



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

30 025 43244



IN REPLY REFER TO:
NMNM138430
3105.2 (P0220)

037 94 5038 P-0470

10/01/2018

Reference:
Communitization Agreement
Rio Blanco 4-33 Fed Com #3H, #2H, #1H
Section 33: W2W2,
T. 22 S., R.34 E., NMPM
Section 04: Lot 4, SWNW.
T. 23 S., R. 34 E., N.M.P.M.
Lea County, NM

Devon Energy Corp.
333 W. Sheridan Avenue
Oklahoma City, OK 73102-8260

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138430 involving 160 acres of Federal land in lease NMNM100864, 40.10 acres of Federal land in lease NMNM 92782, and 40 acres of Federal land in lease NMNM 92199, Lea County, New Mexico, which comprise a 240.10 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Section 33: W2W2, T. 22 S., R.34 E., and Section 04: Lot 4, SWNW, T. 23 S., R. 34 E., N.M.P.M, Lea County, NM, and is effective May 1, 2017. 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.

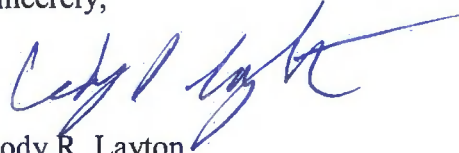
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

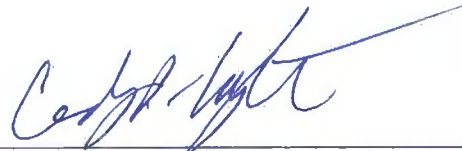
cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (9200)
NM (P0220-CFO, File Room)

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 Section 33: W2W2, T. 22 S., R.34 E., and Section 04: Lot 4, SWNW, T. 23 S., R. 34 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: 10/01/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: May 1, 2017

Contract No.: Com. Agr. NMNM138430



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM138430
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM138430

Date of Completion:	03/04/2018
Date of First Production:	03/29/2018
Field:	Grama Ridge
Operator, Well Name & No, API Number:	Devon Energy Prod. Co.; Rio Blanco 4/33 Fed Com 1H; 30-025-43244
Surface Location:	sec. 4, SWNW, T.23 S., R.34 E.
Bottom Location:	sec. 33, NWNW, T.23 S., R.34 E.
Total Depth:	16,205 MD; 8,750 TVD
Surface Elevation:	3415 GL
Producing Formation:	Bone Spring (9,290 – 15,896)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 737 BBL; Gas 822 MCF; Water 25 BBL
Current Status:	Producing Oil Well
Remarks:	CA NMNM138430, effective 05/01/2017, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 33, W2W2, T. 22 S., R. 34 E. and sec. 4, SWNW and Lot 4, T. 23 S., R. 34 E., NMPM, and comprises 160 acres of Federal land in lease NMNM100864, 40.10 acres of Federal land in lease NMNM92782 and 40 acres of Federal land in lease NMNM92199 for a 240.10 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
10/01/2018

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