



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

30 015 41914



IN REPLY REFER TO:

NMNM138426

3105.2 (P0220)

09/27/2018 10:04:21

09/27/2018

Reference:

Communitization Agreement

Aquila 22 Fed Com #13H

Section 22: N2S2

T. 19 S., R. 31 E., N.M.P.M.

Eddy County, NM

Devon Energy Production Co., LP

333 W. Sheridan Avenue

Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138426 involving 120 acres of Federal land in lease NMNM 44594, and 40 acres of Federal land in lease NMNM 92767, Eddy County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the N2S2, Sec. 22, T. 19 S., R. 31 E., NMPM, Eddy County, NM, and is effective June 1, 2014. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

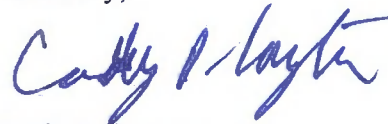
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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

If you have any questions regarding this approval, please contact 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,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

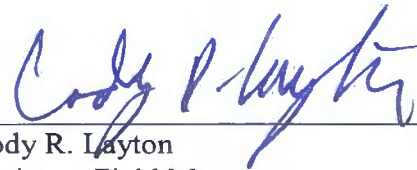
NM (P0220-CFO, File Room)

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 the N2S2 of sec. 22, T. 19 S., R. 31 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: 09/27/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: June 1, 2014

Contract No.: Com. Agr. NMNM138426



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In Reply Refer to
NM138426
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM138426

Date of Completion:	09/29/2014
Date of First Production:	09/29/2014
Field:	Lusk
Operator, Well Name & No, API Number:	Devon Energy Prod. Co.; Aquila 22 Fed Com 13H; 30-015-41914
Surface Location:	sec. 23, SWNW, T.19 S., R.31 E.
Bottom Location:	sec. 22, NWSW, T.19 S., R.31 E.
Total Depth:	14,045 MD; 9,104 TVD
Surface Elevation:	3541 GL
Producing Formation:	Bone Spring (9,381 – 13,988)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 360 BBL; Gas 202 MCF; Water 705 BBL
Current Status:	Producing Oil Well
Remarks:	CA NMNM138426, effective 06/01/2014, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 22, N2S2, T. 19 S., R. 31 E., NMPM, and comprises 120 acres of Federal land in lease NMNM44594 and 40 acres of Federal land in lease NMNM92767 for a 160 acre well spacing unit, whose leases are held by actual production. Per wellbore penetration for production, surface location of well not within agreement boundary.

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

/S/ Deborah Ham
09/27/2018

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