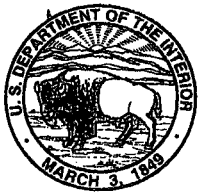


30-025-43187



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



IN REPLY REFER TO:

NM137151

3105.2 (P0220)

Reference:

06/21/2017

Communitization Agreement

Morab 29-20 Fed Com 1H

Section 19: All

Section 20: W2, W2E2

Section 29: NW, W2NE

Section 30: N2

T. 25 S., R. 32 E., N.M.P.M.

Lea County, NM

Devon Energy Production Company

333 W. Sheridan Avenue

Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM137151 involving 1118.96 acres of Federal land in lease NMLC061869 and 559.82 acres of Federal land in lease NMLC062300, Lea County, New Mexico, which comprise a 1678.78 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath T. 25 S., R. 32 E. in the following sections: sec. 19, all, sec. 20, W2 and W2E2, sec. 29, NW and W2NE and sec. 30, N2, NMPM, Lea County, NM and is effective 08/23/2016. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

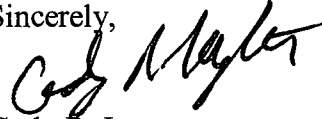
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of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

2017 JUN 26 PM 4:00  
RECEIVED

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Cody R. Layton", written in a cursive style.

Cody R. Layton  
Acting Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

cc:

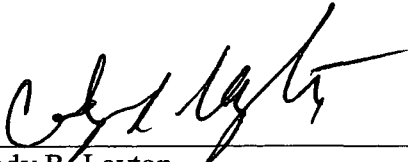
ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)  
NM Taxation & Revenue Dept. (Revenue Processing Div.)  
NMOCD  
NM (9200)  
NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
  
- B. Approve the attached Communitization Agreement covering sec. 19: All, sec. 20: W2, W2E2, sec. 29: NW, W2NE, sec. 30: N2, T. 25 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
  
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 06/21/2017

  
\_\_\_\_\_  
Cody R. Layton  
Acting Assistant Field Manager  
Lands and Minerals

Effective: 08/23/2016

Contract No.: Com. Agr. NM137151



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene  
Carlsbad, New Mexico 88220-6292  
www.nm.blm.gov



In Reply Refer to  
NM137151  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM137151

Date of Completion:	05/10/2017
Date of First Production:	04/19/2017
Field:	WC-025 G-08 S253235G
Operator, Well Name & No, API Number:	Devon Energy Prod. Co.; Morab 29-20 Fed Com 1H; 30-025-43187
Surface Location:	sec. 29, SWNW, T.25 S., R.32 E.
Bottom Location:	sec. 20, NWNW, T.25 S., R.32 E.
Total Depth:	17,692 MD; 10,359 TVD
Surface Elevation:	3364 GL
Producing Formation:	Bone Spring (10,699 – 17,447)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 1017 BBL; Gas 2389 MCF; Water 1915 BBL
Current Status:	Producing Oil Well

Remarks: CA NM137151, effective 08/23/2016, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath T. 25 S., R. 32 E., in the following sections: sec. 19, All, sec. 20, W2 and W2E2, sec. 29, NW and W2NE, sec. 30, N2, NMPM, and comprises 1118.96 acres of Federal land in lease NMLC061869 and 559.82 acres of Federal land in lease NMLC062300 for a 1678.78 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham

06/21/2017

cc:  
ONRR-MS 63230B  
First Production File  
LLNM (P0220, File Room)