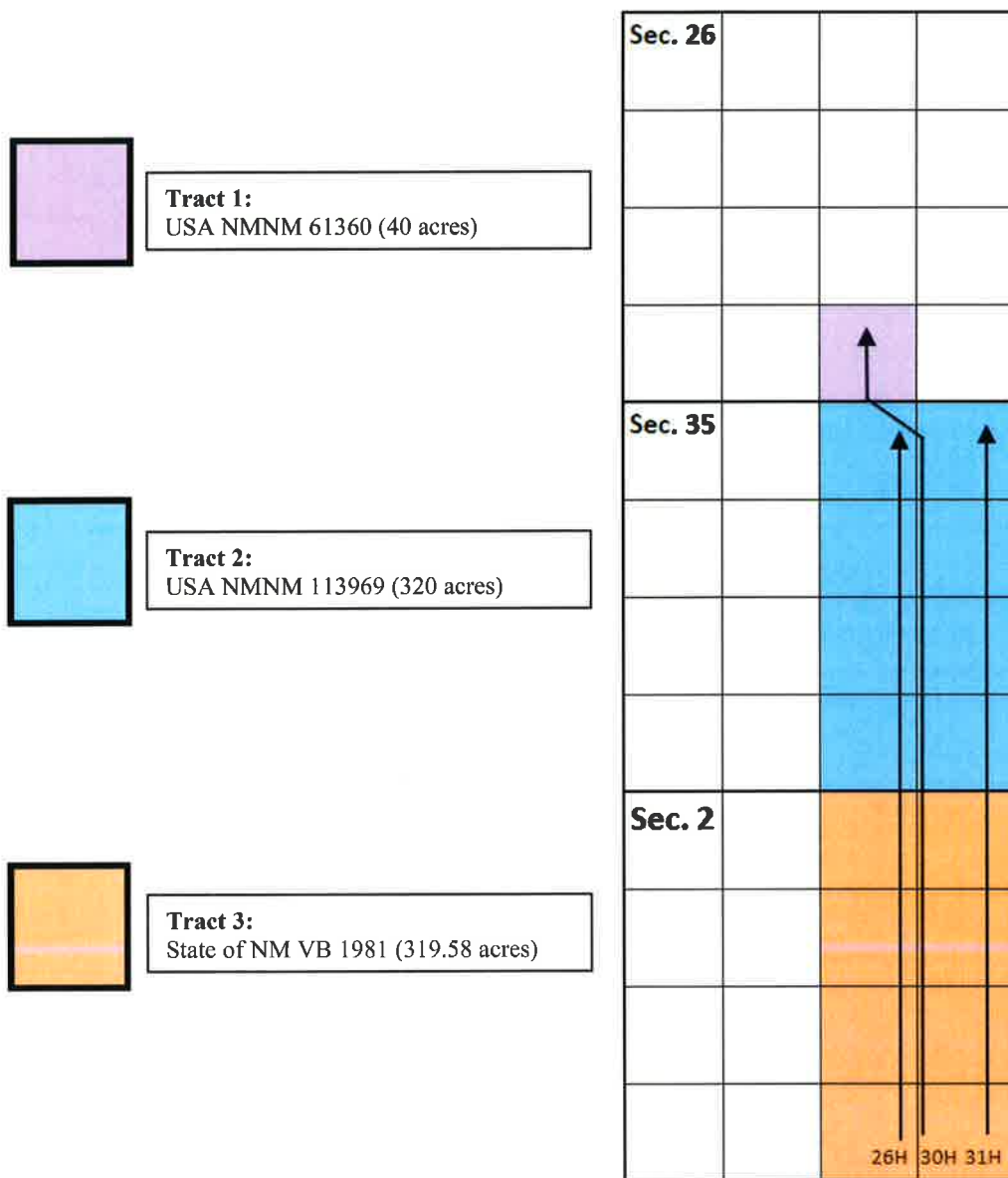
My Commission Expires: 11-25-2025

Serpentine 2-26 State Fed Com 30H

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated September 1, 2022, embracing Lot 1, Lot 2, S/2NE/4, and SE/4 of Section 2-23S-33E and the E/2 of Section 35-22S-33E and the SW/4SE/4 of Section 26-22S-33E, Lea County, New Mexico;
Bone Spring Formation

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



Serpentine 2-35 State Fed Com 26H

SHL: Sec. 02-23S-33E 389' FSL & 1,338' FEL

BHL: Sec. 35-22S-33E 21' FNL & 1,254' FEL

Serpentine 2-26 State Fed Com 30H

Serpentine 2-26 State Fed Com 30H

SHL: Sec. 02-23S-33E 642' FSL & 313' FEL

BHL: Sec. 26-22S-33E 1,300' FSL & 1,680' FEL

Serpentine 2-35 State Fed Com 31H

SHL: Sec. 02-23S-33E 642' FSL & 283' FEL

BHL: Sec. 35-22S-33E 22' FNL & 330' FEL

Serpentine 2-26 State Fed Com 30H

Devon - Public

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated September 1, 2022, covering **679.58** acres, embracing Lot 1, Lot 2, S/2NE/4, and SE/4 of Section 2-23S-33E and the E/2 of Section 35-22S-33E and the SW/4SE/4 of Section 26-22S-33E, Lea 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 61360
Lease Date:	July 1, 1985
Lease Term:	10 Years
Lessor:	United States of America
Original Lessee:	G.B. Zimmerman
Description of Land Committed:	<u>Township 22 South, Range 33 East</u> Insofar and only insofar as said lease covers: Section 26: SW/4SE/4
Number of Acres:	40.00
Current Lessee of Record:	Fred L. Engle
Royalty Rate:	12.50%
Name of Working Interest Owners:	Devon Energy Production Company, L.P. 100%
ORRI Owners:	AmeriPermian Holdings, LLC David B. Engle McMullen Minerals, LLC Pegasus Resources, LLC Viper Energy Partners, LLC

Tract No. 2

Lease Serial Number:	NMNM 113969
Lease Date:	June 1, 2005

Serpentine 2-26 State Fed Com 30H

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Doug J. Schutz

Description of Land Committed: Township 22 South, Range 33 East
Section 35: E/2

Number of Acres: 320.00

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%

ORRI Owners: None of record

Tract No. 3

Lease Serial Number: St of NM VB 1981

Lease Date: January 1, 2011

Lease Term: 5 Years

Lessor: State of New Mexico, acting by and through its commissioner
of public lands

Original Lessee: Devon Energy Production Company, L.P.

Description of Land Committed: Township 23 South, Range 33 East
Insofar and only insofar as said lease covers:
Section 2: Lot 1, Lot 2, S/2NE/4, SE/4

Number of Acres: 319.58

Current Lessee of Record: Devon Energy Production Company, L.P.

Royalty Rate: 18.75%

Name of Working Interest Owners: Devon Energy Production Company, L.P. 100%

ORRI Owners: None of record

Serpentine 2-26 State Fed Com 30H

Recapitalization

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	40.00	5.88598840%
2	320.00	47.08790724%
3	319.58	47.02610436%
Total	679.58	100.00000000%

Serpentine 2-26 State Fed Com 30H

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-50069	Pool Code 5170	Pool Name BELL LAKE; WOLFCAMP, NORTH
Property Code 332770	Property Name SERPENTINE 2-26 STATE FED COM	Well Number 25H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3550.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	2	23-S	33-E		389	SOUTH	1368	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
0	26	22-S	33-E		1219	SOUTH	2171	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
359.73			

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

SERPENTINE 2-26 STATE FED COM 25H
LAT:32.327518
LON:103.539052
N:483792.66
E:786679.39
KICK OFF POINT
54' FSL 2216' FEL SEC. 2
LAT:32.326607
LON:103.541798
N:483454.82
E:785833.64
FIRST TAKE POINT
477' FSL 2217' FEL SEC. 2
LAT:32.327770
LON:103.541799
N:483877.86
E:785830.26
LAST TAKE POINT
1198' FSL 2170' FEL SEC. 26
LAT:32.358758
LON:103.541658
N:495151.90
E:785790.28
BOTTOM OF HOLE
LAT:32.358815
LON:103.541661
N:495172.70
E:785789.17

Note: All bearings recited herein
are based on the New Mexico
State Plane Coordinate System,
NAD 83, New Mexico East Zone
3001, US Survey Feet, all
distances are grid.

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.


Shayda Omoumi 2/20/2023
Signature Date
Shayda Omoumi
Printed Name
shayda.omoumi@dvn.com
E-mail Address

SURVEYOR CERTIFICATION

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

9/2022
Date of Survey

Signature & Seal of Professional Surveyor



02/04/23
Certificate No. 22404 B.L. LAMAN
DRAWN BY: CM

Intent ☐ As Drilled ☒

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: SERPENTINE 2-26 STATE FED COM	Well Number 25H

Kick Off Point (KOP)

UL O	Section 2	Township 23-S	Range 33-E	Lot	Feet 54	From N/S SOUTH	Feet 2216	From E/W EAST	County LEA
Latitude 32.326607					Longitude 103.541798				NAD 83

First Take Point (FTP)

UL O	Section 2	Township 23-S	Range 33-E	Lot	Feet 477	From N/S SOUTH	Feet 2217	From E/W EAST	County LEA
Latitude 32.327770					Longitude 103.541799				NAD 83

Last Take Point (LTP)

UL O	Section 26	Township 22-S	Range 33-E	Lot	Feet 1198	From N/S SOUTH	Feet 2170	From E/W EAST	County LEA
Latitude 32.358758					Longitude 103.541658				NAD 83

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

☒

Is this well an infill well?

☐

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
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DISTRICT IV
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
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District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-50075	Pool Code 7320	Pool Name BRINNINSTOOL; BONE SPRING
Property Code 332770	Property Name SERPENTINE 2-35 STATE FED COM	Well Number 31H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3549.4'

Surface Location

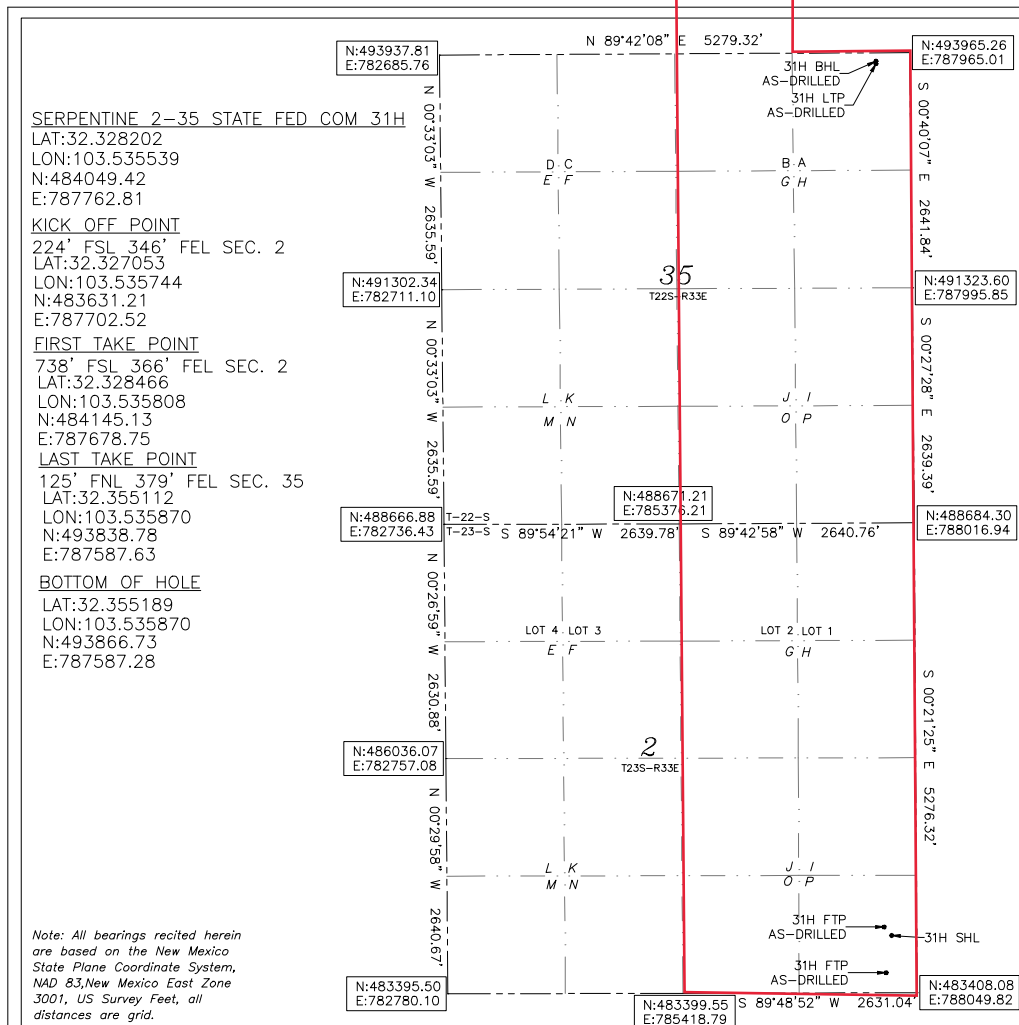
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	23-S	33-E		642	SOUTH	283	EAST	LEA

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
A	35	22-S	33-E		97	NORTH	379	EAST	LEA

Dedicated Acres 679.58	Joint or Infill	Consolidation Code	Order No. NSP-2137
----------------------------------	-----------------	--------------------	------------------------------

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shayda Omoumi 2/20/2023
Signature Date

Shayda Omoumi

Printed Name

shayda.omoumi@dvn.com

E-mail Address

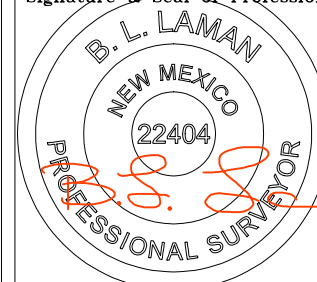
SURVEYOR CERTIFICATION

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

10/2022

Date of Survey

Signature & Seal of Professional Surveyor



2/4/23

Certificate No. 22404

B.L. LAMAN

DRAWN BY: CM

Intent ☐ As Drilled ☒

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: SERPENTINE 2-35 STATE FED COM	Well Number 31H

Kick Off Point (KOP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 224	From N/S SOUTH	Feet 346	From E/W EAST	County LEA
Latitude 32.327053					Longitude 103.535744				NAD 83

First Take Point (FTP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 738	From N/S SOUTH	Feet 366	From E/W EAST	County LEA
Latitude 32.328466					Longitude 103.535808				NAD 83

Last Take Point (LTP)

UL A	Section 35	Township 22-S	Range 33-E	Lot	Feet 125	From N/S NORTH	Feet 379	From E/W EAST	County LEA
Latitude 32.355112					Longitude 103.535870				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

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

API # 30-025-50074		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: SERPENTINE 2-26 STATE FED COM	Well Number 30H

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
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State of New Mexico
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Santa Fe, New Mexico 87505

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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-50070	Pool Code 7320	Pool Name BRINNINSTOOL; BONE SPRING
Property Code 332770	Property Name SERPENTINE 2-35 STATE FED COM	Well Number 26H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3551.8'

Surface Location

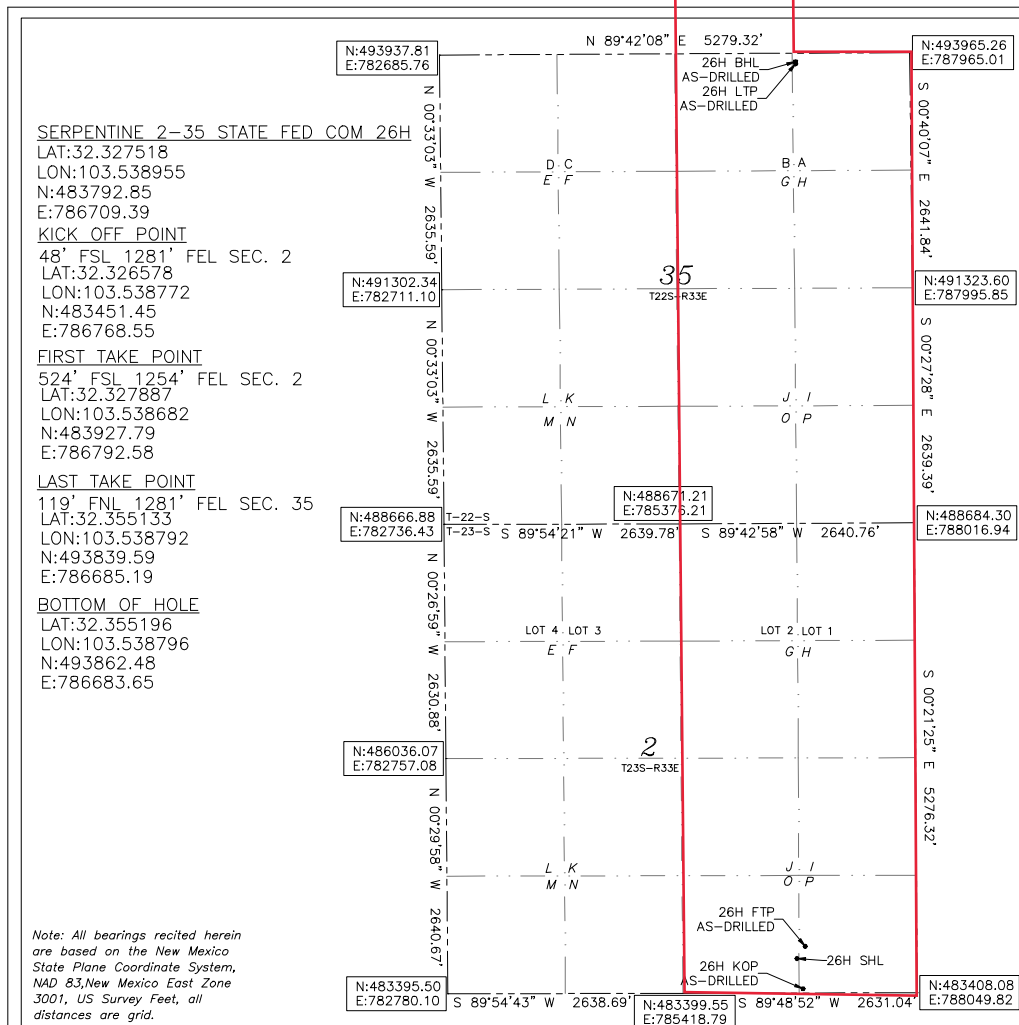
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	2	23-S	33-E		389	SOUTH	1338	EAST	LEA

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
A	35	22-S	33-E		96	NORTH	1282	EAST	LEA

Dedicated Acres 679.58	Joint or Infill	Consolidation Code	Order No. NSP-2137
----------------------------------	-----------------	--------------------	------------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shayda Omoumi 2/20/2023
Signature Date

Shayda Omoumi

Printed Name

shayda.omoumi@dvn.com

E-mail Address

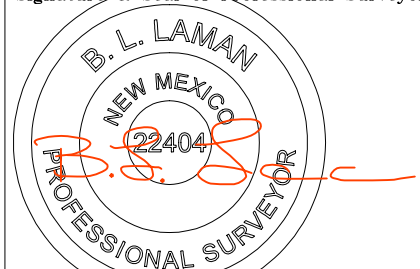
SURVEYOR CERTIFICATION

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

10/2022

Date of Survey

Signature & Seal of Professional Surveyor



02/04/23

Certificate No. 22404

B.L. LAMAN

DRAWN BY: CM

Intent ☐ As Drilled ☒

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: SERPENTINE 2-35 STATE FED COM	Well Number 26H

Kick Off Point (KOP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 48	From N/S SOUTH	Feet 1281	From E/W EAST	County 83
Latitude 32.326578					Longitude 103.538772				NAD 83

First Take Point (FTP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 524	From N/S SOUTH	Feet 1254	From E/W EAST	County LEA
Latitude 32.327887					Longitude 103.538682				NAD 83

Last Take Point (LTP)

UL A	Section 35	Township 22-S	Range 33-E	Lot	Feet 119	From N/S NORTH	Feet 1281	From E/W EAST	County LEA
Latitude 32.355133					Longitude 103.538792				NAD 83

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

☐ N

Is this well an infill well?

☐ Y

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

API # 30-025-50074		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: SERPENTINE 2-26 STATE FED COM	Well Number 30H

KZ 06/29/2018

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-50074	Pool Code 7320	Pool Name BRINNINSTOOL; BONE SPRING
Property Code 332770	Property Name SERPENTINE 2-26 STATE FED COM	Well Number 30H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3549.8'

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	2	23-S	33-E		642	SOUTH	313	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
O	26	22-S	33-E		1224	SOUTH	1701	EAST	LEA

Dedicated Acres 679.58	Joint or Infill	Consolidation Code	Order No. NSP-2137
----------------------------------	-----------------	--------------------	------------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
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<p>SERPENTINE 2-26 STATE FED COM 30H LAT:32.328202 LON:103.536636 N:484049.23 E:787732.81 KICK OFF POINT 78' FSL 1151' FEL SEC. 2 LAT:32.326662 LON:103.538350 N:483482.80 E:786898.58 FIRST TAKE POINT 460' FSL 1155' FEL SEC. 2 LAT:32.327711 LON:103.538363 N:483864.56 E:786891.72 LAST TAKE POINT 1197' FSL 1701' FEL SEC. 26 LAT:32.358753 LON:103.540140 N:495153.42 E:786259.23 BOTTOM OF HOLE LAT:32.358827 LON:103.540140 N:495180.36 E:786258.89</p> <p>Note: All bearings recited herein are based on the New Mexico State Plane Coordinate System, NAD 83, New Mexico East Zone 3001, US Survey Feet, all distances are grid.</p>	<p>Diagram showing well location and acreage dedication. The diagram includes a grid of sections (26, 35, 2) and lots (1, 2, 3, 4). A red line indicates the well location. Bearings and distances are provided for various points. The diagram also shows the location of the well relative to the section and lot boundaries.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Shayda Omoumi</i> 2/20/2023 Signature Date</p> <p>Shayda Omoumi Printed Name</p> <p>shayda.omoumi@dvn.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</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>10/2022 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>B.L. LAMAN</i> 22404 B.L. LAMAN PROFESSIONAL SURVEYOR</p> <p>2/4/2023 Certificate No. 22404 B.L. LAMAN DRAWN BY: CM</p>
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Intent ☐ As Drilled ☒

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: SERPENTINE 2-26 STATE FED COM	Well Number 30H

Kick Off Point (KOP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 78	From N/S SOUTH	Feet 1151	From E/W EAST	County LEA
Latitude 32.326662					Longitude 103.538350			NAD 83	

First Take Point (FTP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 460	From N/S SOUTH	Feet 1701	From E/W EAST	County LEA
Latitude 32.327711					Longitude 103.538363			NAD 83	

Last Take Point (LTP)

UL O	Section 26	Township 22-S	Range 33-E	Lot	Feet 1197	From N/S SOUTH	Feet 1701	From E/W EAST	County LEA
Latitude 32.358753					Longitude 103.540140			NAD 83	

Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

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

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Santa Fe, New Mexico 87505

Form C-102
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Submit one copy to appropriate
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-50071	Pool Code 5170	Pool Name BELL LAKE; WOLFCAMP; NORTH
Property Code 332770	Property Name SERPENTINE 2-35 STATE FED COM	Well Number 27H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3553.1'

Surface Location

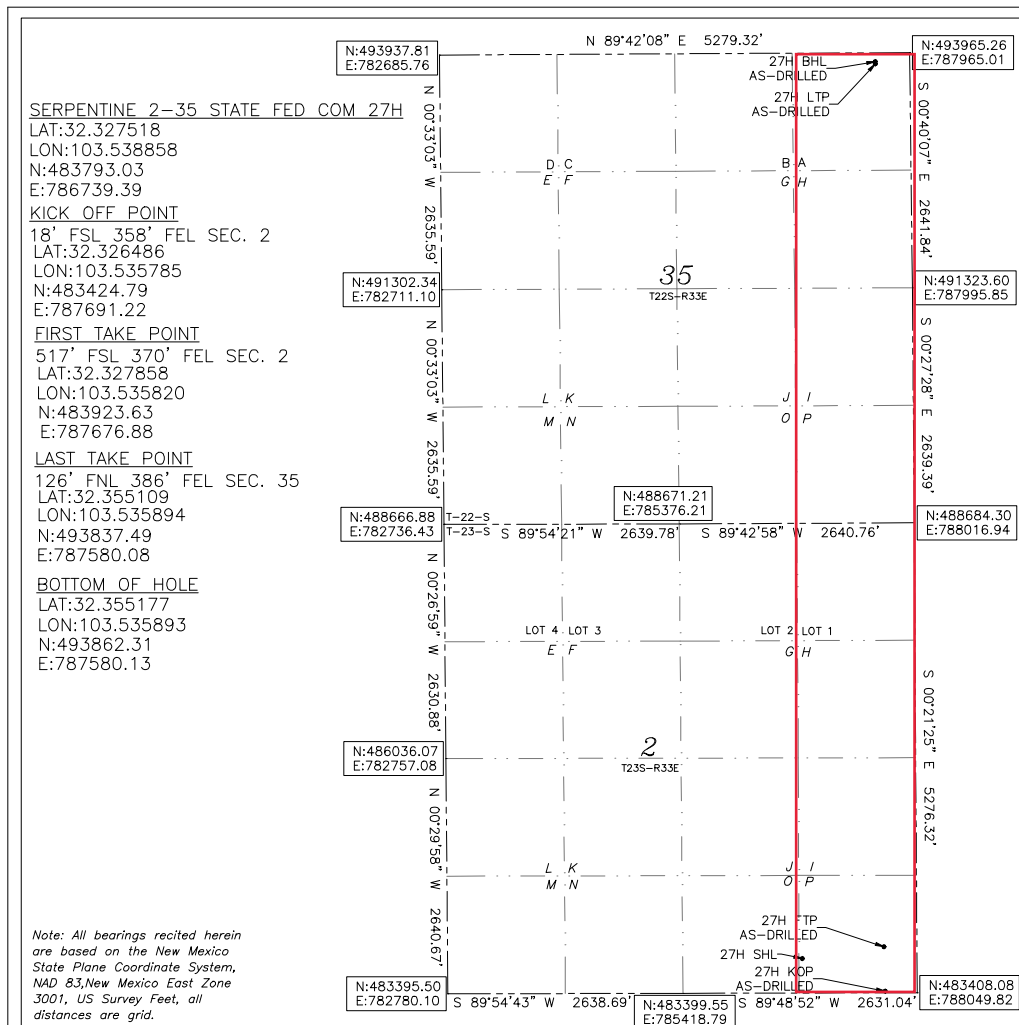
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	23-S	33-E		389	SOUTH	1308	EAST	LEA

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
A	35	22-S	33-E		101	NORTH	386	EAST	LEA

Dedicated Acres 319.85	Joint or Infill	Consolidation Code	Order No.
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OPERATOR CERTIFICATION

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Shayda Omoumi 2/20/2023
Signature Date

Shayda Omoumi

Printed Name

shayda.omoumi@dvn.com

E-mail Address

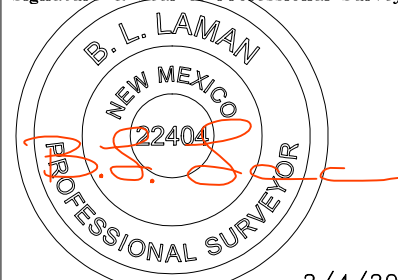
SURVEYOR CERTIFICATION

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

10/2022

Date of Survey

Signature & Seal of Professional Surveyor



2/4/2023

Certificate No. 22404

B.L. LAMAN

DRAWN BY: CM

Intent ☐ As Drilled ☒

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: SERPENTINE 2-35 STATE FED COM	Well Number 27H

Kick Off Point (KOP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 18	From N/S SOUTH	Feet 358	From E/W EAST	County LEA
Latitude 32.326486					Longitude 103.535785			NAD 83	

First Take Point (FTP)

UL P	Section 2	Township 23-S	Range 33-E	Lot	Feet 517	From N/S SOUTH	Feet 370	From E/W EAST	County LEA
Latitude 32.327858					Longitude 103.535820			NAD 83	

Last Take Point (LTP)

UL A	Section 35	Township 22-S	Range 33-E	Lot	Feet 126	From N/S NORTH	Feet 386	From E/W EAST	County LEA
Latitude 32.355109					Longitude 103.535894			NAD 83	

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

☒

Is this well an infill well?

☐

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



Devon Energy Production Company, L.P.
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102
Phone: (405) 228-4800

February 7th, 2023

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Central Tank Battery: Serpentine 2 Facility 1
Sec.-T-R: 2-23S-33E
Wells: SERPENTINE 2-26 STATE FED COM 25H-27H, SERPENTINE 2-26 STATE FED COM 30H-31H
Agreements: Pending CAs Attached
Lease: NMNM113969, NMNM061360, State Lease VB19810
Pool: [5170] BELL LAKE; WOLFCAMP, NORTH, [7320] BRINNINSTOOL; BONE SPRING
County: Lea Co., New Mexico

Interest Owners:

This letter is to advise 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 above-mentioned wells. A copy of the submitted application 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 Devon Energy Production Company, L.P. at (405) 228-4800 with any questions or needs.

Sincerely,

Devon Energy Production Company, L.P.

A handwritten signature in blue ink that reads "Rebecca Deal". The signature is written in a cursive, flowing style.

Rebecca Deal
Regulatory Compliance Professional
Enclosure



Devon Energy
333 West Sheridan Ave.
Oklahoma City, OK 73102

USPS CERTIFIED MAIL



9414 8149 0152 7181 2248 34

DAVID ENGLE
38315 SUNSET DR
OCONOMOWOC WI 53066



Devon Energy
333 West Sheridan Ave.
Oklahoma City, OK 73102

USPS CERTIFIED MAIL



9414 8149 0152 7181 2248 41

ONRR/ ROYALTY MANAGEMENT PROGRAM
PO BOX 25627
DENVER CO 80225-0627



Devon Energy
333 West Sheridan Ave.
Oklahoma City, OK 73102

USPS CERTIFIED MAIL



9414 8149 0152 7181 2248 58

STATE OF NEW MEXICO / COMMISSION OF PUBLIC LANDS
PO BOX 1148
SANTA FE NM 87504-1148



Devon Energy
333 West Sheridan Ave.
Oklahoma City, OK 73102

USPS CERTIFIED MAIL



9414 8149 0152 7181 2248 65

AMERIPERMIAN HOLDINGS LLC / JORDAN PETERSON MANAGING MBR
1733 WOODSTEAD CT STE 206
THE WOODLANDS TX 77380



Devon Energy
333 West Sheridan Ave.
Oklahoma City, OK 73102

USPS CERTIFIED MAIL



9414 8149 0152 7181 2248 72

VIPER ENERGY PARTNERS LLC
515 CENTRAL PARK DR STE 100
OKLAHOMA CITY OK 73105



Devon Energy
333 West Sheridan Ave.
Oklahoma City, OK 73102

USPS CERTIFIED MAIL



9414 8149 0152 7181 2248 89

MCMULLEN MINERALS LLC
PO BOX 470857
FORT WORTH TX 76147



Devon Energy
333 West Sheridan Ave.
Oklahoma City, OK 73102

USPS CERTIFIED MAIL



9414 8149 0152 7181 2248 96

PEGASUS RESOURCES II LLC
PO BOX 470698
FORT WORTH TX 76147

**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-1048

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. Devom Energy Production Company, LP (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described 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. 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. 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.
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 as described 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. 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.
14. 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 as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter 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 as described 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 as described in Exhibit A at a central tank battery or gas title transfer meter 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 as described 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 it with production from another well.
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. 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.
9. If a well is not included in Exhibit A but produces from a pool and lease as described 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.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).

12. 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: 10/31/2025

~~GERASIMOS RAZATOS~~ Albert Chang
DIRECTOR (ACTING)

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-1048

Operator: Devon Energy Production Company, LP (6137)

Central Tank Battery: Serpentine 2 Facility 1 Central Tank Battery

Central Tank Battery Location: UL P, Section 2, Township 23 South, Range 33 East

Gas Title Transfer Meter Location: UL P, Section 2, Township 23 South, Range 33 East

Pools

Pool Name	Pool Code
BELL LAKE;WOLFCAMP, NORTH	5170
BRINNINSTOOL;BONE SPRING	7320

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 105770677	E2E2	35-22S-33E
	E2E2	02-23S-33E
CA Wolfcamp NMNM 105778299	SWSE	26-22S-33E
	W2E2	35-22S-33E
	W2E2	02-23S-33E
CA Bone Spring NMNM 105785275	SWSE	26-22S-33E
	E2	35-22S-33E
	E2	02-23S-33E
CA Wolfcamp SLO 204398 PUN 1397966	SWSE	26-22S-33E
	W2E2	35-22S-33E
	W2E2	02-23S-33E
CA Wolfcamp SLO 204438 PUN 1395940	E2E2	35-22S-33E
	E2E2	02-23S-33E
CA Bone Spring SLO 204467 PUN 1398069	SWSE	26-22S-33E
	E2	35-22S-33E
	E2	02-23S-33E
CA Bone Spring SLO 204467 PUN 1396989	SWSE	26-22S-33E
	E2	35-22S-33E
	E2	02-23S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-50069	SERPENTINE 2 26 STATE FEDERAL COM #025H	SWSE	26-22S-33E	5170
		W2E2	35-22S-33E	
		W2E2	02-23S-33E	
30-025-50071	SERPENTINE 2 35 STATE FEDERAL COM #027H	E2E2	35-22S-33E	5170
		E2E2	02-23S-33E	
30-025-50070	SERPENTINE 2 35 STATE FEDERAL COM #026H	SWSE	26-22S-33E	7320
		E2	35-22S-33E	
		E2	02-23S-33E	

30-025-50074	SERPENTINE 2 26 STATE FEDERAL COM #030H	SWSE	26-22S-33E	7320
		E2	35-22S-33E	
		E2	02-23S-33E	
30-025-50075	SERPENTINE 2 35 STATE FEDERAL COM #031H	SWSE	26-22S-33E	7320
		E2	35-22S-33E	
		E2	02-23S-33E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 195334

CONDITIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 195334
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov .	11/10/2025