



Devon Energy Production Company
 333 W. Sheridan Avenue
 Oklahoma City, Oklahoma 73102
 Phone: (405)-552-7970
 Erin.Workman@dvn.com

February 1, 2021

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery Thoroughbred 10 CTB 3
 Sec., T, R: W/2 SE/4 & E/2 SW/4 SW/4, S10, T26S, R31E
 Lease: NMNM089057, NMLC068282A, NMNM120904
 Pool: [97860] JENNINGS; BONE SPRING, WEST
 [98220] PURPLE SAGE; WOLFCAMP (GAS)
 County: Eddy Co., New Mexico

To whom it may concern:

This is to advise you that Devon Energy Production Company, L.P., is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery for the below mentioned wells.

WELL NAME	API
THOROUGHbred 10-3 FED COM 332H	30-015-46505
THOROUGHbred 10-3 FED COM 334H	30-015-46897
THOROUGHbred 10-3 FED COM 621H	30-015-46478
THOROUGHbred 10-3 FED COM 623H	30-015-46899
THOROUGHbred 10-3 FED COM 711H	30-015-46477
THOROUGHbred 10-3 FED COM 712H	30-015-46506
THOROUGHbred 10-3 FED COM 713H	30-015-46900
THOROUGHbred 10-3 FED COM 714H	30-015-46902
THOROUGHbred 10-3 FED COM 731H	30-015-46508
THOROUGHbred 10-3 FED COM 732H	30-015-46507
THOROUGHbred 10-3 FED COM 733H	30-015-46904
THOROUGHbred 10-3 FED COM 734H	30-015-46907

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

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

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

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

Sincerely,

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

Enclosure

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., L.P. **OGRID Number:** 6137

Well Name: see attachments for multiple wells and API's **API:** _____

Pool: [97860] JENNINGS; BONE SPRING, WEST **Pool Code:** _____
[98220] PURPLE SAGE; WOLFCAMP (GAS)

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
 WFX PMX SWD IPI EOR PPR

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

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.

Jenny Harms

 Print or Type Name

2-4-2021

 Date

Jenny Harms

 Signature

405-552-6560

 Phone Number

jenny.harms@dvn.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

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

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., L.P.
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
See attachments					

(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: Jenny Harms TITLE: Regulatory Specialist DATE: 2-4-2021
TYPE OR PRINT NAME Jenny Harms TELEPHONE NO.: 405-552-6560
E-MAIL ADDRESS: jenny.harms@dvn.com

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM89057

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. THOROUGHbred 10-3 FED COM 332H
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY		9. API Well No. 30-015-46505
Contact: JENNIFER HARMS jennifer.harms@dvn.com		
3a. Address 333 W SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-6560	10. Field and Pool or Exploratory Area PURPLE SAGE; WOLFCAMP
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T26S R31E SESW 220FSL 1500FWL		11. County or Parish, State EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE

Proposal for Thoroughbred 10 CTB 3:

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

- WELL NAME SHL Location API
- THOROUGHbred 10-3 FED COM 332H N-10-26S-31E 30-015-46505
- THOROUGHbred 10-3 FED COM 334H O-10-26S-31E 30-015-46897
- THOROUGHbred 10-3 FED COM 621H M-10-26S-31E 30-015-46478

14. I hereby certify that the foregoing is true and correct. Electronic Submission #532930 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION COMPAN, sent to the Carlsbad	
Name (Printed/Typed) JENNIFER HARMS	Title REGULATORY COMPLIANCE ANALYST
Signature (Electronic Submission)	Date 10/06/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #532930 that would not fit on the form

32. Additional remarks, continued

THOROUGHBRED 10-3 FED COM 623H O-10-26S-31E 30-015-46899
THOROUGHBRED 10-3 FED COM 711H M-10-26S-31E 30-015-46477
THOROUGHBRED 10-3 FED COM 712H N-10-26S-31E 30-015-46506
THOROUGHBRED 10-3 FED COM 713H O-10-26S-31E 30-015-46900
THOROUGHBRED 10-3 FED COM 714H O-10-26S-31E 30-015-46902
THOROUGHBRED 10-3 FED COM 731H M-10-26S-31E 30-015-46508
THOROUGHBRED 10-3 FED COM 732H N-10-26S-31E 30-015-46507
THOROUGHBRED 10-3 FED COM 733H O-10-26S-31E 30-015-46904
THOROUGHBRED 10-3 FED COM 734H O-10-26S-31E 30-015-46907

APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE

Proposal for Thoroughbred 10 CTB 3:

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

WELL NAME	SHL Location	API	POOL	BLM LEASE %	BLM LEASE %
THOROUGHbred 10-3 FED COM 332H	N-10-26S-31E	30-015-46505	JENNINGS; BONE SPRING, WEST	NMNM089057-12.5%	
THOROUGHbred 10-3 FED COM 334H	O-10-26S-31E	30-015-46897	JENNINGS; BONE SPRING, WEST	NMNM089057-12.5%	NMLC068282A-12.5%
THOROUGHbred 10-3 FED COM 621H	M-10-26S-31E	30-015-46478	PURPLE SAGE; WOLFCAMP (GAS)	NMNM120904-12.5%	NMNM089057-12.5%
THOROUGHbred 10-3 FED COM 623H	O-10-26S-31E	30-015-46899	PURPLE SAGE; WOLFCAMP (GAS)	NMNM089057-12.5%	NMLC068282A-12.5%
THOROUGHbred 10-3 FED COM 711H	M-10-26S-31E	30-015-46477	PURPLE SAGE; WOLFCAMP (GAS)	NMNM120904-12.5%	NMNM089057-12.5%
THOROUGHbred 10-3 FED COM 712H	N-10-26S-31E	30-015-46506	PURPLE SAGE; WOLFCAMP (GAS)	NMNM089057-12.5%	
THOROUGHbred 10-3 FED COM 713H	O-10-26S-31E	30-015-46900	PURPLE SAGE; WOLFCAMP (GAS)	NMNM089057-12.5%	NMLC068282A-12.5%
THOROUGHbred 10-3 FED COM 714H	O-10-26S-31E	30-015-46902	PURPLE SAGE; WOLFCAMP (GAS)	NMNM089057-12.5%	NMLC068282A-12.5%
THOROUGHbred 10-3 FED COM 731H	M-10-26S-31E	30-015-46508	PURPLE SAGE; WOLFCAMP (GAS)	NMNM120904-12.5%	NMNM089057-12.5%
THOROUGHbred 10-3 FED COM 732H	N-10-26S-31E	30-015-46507	PURPLE SAGE; WOLFCAMP (GAS)	NMNM089057-12.5%	
THOROUGHbred 10-3 FED COM 733H	O-10-26S-31E	30-015-46904	PURPLE SAGE; WOLFCAMP (GAS)	NMNM089057-12.5%	NMLC068282A-12.5%
THOROUGHbred 10-3 FED COM 734H	O-10-26S-31E	30-015-46907	PURPLE SAGE; WOLFCAMP (GAS)	NMNM089057-12.5%	NMLC068282A-12.5%

CA's:

There will be 3 CA's submitted.

1. Section 3: E/2 E/2, Section 10: E/2 E/2 containing 320 ac for Bonespring
2. Section 3: E/2, Section 10: E/2 containing 640 ac for Wolfcamp
3. Section 3: W/2SW/4, Section 10: W/2NW/4, NW/4SW/4, containing 240 ac for Wolfcamp

Thoroughbred 10-3 FED COM 334H would be covered under:

4. Section 3: E/2 E/2, Section 10: E/2 E/2 containing 320 ac for Bonespring

Oil & Gas metering:

The central tank battery, Thoroughbred 10 CTB 3, is located in W/2 SE/4 & E/2 SW/4 SW/4, S10, T26S, R31E in Eddy County, New Mexico.

Each well is routed to its own 3-phase separator where the full well stream is separated into gas, oil, and water streams. For each well, after separation, gas is measured with an independent, designated orifice meter for the purpose of allocation, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas orifice sales meter(s) for the purpose of Federal Measurement Point/Sales/Royalty Payment. The oil from the 3-phase separator is measured with an independent, designated Coriolis Meter for the purpose of allocation. It then combines with the oil production from the other wells, flows into the heater treater(s), then into the Ultra-Low Pressure Separator(s) (ULPS), and into one of the oil tanks. The oil is then pumped out of the common tanks to an oil sales meter (LACT unit) for the purpose of Federal Measurement Point/Sales/Royalty Payment. The water from the 3-phase separator is measured with an independent, designated Mag meter for allocation, combines with the water from the other wells, then flows into the gun barrel, and into one of the produced water tanks. Flash gas that exits the heater treater(s) and ULPS(s) flows to the Vapor Recovery Unit (VRU). After exiting the VRU, the gas will be measured through a designated orifice meter for allocation.

The central tank battery will have 4 oil tanks and 3 water tanks that all wells will utilize. All wells will have 1 common gas delivery point(s) on location. They will also share 1 common oil delivery point(s) (LACT) on or directly adjacent to location.

Meter Owner / Serial Number:

Well Name	Gas Allocation Meter	Oil Allocation Meter	Gas FMP	Oil FMP	Water Allocation Meter	VRU Allocation Meter
Thoroughbred 10-3 Fed Com 711H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 734H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 621H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 334H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 712H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 714H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 332H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 733H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 732H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 623H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*
Thoroughbred 10-3 Fed Com 713H	DVN /*	DVN /*	CDU MIDSTREAM/*	DVN /*	DVN /*	DVN /*

* 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. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

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

Received by OCD: 5/25/2021 9:20:55 AM
 Page 8 of 10
 Released to Imaging: 8/18/2021 1:38:02 PM

V-101 thru V-106
3PH SEPARATOR

F-201 & 202
HEATER TREATER

C-310 thru C-313
GAS LIFT COMPRESSOR(S)

V-131/132
SALES GAS SEP.

V-141
ULTRA LOW PRESURE SEP.

C-301/302/303
VAPOR RECOVERY UNIT

TK-401
GUN BARREL

TK-413
SKIM TANK

TK-403 thru 405
WATER TANK

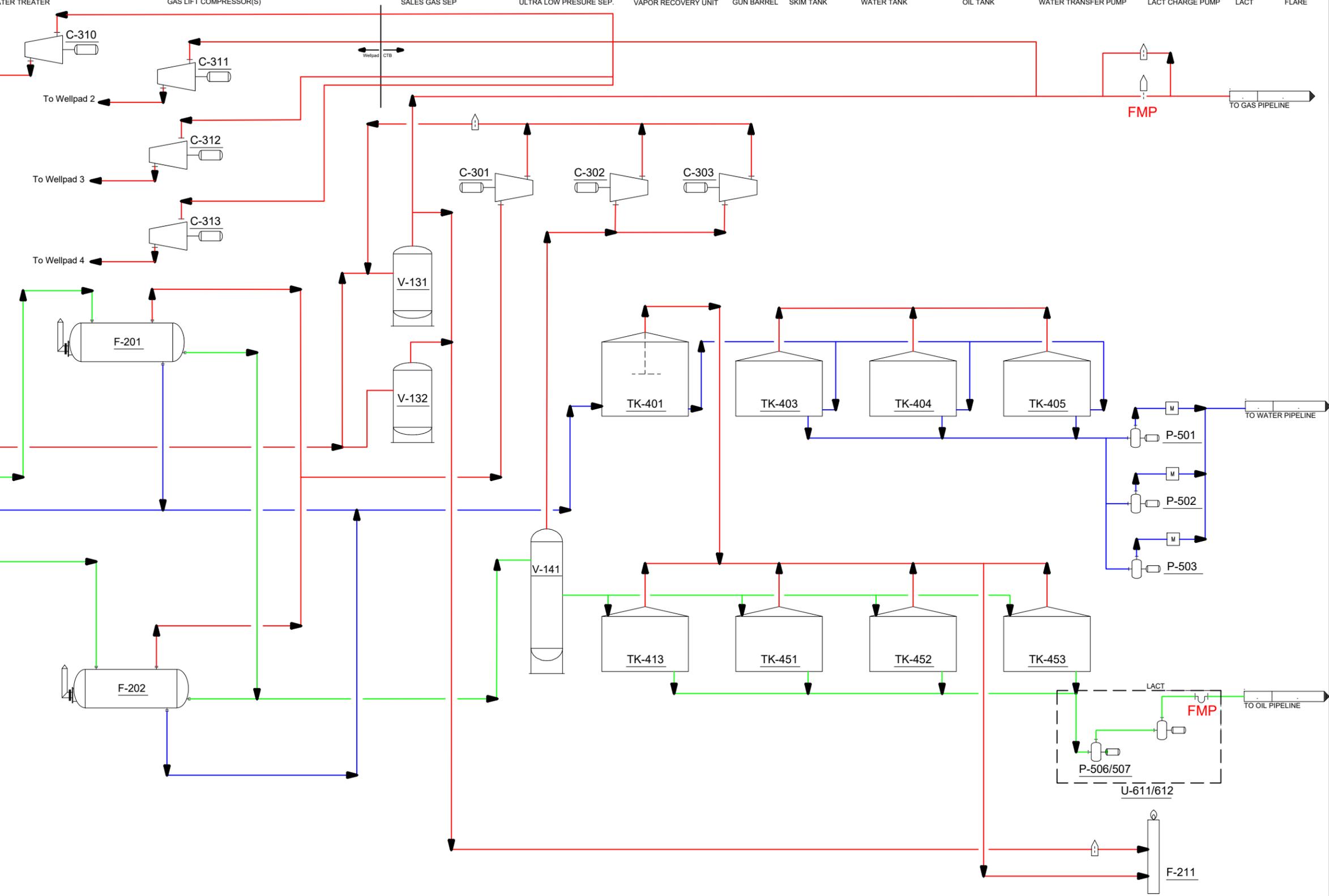
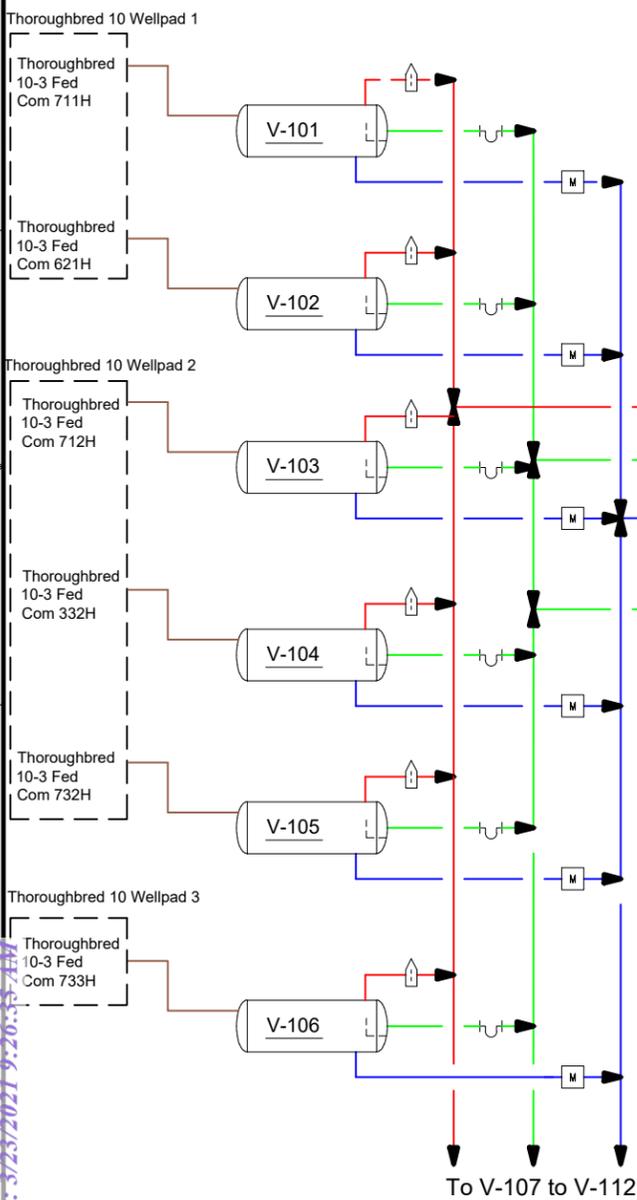
TK-451 thru 453
OIL TANK

P-501 thru P-503
WATER TRANSFER PUMP

P-506/507
LACT CHARGE PUMP

U-611/612
LACT

F-211
FLARE



LEGEND

	ORIFICE METER		OIL
	CORIOLIS METER		GAS
	MAGNETIC METER		WATER

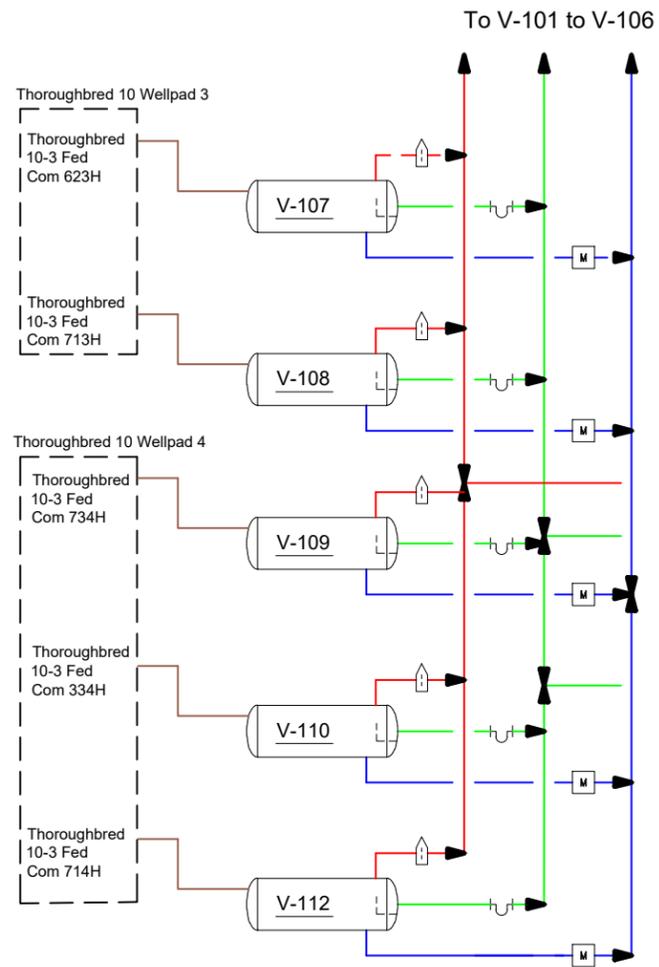
DRAWING STATUS			DRAWN BY		DATE	
ISSUED FOR	DATE	BY	ENGINEERED BY	DATE		
PHA						
BID			APPROVED BY	DATE		
CONSTRUCTION						
AS-BUILT						
CONFIDENTIAL This drawing is the property of Devon Energy. Any reproduction, copying or unauthorized use of this drawing, or any part thereof, without the express written consent of Devon Energy is prohibited.			PROJECT No.:	000		
			DRAWING No.:	110-01		



Devon Energy Corporation
 333 West Sheridan Avenue, Oklahoma City, OK 73102-5015
DBBU STANDARD P&ID'S
SYMBOLS & ABBREVIATIONS
 FILE NAME: Thoroughbred 10 CTB 3 Compliance PFD - aadair
 REV C

PLOT SCALE: 0.5:1
 C:\USERS\ADARAZ\DEVON ENERGY\OPERATIONS - DBBU\CAPITAL PROJECTS\THOROUGHBRID 10 CTB 3\PLANNING\COMMISSIONING\AS-BUILT\THOROUGHBRID 10 CTB 3\COMMISSIONING PFD - AADAIR.DWG

V-107 thru V-112
3PH SEPARATOR



LEGEND	
	ORIFICE METER
	CORIOLIS METER
	MAGNETIC METER
	OIL
	GAS
	WATER

DRAWING STATUS			DRAWN BY	DATE
ISSUED FOR	DATE	BY	ENGINEERED BY	DATE
PHA				
BID			APPROVED BY	DATE
CONSTRUCTION				
AS-BUILT				
CONFIDENTIAL			PROJECT No.:	000
This drawing is the property of Devon Energy. Any reproduction, copying or unauthorized use of this drawing, or any part thereof, without the express written consent of Devon Energy is prohibited.			DRAWING No.:	110-01



Devon Energy Corporation 333 West Sheridan Avenue, Oklahoma City, OK 73102-5015	
DBBU STANDARD P&ID'S SYMBOLS & ABBREVIATIONS	
FILE NAME	REV
Thoroughbred 10 CTB 3 Compliance PFD - aadair	C

Received by OCD- 3/23/2021 9:26:35 AM
 Page 9 of 70
 CAUSER: AADAIR\DEVON\ENERGY\OPERATIONS - DRILLING\CAPITAL PROJECTS\THOROUGHBRD 10 CTB 3 COMPLIANCE PFD - AADAIR.DWG
 PLOT SCALE: 0.5:1
 8/18/2021 1:36:02 PM

Economic Justification Report

THOROUGHbred 10 CTB 3

Value (bbl): \$38.97

Value (mcf): \$1.05

Well Name & Number	Type	Fed Lease 1 Royalty Rate	Fed Lease 2 (if applicable) Royalty Rate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
THOROUGHbred 10-3 FED COM 332H	Sweet	NMNM089057-12.5%		296	48	1567	1425
THOROUGHbred 10-3 FED COM 334H	Sweet	NMNM089057-12.5%	NMLC068282A-12.5%	296	48	1567	1425
THOROUGHbred 10-3 FED COM 621H	Sweet	NMNM120904-12.5%	NMNM089057-12.5%	219	48	1085	1425
THOROUGHbred 10-3 FED COM 623H	Sweet	NMNM089057-12.5%	NMLC068282A-12.5%	219	48	1085	1425
THOROUGHbred 10-3 FED COM 711H	Sweet	NMNM120904-12.5%	NMNM089057-12.5%	211	49	1395	1445
THOROUGHbred 10-3 FED COM 712H	Sweet	NMNM089057-12.5%		211	49	1395	1445
THOROUGHbred 10-3 FED COM 713H	Sweet	NMNM089057-12.5%	NMLC068282A-12.5%	211	49	1395	1445
THOROUGHbred 10-3 FED COM 714H	Sweet	NMNM089057-12.5%	NMLC068282A-12.5%	211	49	1395	1445
THOROUGHbred 10-3 FED COM 731H	Sweet	NMNM120904-12.5%	NMNM089057-12.5%	211	49	1395	1445
THOROUGHbred 10-3 FED COM 732H	Sweet	NMNM089057-12.5%		211	49	1395	1445
THOROUGHbred 10-3 FED COM 733H	Sweet	NMNM089057-12.5%	NMLC068282A-12.5%	211	49	1395	1445
THOROUGHbred 10-3 FED COM 734H	Sweet	NMNM089057-12.5%	NMLC068282A-12.5%	211	49	1395	1445

*BOPD/Oil Gravity/MCFPD/ Dry BTU numbers have been provided by off-set wells due to the Thoroughbred's not being completed at this time.

Signed: _____



Date: 9/21/2020

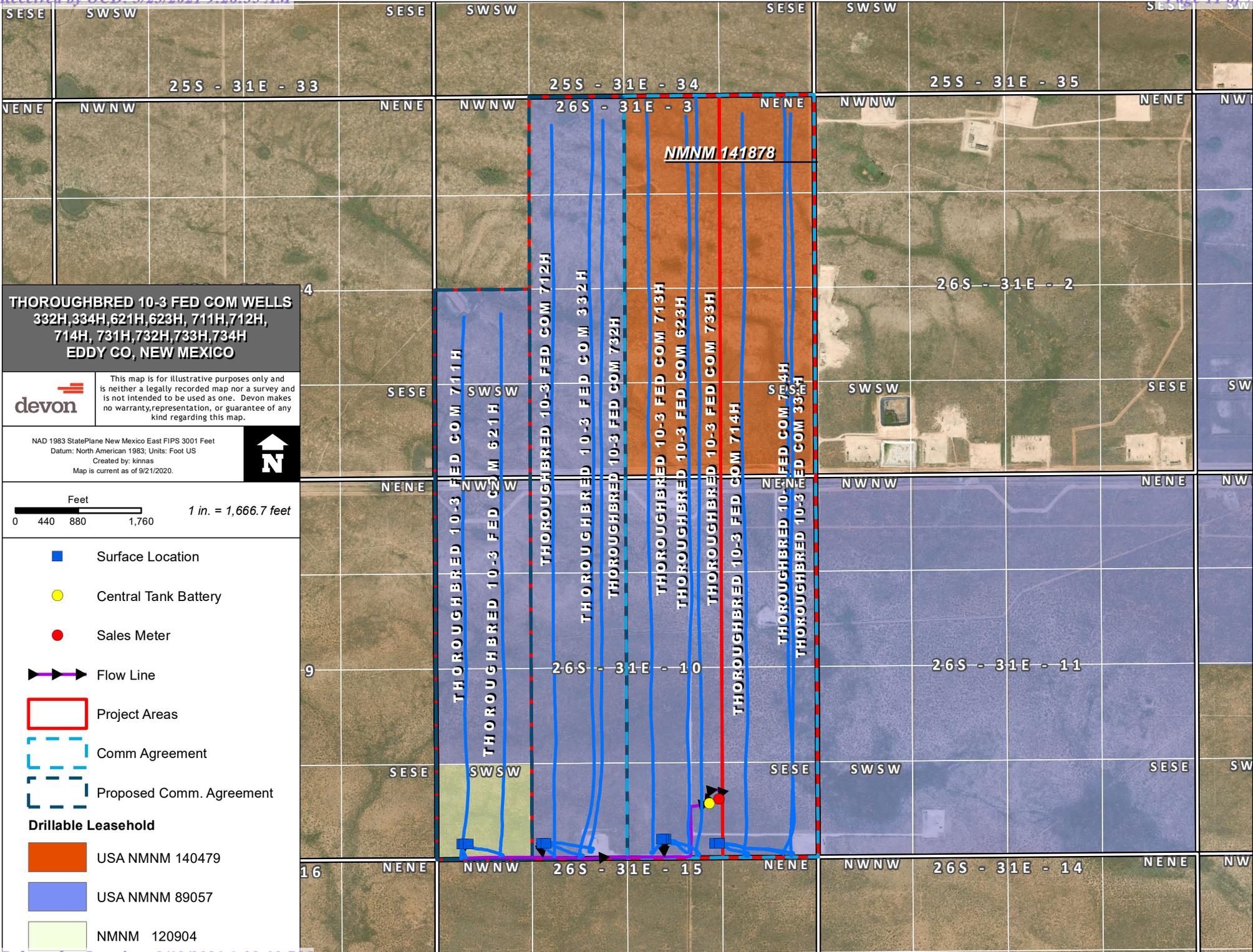
Economic Combined Production

Printed Name: Jenny Harms

Title: Regulatory Compliance S

BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
2718.0	48.6	16464.0	1438.6

There are no material quality differences in oil production from the wells in this application, therefore there will be no impact on the royalty value from an oil marketing perspective.



THOROUGHbred 10-3 FED COM WELLS
 332H,334H,621H,623H, 711H,712H,
 714H, 731H,732H,733H,734H
 EDDY CO, NEW MEXICO

devon
 This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Datum: North American 1983; Units: Foot US
 Created by: kinnas
 Map is current as of 9/21/2020.



- Surface Location
- Central Tank Battery
- Sales Meter
- Flow Line
- Project Areas
- Comm Agreement
- Proposed Comm. Agreement
- Drillable Leasehold**
- USA NMNM 140479
- USA NMNM 89057
- NMNM 120904

ShipmentDescription	TrackingNo.		CustomerReference	AttentionTo	Organization	Address1	Address2	Address3	City	Region	Country	Phone	Email	Notes	Residential	DUNS	PostalCode
Certified	9414 8149 0152 7181 9158 86	Delivered		HANSON MCBRIDE PETROLEUM CO		PO BOX 1515			ROSWELL	NM	US						88202-1515
Certified	9414 8149 0152 7181 9158 93	Delivered		SUE HANSON MCBRIDE SEPARATE PROPERTY		PO BOX 3480			ROSWELL	NM	US						88202-3480
Certified	9414 8149 0152 7181 9159 09	Delivered		JULIE SCOTT MCBRIDE		PO BOX 3767			ROSWELL	NM	US						88202-3767
Certified	9414 8149 0152 7181 9159 16	Delivered		ONRR ROYALTY MANAGEMENT PROGRAM		PO BOX 25627			DENVER	CO	US						80225-0627
Certified	9414 8149 0152 7181 9159 23	In-Transit		CHEVRON USA INC		PO BOX 730436			DALLAS	TX	US						75373
Certified	9414 8149 0152 7181 9159 30	Delivered		DOUGLAS LADSON MCBRIDE III		PO BOX 1515			ROSWELL	NM	US						88202
Certified	9414 8149 0152 7181 9160 67	Delivered		XTO HOLDINGS LLC JP MORGAN CHASE DALLAS		PO BOX 840780			DALLAS	TX	US						75284-0780
Certified	9414 8149 0152 7181 9161 11	Delivered		DONALD G GALLES LE LIFE ESTATE CASPER COLLEGE FOUNDATION REMAINDER		PO BOX 2493			CASPER	WY	US						82602-2493
FedEx	947923358377	Delivered		CONOCOPHILLIPS COMPANY		22295 NETWORK PL			CHICAGO	IL	US						60673-1222
FedEx	947923358528	Delivered		CTV-CTAM BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358517	Delivered		LMBI I BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358539	Delivered		CTV-LMB I BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358491	Delivered		KEYSTONE -CTAM- BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358470	Delivered		SRBI I BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358540	Delivered		CTV-LMB II BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358506	Delivered		SRBI II BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358480	Delivered		CTV-SRB II BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358469	Delivered		THRU LINE BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358447	Delivered		KEYSTONE RMB BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358458	Delivered		LMBI II BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358399	Delivered		CTV-SRB I BPEOR NM LLC		201 MAIN ST STE 2300			FORT WORTH	TX	US						76102
FedEx	947923358403	Delivered		WILMA G LATHROP		414 W 6th Ave			cheyenne	WY	US						82001
FedEx	947923358414	Delivered		WILMA G LATHROP		506 W Market St			sheldon	MO	US						64784
FedEx	947923358425	Delivered		THOMAS A GALLES LIVING TRUST DTD 10-17-06 THOMAS A AND SUSAN L GALLES TTEE		5201 MOUNTAIN WAY			CASPER	WY	US						82601
FedEx	947923358388	Delivered		GLENN R GENTLE LIVING TRUST DTD 2-20-97 DAVID T & STEPHANIE M DIDLAKE TTEES		845 CALLE CIMA BELLA			CHULA VISTA	CA	US						91911-7051
FedEx	947923358436	Delivered		HARRY F PETE SCHRAM		731 SILENT HOLLOW			SAN ANTONIO	TX	US						78260

District I
1623 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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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
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DISTRICT I-ARTESIA O.C.D.

Form C-102
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Submit one copy to appropriate District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46505		² Pool Code 97860	³ Pool Name Jennings; Bone Spring West
⁴ Property Code 326742	⁵ Property Name THOROUGHbred 10-3 FED COM		⁶ Well Number 332H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3243.6

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	26 S	31 E		220	SOUTH	1500	WEST	EDDY

¹¹ 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
C	3	26 S	31 E		20	NORTH	2210	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			

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.

17 OPERATOR CERTIFICATION
I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Jenny Harms 6-26-2019
Signature Date
Printed Name: Jenny Harms
E-mail Address: Jenny_harms@dvn.com

18 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 are true and correct to the best of my belief.
MAY 3, 2019
Date of Survey: 12797
Filimon F. Jaramillo
Signature and Seal of Professional Surveyor:
Certificate Number: FILIMON F. JARAMILLO, PLS 12797
SURVEY NO. 7229

17 OPERATOR CERTIFICATION
I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Jenny Harms 6-26-2019
Signature Date
Printed Name: Jenny Harms
E-mail Address: Jenny_harms@dvn.com

18 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 are true and correct to the best of my belief.
MAY 3, 2019
Date of Survey: 12797
Filimon F. Jaramillo
Signature and Seal of Professional Surveyor:
Certificate Number: FILIMON F. JARAMILLO, PLS 12797
SURVEY NO. 7229

Ref 12-19-19

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1625 N. French Dr., Hobbs, NM 88240
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46907		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP	
⁴ Property Code 326742		⁵ Property Name THOROUGHbred 10-3 FED COM			⁶ Well Number 734H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3224.7

¹⁰ Surface Location

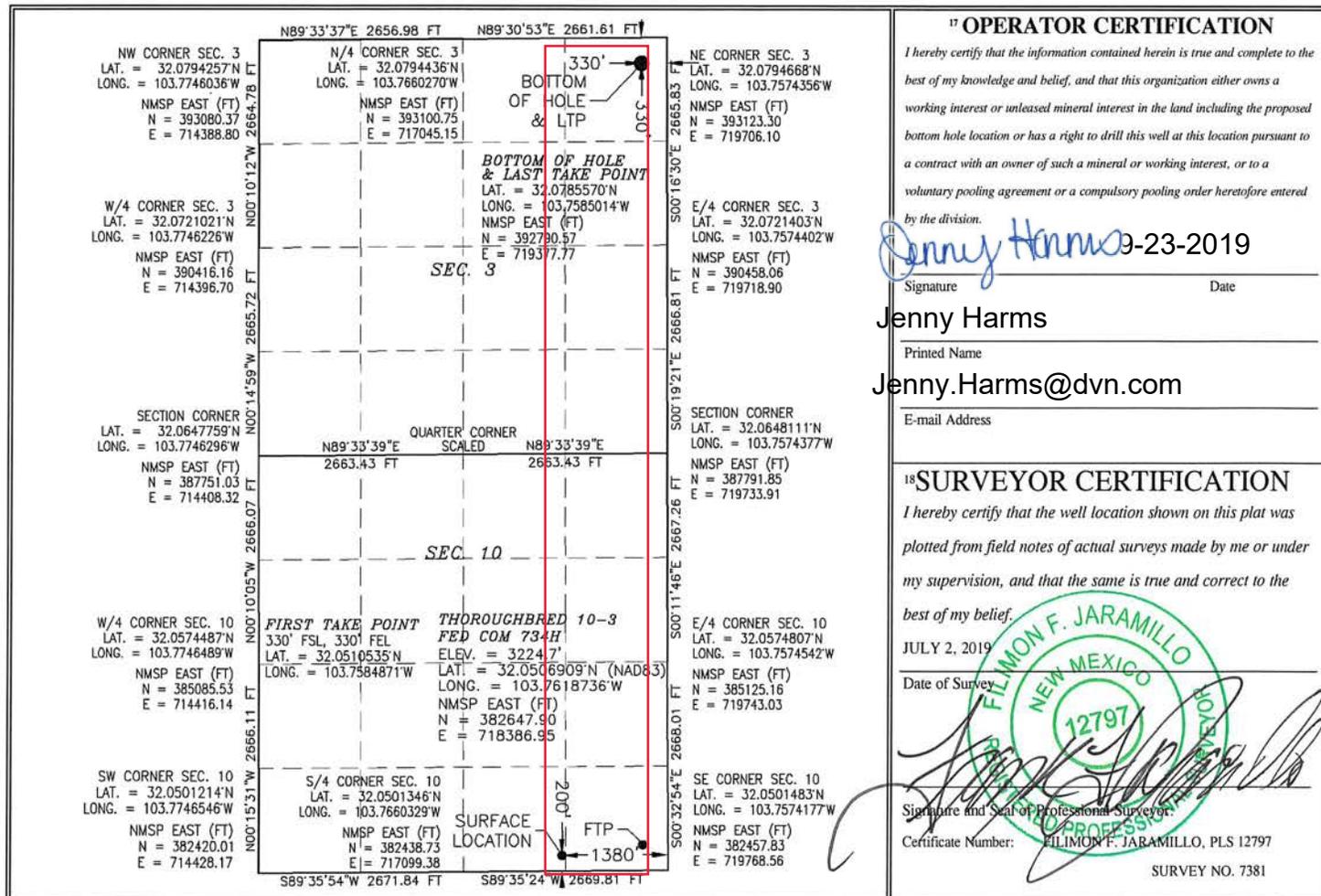
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	10	26 S	31 E		200	SOUTH	1380	EAST	EDDY

¹¹ 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	3	26 S	31 E		330	NORTH	330	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill 640 kms	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	--	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46478		² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp
⁴ Property Code 326523	⁵ Property Name THOROUGHbred 10-3 FED COM		⁶ Well Number 621H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3241.5

¹⁰ Surface Location

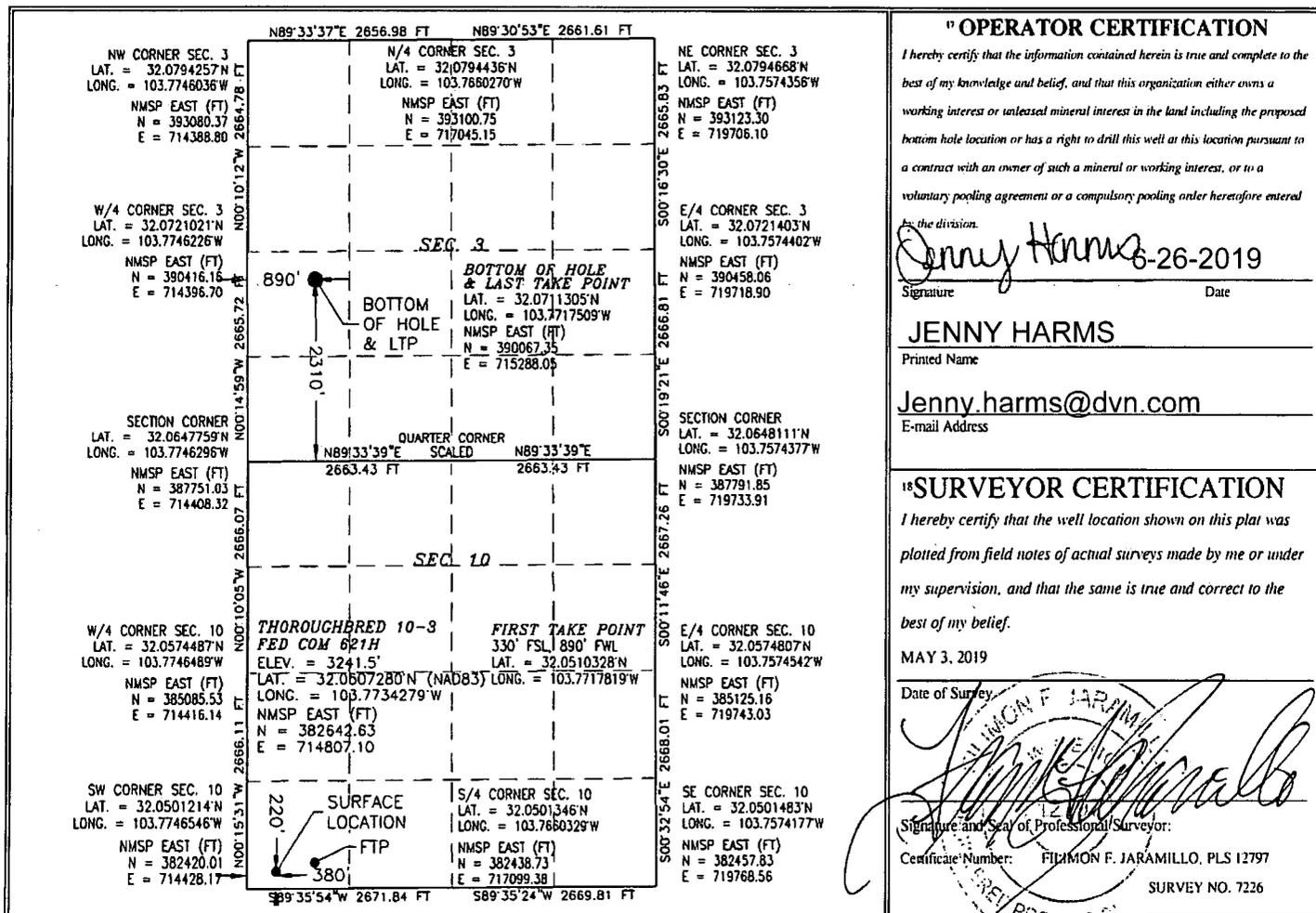
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	26 S	31 E		220	SOUTH	380	WEST	EDDY

¹¹ 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
L	3	26 S	31 E		2310	SOUTH	890	WEST	EDDY

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46899	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 326742	⁵ Property Name THOROUGHbred 10-3 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 623H
		⁹ Elevation 3239.4

¹⁰ Surface Location

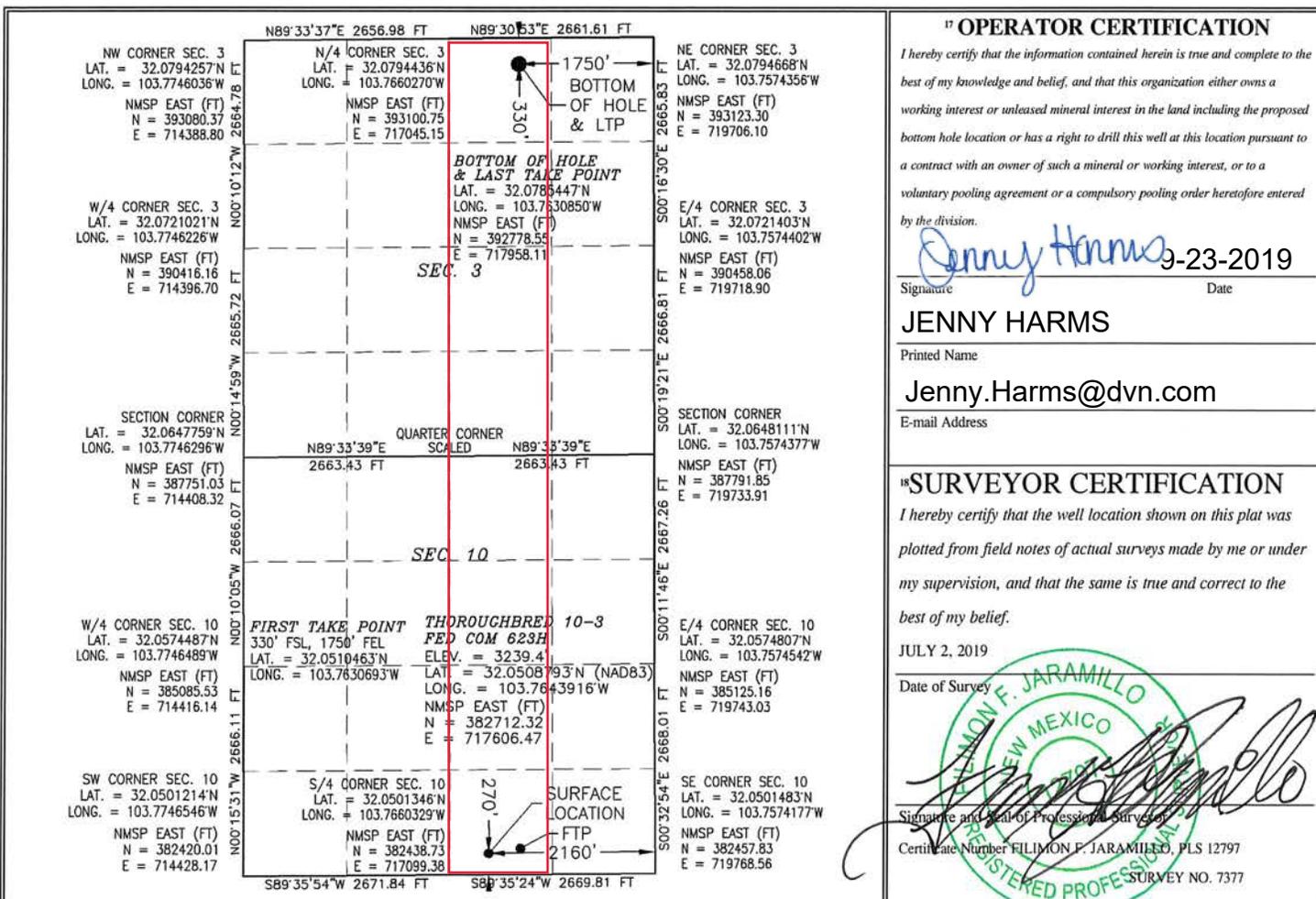
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	10	26 S	31 E		270	SOUTH	2160	EAST	EDDY

¹¹ 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
B	3	26 S	31 E		330	NORTH	1750	EAST	EDDY

¹² Dedicated Acres 320-640 kms	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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OIL CONSERVATION DIVISION
DEC 04 2019
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SANTA FE, NM 87505
DISTRICT I-ARTESIA O.C.D. **DISTRICT I-ARTESIA O.C.D.**

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46477	² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp
⁴ Property Code 326523	⁵ Property Name THOROUGHbred 10-3 FED COM	
⁷ OGRID No. 6137	⁶ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁸ Well Number 711H
		⁹ Elevation 3240.5

¹⁰ Surface Location

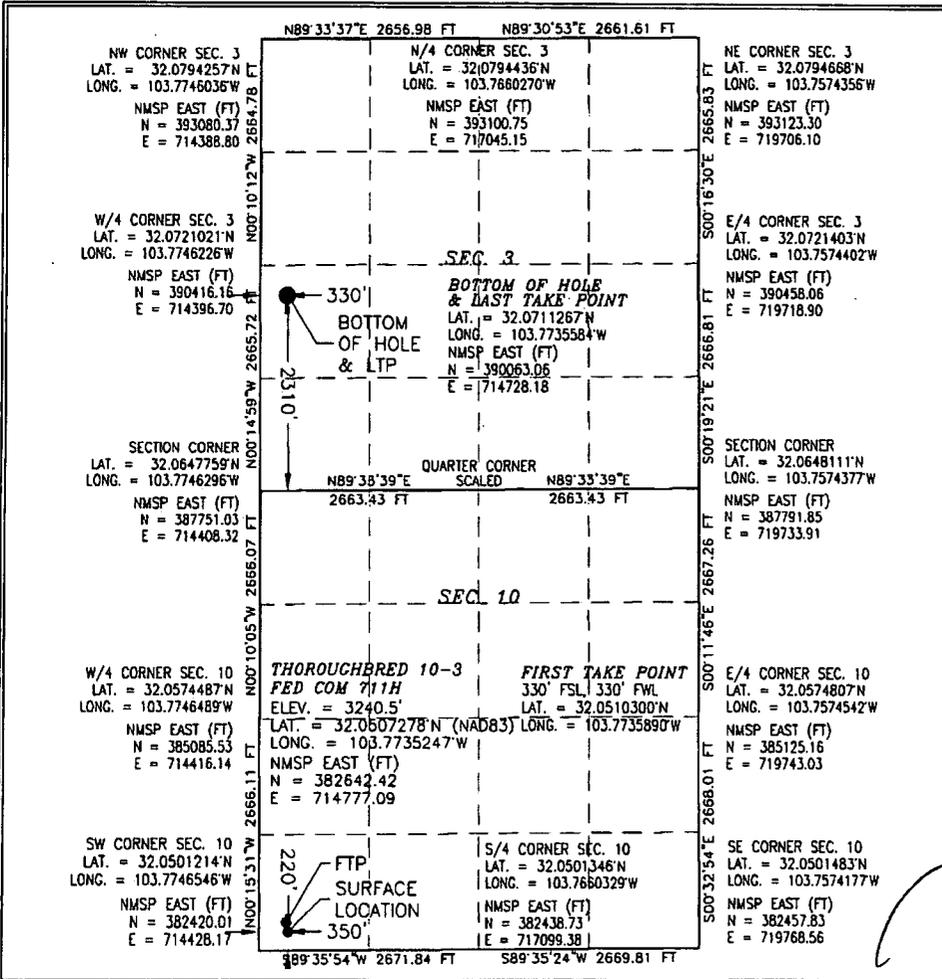
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	26 S	31 E		220	SOUTH	350	WEST	EDDY

¹¹ 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
L	3	26 S	31 E		2310	SOUTH	330	WEST	EDDY

¹² Dedicated Acres 240	¹³ Joint or Infill 480	¹⁴ Consolidation Code	¹⁵ Order No.
---	---	----------------------------------	-------------------------

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.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Jenny Harms 6-26-2019
Signature Date
Jenny Harms
Printed Name
Jenny.harms@dvn.com
E-mail Address

¹⁸ 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.
MAY 3, 2019
Date of Survey
Filimon F. Jaramillo
Signature and Seal of Professional Surveyor
Certificate Number: **FILIMON F. JARAMILLO, PLS 12797**
SURVEY NO. 7225

RUP 12-10-19

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46506	² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp
⁴ Property Code 326742	⁵ Property Name THOROUGHbred 10-3 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁶ Well Number 712H
		⁹ Elevation 3243.6

¹⁰ Surface Location

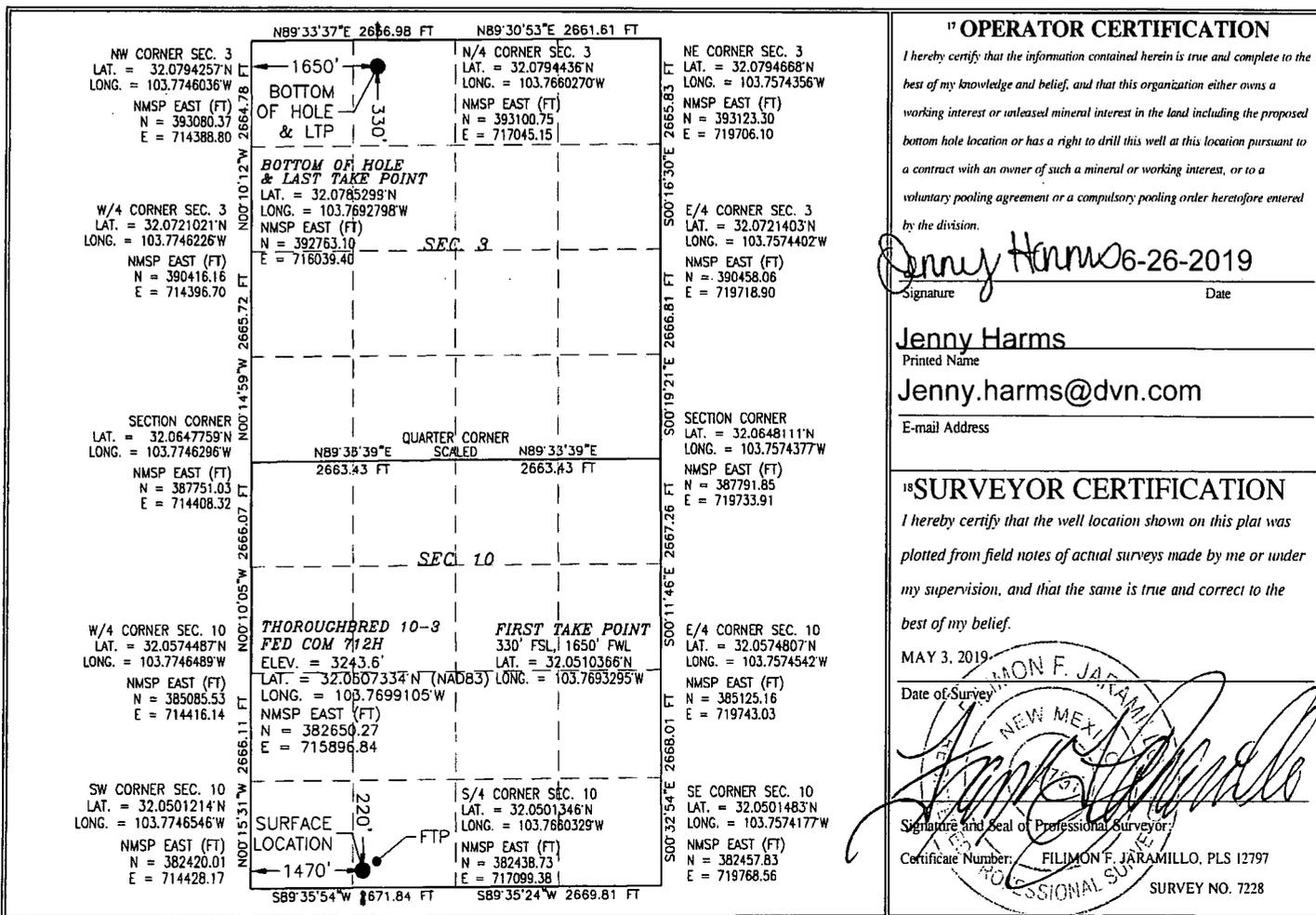
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	26 S	31 E		220	SOUTH	1470	WEST	EDDY

¹¹ 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
C	3	26 S	31 E		330	NORTH	1650	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill 640	¹⁴ Consolidation Code	¹⁵ Order No.
---	---	----------------------------------	-------------------------

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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46902	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 326742	⁵ Property Name THOROUGHbred 10-3 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 714H
		⁹ Elevation 3226.5

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	10	26 S	31 E		200	SOUTH	1440	EAST	EDDY

¹¹ 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	3	26 S	31 E		330	NORTH	990	EAST	EDDY

¹² Dedicated Acres 640 kms	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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

Jenny Harms 3-23-2019
Signature Date

Jenny Harms
Printed Name

Jenny.Harms@dvn.com
E-mail Address

18 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.

JULY 2, 2019
Date of Survey

F. Jaramillo
Signature and Seal of Professional Surveyor

Certificate Number: FILLMON F. JARAMILLO, PLS 12797
SURVEY NO. 7379

17 OPERATOR CERTIFICATION

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

Jenny Harms 3-23-2019
Signature Date

Jenny Harms
Printed Name

Jenny.Harms@dvn.com
E-mail Address

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46508	² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp ✓
⁴ Property Code 326742	⁵ Property Name THOROUGHbred 10-3 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Well Number 731H
		⁹ Elevation 3242.6

¹⁰ Surface Location

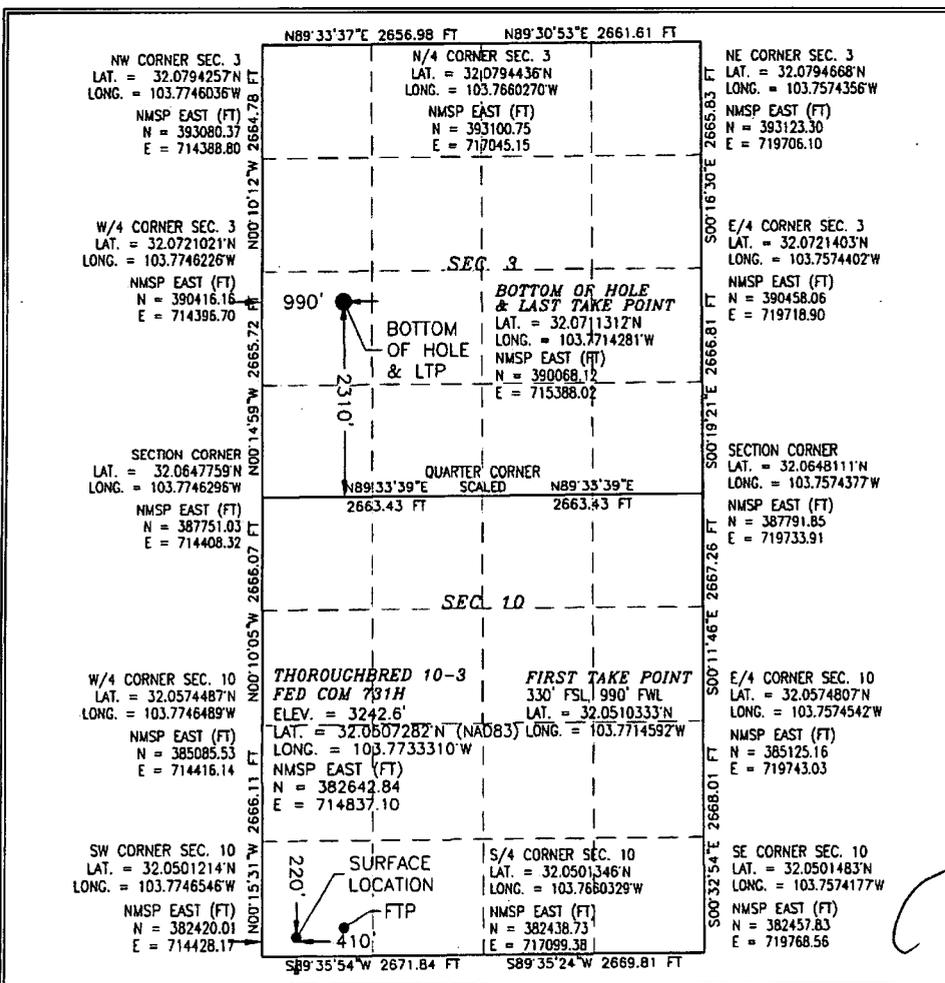
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	26 S	31 E		220	SOUTH	410	WEST	EDDY

¹¹ 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
L	3	26 S	31 E		2310	SOUTH	990	WEST	EDDY

¹² Dedicated Acres 240	¹³ Joint or Infill 430	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	--------------------------------------	----------------------------------	-------------------------

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.



¹⁷ OPERATOR CERTIFICATION

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

Donny Harms 6-26-2019
Signature Date

Jenny Harms
Printed Name

Jenny.harms@dvn.com
E-mail Address

¹⁸ 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.

MAY 3, 2019
Date of Survey

FILMON F. JARAMILLO
Signature and Seal of Professional Surveyor

Certificate Number: FILMON F. JARAMILLO, PLS 12797
SURVEY NO. 7227

Ref 12-19-19

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 Road, 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, NM 87505

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

RECEIVED
DEC 04 2019
DISTRICT IV-ARTESIA O.C.D.

WELL LOCATION AND ACREAGE DEDICATION PLAT

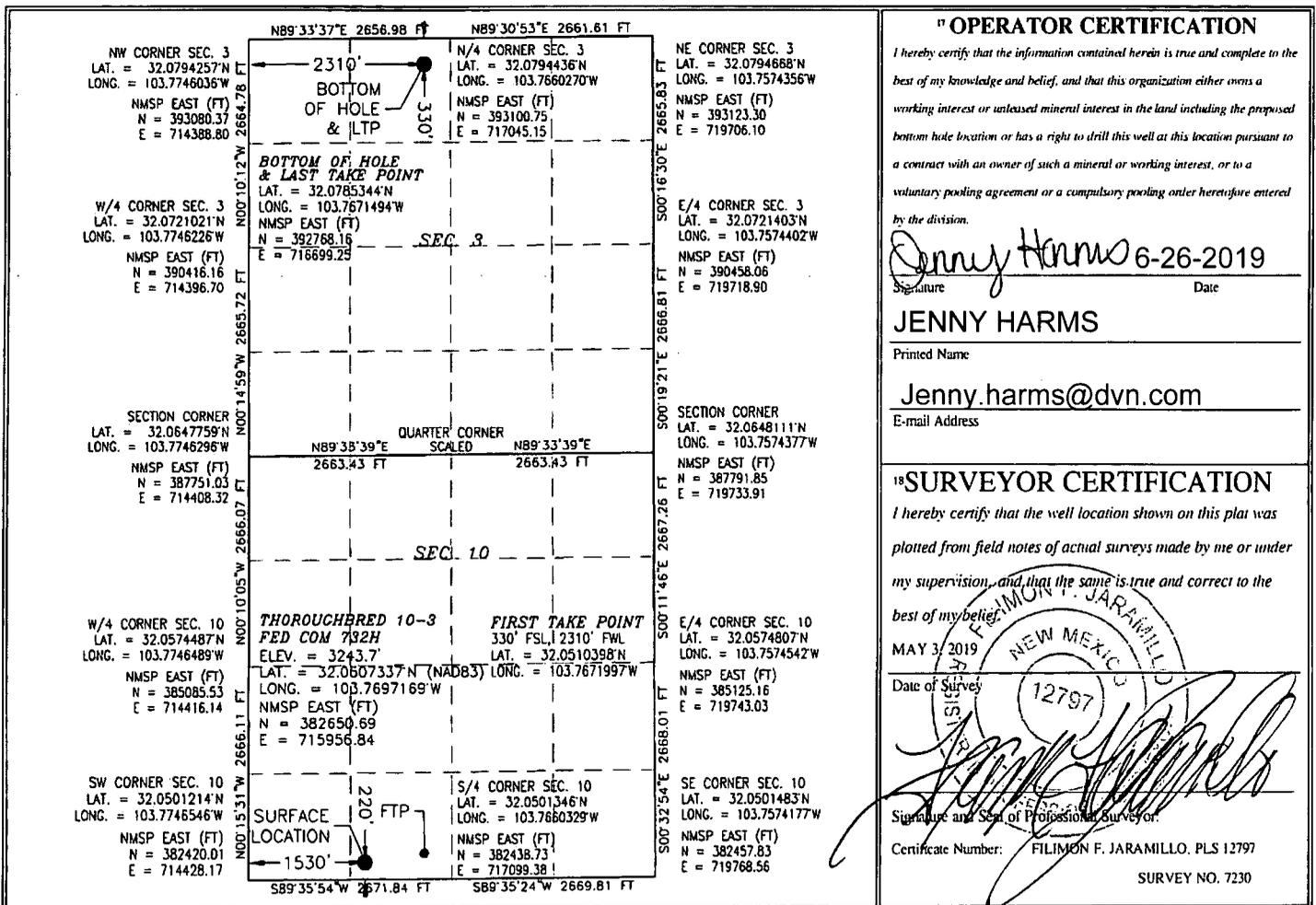
¹ API Number 30-015-46501		² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp
⁴ Property Code 326742	⁵ Property Name THOROUGHbred 10-3 FED COM		⁶ Well Number 732H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3243.7

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	26 S	31 E		220	SOUTH	1530	WEST	EDDY

¹¹ 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
C	3	26 S	31 E		330	NORTH	2310	WEST	EDDY

¹² Dedicated Acres 320 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



Rup 12-19-19

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District IV
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State of New Mexico
Energy, Minerals & Natural Resources Department
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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46904		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP	
⁴ Property Code 326742		⁵ Property Name THOROUGHbred 10-3 FED COM			⁶ Well Number 733H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3238.5

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	10	26 S	31 E		270	SOUTH	2130	EAST	EDDY

¹¹ 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
B	3	26 S	31 E		330	NORTH	1650	EAST	EDDY

¹² Dedicated Acres 640 kms	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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.

17 OPERATOR CERTIFICATION
I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature: *Jenny Harms* Date: **9-23-2019**

18 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.
Date of Survey: **JULY 2, 2019**
Signature and Seal of Professional Surveyor: *[Signature]*
Certificate Number: **FILMON P. JARAMILLO, PLS 12797**
SURVEY NO. 7378

17 OPERATOR CERTIFICATION
I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature: *Jenny Harms* Date: **9-23-2019**

18 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.
Date of Survey: **JULY 2, 2019**
Signature and Seal of Professional Surveyor: *[Signature]*
Certificate Number: **FILMON P. JARAMILLO, PLS 12797**
SURVEY NO. 7378

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State of New Mexico
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46907		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP	
⁴ Property Code 326742		⁵ Property Name THOROUGHbred 10-3 FED COM			⁶ Well Number 734H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3224.7

¹⁰ Surface Location

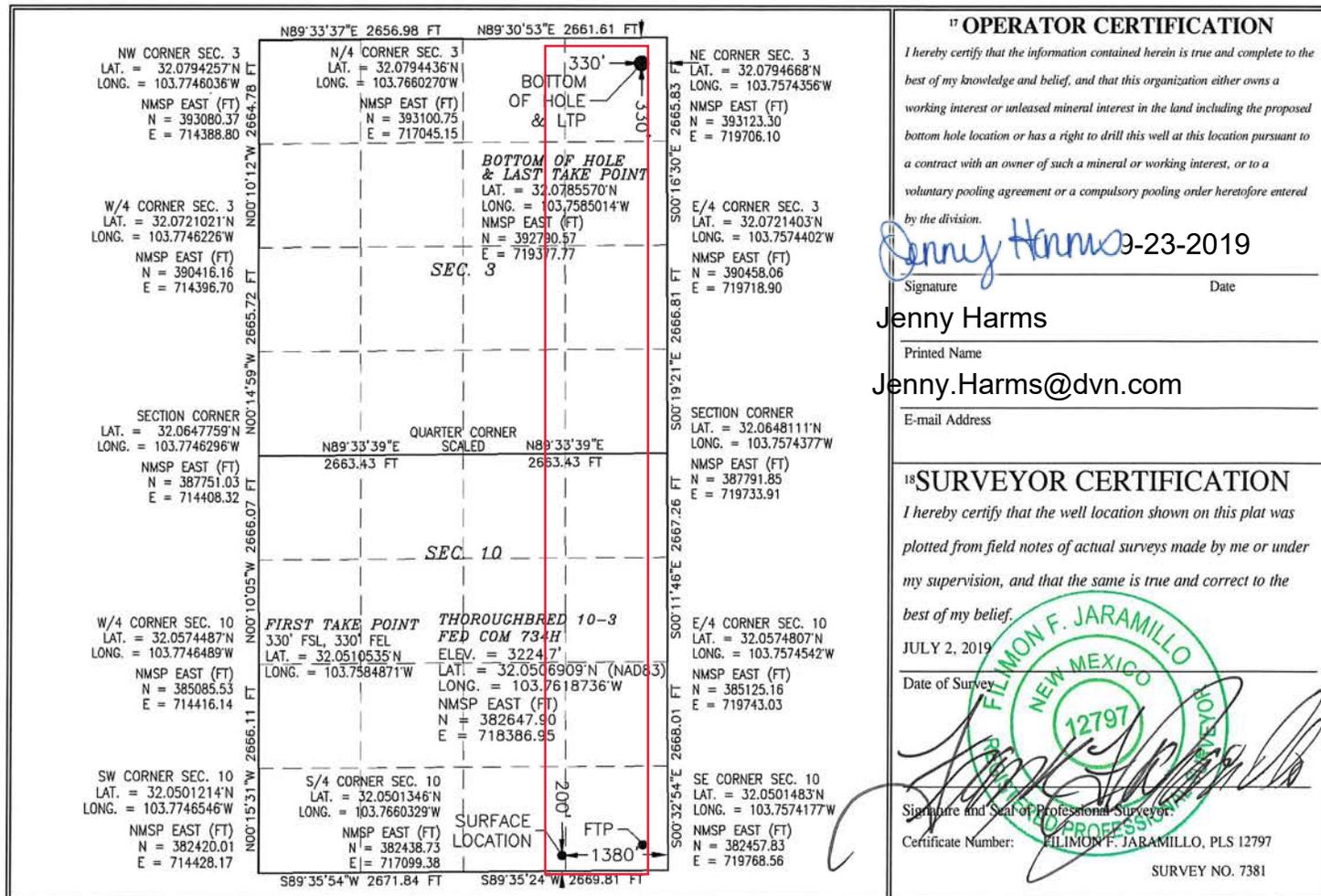
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	10	26 S	31 E		200	SOUTH	1380	EAST	EDDY

¹¹ 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	3	26 S	31 E		330	NORTH	330	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill 640 kms	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



¹⁷ OPERATOR CERTIFICATION

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

Jenny Harms 9-23-2019
Signature Date

Jenny Harms
Printed Name

Jenny.Harms@dm.com
E-mail Address

¹⁸ 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.

JULY 2, 2019
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor
Certificate Number: JILIMON F. JARAMILLO, PLS 12797
SURVEY NO. 7381

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2020, 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:

Section 3: E/2
Section 10: E/2

Township 26 South, Range 31 East, Eddy County, New Mexico

Containing 640.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas 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., whose address is 333 West Sheridan Avenue, Oklahoma City, Oklahoma 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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 March 2, 2020, 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

_____ By: _____
Date Catherine Lebsack, Vice President

LESSEES OF RECORD/WORKING INTEREST OWNERS

XTO Energy, Inc.

3/25/20 By: Edwin S. Ryan, Jr. DS
VL DS
BH
Date Edwin S. Ryan, Jr.
Title : Agent & Attorney-in-Fact

EXHIBIT "A"

Plat of communitized area covering 640.00 acres in E/2 Section 3, and the E/2 Section 10, Township 26 South, Range 31 East, Eddy County, New Mexico

Well Name/No.

Thoroughbred 10-3 Fed Com 623H

(API #)

SHL: 270' FSL, 2,160' FEL, Sec. 10-26S-31E

BHL: 330' FNL, 1,750' FEL, Sec. 3-26S-31E

(DEFINING WELL _ 640.00 AC HSU)



Tract 1
320 AC
NMNM 140479



Tract 2
320 AC
NMNM 89057

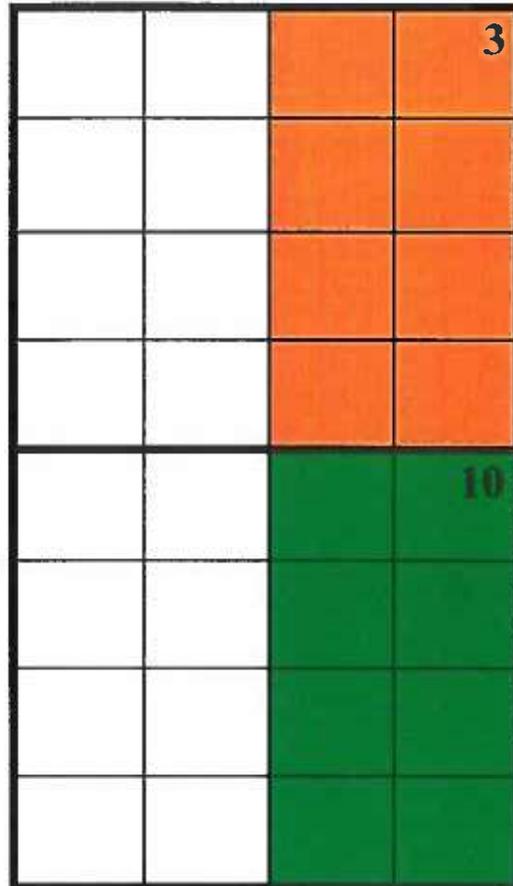


EXHIBIT "B"

To Communitization Agreement Dated March 2, 2020 embracing the following described land in E/2 Section 3 and the E/2 Section 10, Township 26 South, Range 32 East, Lea County, New Mexico

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 140479
Lease Date:	October 1, 1951
Primary Term:	Five (5) years
Lessor:	United States of America
Original Lessee:	Emma T. Russell
Present Lessee:	Devon Energy Production Company, L.P.
Description of Land Committed:	<u>Township 26 South, Range 31 East, N.M.P.M</u> Section 3: E/2
Number of Acres:	320
Royalty Rate:	1/8th
Name and Percent of WI Owners:	Devon Energy Production Company, L.P. – 100%
Name and Percent of ORRI Owners:	Of record

Tract No. 2

Lease Serial Number: NMNM 089057

Lease Date: June 1, 1992

Primary Term: Five (5) years

Lessor: United States of America

Original Lessee: Phillips Petroleum Company

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

Description of Land Committed: Township 26 South, Range 31 East, N.M.P.M
Section 10: E/2

Number of Acres: 320

Royalty Rate: 1/8th

Name and Percent of WI Owners: Devon Energy Production Company, L.P. – 50.00%
XTO Energy, Inc. – 50.00%

Name and Percent of ORRI Owners: Of record

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320.00	50.00%
2	320.00	50.00%
Total	640.00	100.0000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2020, 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:

Section 3: E/2 E/2
Section 10: E/2 E/2

Township 26 South, Range 31 East, Eddy County, New Mexico

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas 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., whose address is 333 West Sheridan Avenue, Oklahoma City, Oklahoma 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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 March 2, 2020, 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

_____ Date
By: _____
Catherine Lebsack, Vice President

W

LESSEES OF RECORD/WORKING INTEREST OWNERS

XTO Energy, Inc.

3/25/20
Date

By: Edwin S. Ryan, Jr.
Edwin S. Ryan, Jr.
Title : Agent & Attorney-in-Fact

DS
VC

DS
Bt

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this _____ day of _____, 2020,
by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., an
Oklahoma limited partnership, on behalf of said limited partnership.

(SEAL)

My Commission Expires

Notary Public

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

4 March The foregoing instrument was acknowledged before me on this 25th day of
March, 2020 by Edwin S. Ryan, Jr., Agent & Attorney-in-Fact for XTO Energy, Inc., a
Delaware corporation, on behalf of said corporation.

My Commission Expires: 1/28/24

Dedra L Nunez
Notary Public, State of Texas

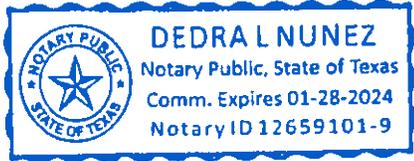


EXHIBIT "A"

Plat of communitized area covering 320.00 acres in E/2 E/2 Section 3, and the E/2 E/2 Section 10,
Township 26 South, Range 31 East, Eddy County, New Mexico

Well Name/No.

Thoroughbred 10-3 Fed Com 334H

(API #)

SHL: 1410' FEL, 200' FSL, Sec. 10-26S-31E

BHL: 430' FEL, 330' FNL, Sec. 3-26S-31E

(DEFINING WELL - 320.00 AC HSU)



**Tract 1
160 AC
NMNM 140479**



**Tract 2
160 AC
NMNM 89057**

			3
			10

EXHIBIT "B"

To Communitization Agreement Dated March 2, 2020 embracing the following described land in E/2 E/2 Section 3 and the E/2 E/2 Section 10, Township 26 South, Range 32 East, Lea County, New Mexico

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 140479
Lease Date:	October 1, 1951
Primary Term:	Five (5) years
Lessor:	United States of America
Original Lessee:	Emma T. Russell
Present Lessee:	Devon Energy Production Company, L.P.
Description of Land Committed:	<u>Township 26 South, Range 31 East, N.M.P.M</u> Section 3: E/2 E/2
Number of Acres:	320
Royalty Rate:	1/8th
Name and Percent of WI Owners:	Devon Energy Production Company, L.P. – 100%
Name and Percent of ORRI Owners:	Of record

Tract No. 2

Lease Serial Number: NMNM 089057
 Lease Date: June 1, 1992
 Primary Term: Five (5) years
 Lessor: United States of America
 Original Lessee: Phillips Petroleum Company
 Present Lessee: Devon Energy Production Company, L.P.
 Description of Land Committed: Township 26 South, Range 31 East, N.M.P.M
 Section 10: E/2 E/2
 Number of Acres: 320
 Royalty Rate: 1/8th
 Name and Percent of WI Owners: Devon Energy Production Company, L.P. – 50.00%
 XTO Energy, Inc. – 50.00%
 Name and Percent of ORRI Owners: Of record

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.0000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2020, 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:

Section 3: W/2SW/4

Section 10: W/2NW/4, NW/4SW/4

Township 26 South, Range 31 East, Eddy County, New Mexico

Containing **240.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas 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., whose address is 333 West Sheridan Avenue, Oklahoma City, Oklahoma 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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 March 2, 2020, 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

Date

By: _____
Catherine Lebsack, Vice President

LESSEES OF RECORD/WORKING INTEREST OWNERS

XTO Energy, Inc.

Date

By: _____
Title : _____

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this _____ day of _____, 2020 by _____, _____ for Chevron U.S.A. Inc, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Notary Public, State of Texas

EXHIBIT "A"

Plat of communitized area covering **240.00** acres in the W/2SW/4 of Section 3, and the W/2NW/4, NW/4SW/4 of Section 10, Township 26 South, Range 31 East, Eddy County, New Mexico

Well Name/No.

Thoroughbred 10-3 Fed Com 621H

(API #) 30-015-46478

SHL: 220' FSL, 380' FWL, Sec. 10-26S-31E

BHL: 2310' FSL, 890' FEL, Sec. 3-26S-31E

(DEFINING WELL _ 240.00 AC HSU)



Tract 1
200 AC
NMNM 089057



Tract 2
40 AC
NMNM 120904

			3
			10

EXHIBIT "B"

To Communitization Agreement Dated March 2, 2020 embracing the following described land in W/2SW/4 of Section 3, and the W/2NW/4, NW/4SW/4 of Section 10, Township 26 South, Range 31 East, Eddy County, New Mexico

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

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	NMNM 089057
Lease Date:	June 1, 1992
Primary Term:	Five (5) years
Lessor:	United States of America
Original Lessee:	Phillips Petroleum Company
Present Lessee:	Devon Energy Production Company, L.P.
Description of Land Committed:	<u>Township 26 South, Range 31 East, N.M.P.M</u> Section 10: W/2NW/4, NW/4SW/4
Number of Acres:	200
Royalty Rate:	1/8 th
Name and Percent of WI Owners:	Devon Energy Production Company, L.P. – 50.00% XTO Energy, Inc. – 50.00%
Pooled Parties NMOCD Pooling Case No. 21238 & 21099, Order No. R-21349:	XTO Energy, Inc. – 50.00%
Name and Percent of ORRI Owners:	ConocoPhillips Company

Tract No. 2

Lease Serial Number: NMNM 120904

Lease Date: November 1, 2008

Primary Term: Five (5) years

Lessor: United States of America

Original Lessee: Ten (10) years

Present Lessee: Chevron U.S.A. Inc.

Description of Land Committed: Township 26 South, Range 31 East, N.M.P.M
Section 3: W/2SW/4

Number of Acres: 40

Royalty Rate: 1/8th

Name and Percent of WI Owners: XTO Energy, Inc. – 50.00%
Chevron U.S.A. Inc. – 50.00%

Pooled Parties NMOCD Pooling Case No. 21238 & 21099, Order No. R-21349: XTO Energy, Inc. – 50.00%
Chevron U.S.A. Inc. – 50.00%

Name and Percent of ORRI Owners: LMBI I BPEOR NM, LLC
LMBI II BPEOR NM, LLC
Keystone, (RMB) BPEOR NM, LLC
Keystone, (CTAM) BPEOR NM, LLC
Thru Line (BPEOR) NM, LLC
SRBI I BPEOR NM, LLC
SRBI II BPEOR NM, LLC
CTV-LMB I BPEOR NM, LLC
CTV-LMB II BPEOR NM, LLC
CTV-CTAM BPEOR NM, LLC
CTV-SRB I BPEOR NM, LLC
CTV-SRB II BPEOR NM, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	200.00	83.333334%
2	40.00	16.666666%
Total	240.00	100.0000%

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY CASE NO'S 21238 & 21099
DEVON ENERGY PRODUCTION COMPANY, LP ORDER NO. R-21349**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on May 28th, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Devon Energy Production Company, LP ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a non-standard horizontal spacing or proration unit. 19.15.16.15 B (5) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Date: 6/05/2020

ADRIENNE SANDOVAL
DIRECTOR
AS/kms



oseberg

CASE NO. 21238
ORDER NO. R-21349

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Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21238	APPLICANT'S RESPONSE
Date May 28, 2020	
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Holland & Hart LLP
	Amended Application of Devon Energy Production Company, L.P. for Non-Standard Spacing Unit and Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Thoroughbred 10-3 Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Purple Sage; Wolfcamp (Gas) Pool [98220]
Well Location Setback Rules:	Special Rules for the Purple Sage Wolfcamp Pool
Spacing Unit Size:	240-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acres, more or less
Building Blocks:	320 acre
Orientation:	South-North
Description: TRS/County	W/2 SW/4 of Section 3 and the W/2 W/2 of Section 10, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	No. See Exhibit A-1.
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	EXHIBIT A-3
Well(s)	

CASE NO. 21238
ORDER NO. R-21349

Page 6 of 8

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	EXHIBIT A-1 (C-102 plats)
Well #1	Thoroughbred 10-3 Fed Com #621H Well (API No. 30-015-pending): SHL: 220 FSL and 380 FWL (Unit M) of Section 10, BHL: 2310 FSL and 890 FWL (Unit L) of Section 3, Township 26 South, Range 31 East, Completion Target: Wolfcamp formation Well Orientation: South to North Completion Location expected to be: Standard
Well #2	Thoroughbred 10-3 Fed Com #711H Well (API No. 30-015-pending): SHL: 220 FSL and 350 FWL (Unit M) of Section 10, BHL: 2310 FSL and 330 FWL (Unit L) of Section 3, Township 26 South, Range 31 East, Completion Target: Wolfcamp formation Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	EXHIBIT A-1 (C-102 plats)
Completion Target (Formation, TVD and MD)	See above and Exhibit A
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3

Unlocatable Parties to be Pooled	Exhibit D
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1 (C-102 plats)
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	26-Apr-20

From: [Harms, Jenny](#)
To: [McClure, Dean, EMNRD](#)
Subject: surface commingling application PLC-755_Thoroughbred 10 CTB 3
Date: Monday, July 19, 2021 7:48:28 AM
Attachments: [8cd9f996f78fc5863522f21024681397eeae85055fb78e0abee770cb8a59e56e.pdf](#)
[24141be1071aa882077edee8123a9418f37aec82dce6fae5b5a77ddf94bdd17e.pdf](#)
[plel2018431823_07_31_2020_03_27_55.pdf](#)
[plel2018431451_07_31_2020_03_27_12.pdf](#)

Hi Dean,

Devon did not obtain a CA for the wells in the E/2W/2, because those wells are producing from one federal lease. I have attached the Pooling Order which contains the NSP for the wells in the W/2W/2, also, attached are the approved NSL orders for the 711H & 621H. The 731H was never drilled and therefore, Devon did not obtain an NSL for that well.

Tracking for Chevron:

Tracking Number: 9405509898642732875434 – Delivered July 18, 2021 at 5:02 am DALLAS, TX 75266

Let me know if you have questions.

Thank you,

Jenny Harms

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

From: Harms, Jenny
Sent: Thursday, July 15, 2021 10:49 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: [EXTERNAL] surface commingling application PLC-755

Hi Dean,

I apologize for the delay in response, I have been catching up on email due to being out of the office last week.

I have contacted our land department to notify them of the NSP and CA's needed for this application and I have re-mailed the owner letter out below. I will follow up soon with more information.

Thank you,

Jenny Harms

Regulatory Compliance Professional
Work Phone: (405)552-6560

Jennifer.harms@dvn.com
 Devon Energy Center-Tower
 333 West Sheridan Avenue Oklahoma City OK 73102-5015

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, July 9, 2021 3:15 PM
To: Harms, Jenny <Jenny.Harms@dvn.com>
Subject: [EXTERNAL] surface commingling application PLC-755

Ms. Harms,

I am reviewing surface commingling application PLC-755 which involves the Thoroughbred 10 CTB 3 operated by Devon Energy Production Company, LP (6137).

It looks like a NSP application will need submitted for the following wells:

30-015-46478	Thoroughbred 10 3 Federal Com #621H	W/2 SW/4 W/2 W/2	3-26S-31E 10-26S-31E	98220
30-015-46477	Thoroughbred 10 3 Federal Com #711H	W/2 SW/4 W/2 W/2	3-26S-31E 10-26S-31E	98220
30-015-46508	Thoroughbred 10 3 Federal Com #731H	W/2 SW/4 W/2 W/2	3-26S-31E 10-26S-31E	98220

Please confirm that CA applications have been or will be filed that match the following descriptions:

CA Wolfcamp BLM	E/2 W/2 E/2 W/2	3-26S-31E 10-26S-31E
CA Bone Spring BLM	E/2 W/2 E/2 W/2	3-26S-31E 10-26S-31E

Please confirm that the following person has received notification of this application:

3/15/2021	CHEVRON USA INC	9414 8149 0152 7181 9159 23	In-Transit
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Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

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From: [Engineer, OCD, EMNRD](#)
To: [Harms, Jenny](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-755
Date: Wednesday, August 18, 2021 1:18:19 PM
Attachments: [PLC755 Order.pdf](#)

NMOCD has issued Administrative Order PLC-755 which authorizes Devon Energy Production Company, LP (6137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-46505	Thoroughbred 10 3 Federal Com #332H	E/2 W/2	3-26S-31E	97860
		E/2 W/2	10-26S-31E	
30-015-46897	Thoroughbred 10 3 Federal Com #334H	E/2 E/2	3-26S-31E	97860
		E/2 E/2	10-26S-31E	
30-015-46478	Thoroughbred 10 3 Federal Com #621H	W/2 SW/4	3-26S-31E	98220
		W/2 W/2	10-26S-31E	
30-015-46899	Thoroughbred 10 3 Federal Com #623H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	
30-015-46477	Thoroughbred 10 3 Federal Com #711H	W/2 SW/4	3-26S-31E	98220
		W/2 W/2	10-26S-31E	
30-015-46506	Thoroughbred 10 3 Federal Com #712H	E/2 W/2	3-26S-31E	98220
		E/2 W/2	10-26S-31E	
30-015-46900	Thoroughbred 10 3 Federal Com #713H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	
30-015-46902	Thoroughbred 10 3 Federal Com #714H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	
30-015-46508	Thoroughbred 10 3 Federal Com #731H	W/2 SW/4	3-26S-31E	98220
		W/2 W/2	10-26S-31E	
30-015-46507	Thoroughbred 10 3 Federal Com #732H	E/2 W/2	3-26S-31E	98220
		E/2 W/2	10-26S-31E	
30-015-46904	Thoroughbred 10 3 Federal Com #733H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	
30-015-46907	Thoroughbred 10 3 Federal Com #734H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: PLC-755

Operator: Devon Energy Production Company, LP (6137)

Publication Date:

Submittal Date: 3/23/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
3/12/2021	HANSON MCBRIDE PETROLEUM CO	9414 8149 0152 7181 9158 86	Delivered
3/12/2021	SUE HANSON MCBRIDE SEPARATE PROPE	9414 8149 0152 7181 9158 93	Delivered
3/11/2021	JULIE SCOTT MCBRIDE	9414 8149 0152 7181 9159 09	Delivered
3/12/2021	ONRR ROYALTY MANAGEMENT PROGRAI	9414 8149 0152 7181 9159 16	Delivered
3/15/2021	CHEVRON USA INC	9414 8149 0152 7181 9159 23	In-Transit
3/12/2021	DOUGLAS LADSON MCBRIDE III	9414 8149 0152 7181 9159 30	Delivered
3/13/2021	XTO HOLDINGS LLC JP MORGAN CHASE I	9414 8149 0152 7181 9160 67	Delivered
3/12/2021	DONALD G GALLES LE LIFE ESTATE CASP	9414 8149 0152 7181 9161 11	Delivered
3/11/2021	CONOCOPHILLIPS COMPANY	947923358377	Delivered
3/11/2021	CTV-CTAM BPEOR NM LLC	947923358528	Delivered
3/11/2021	LMBI I BPEOR NM LLC	947923358517	Delivered
3/11/2021	CTV-LMB I BPEOR NM LLC	947923358539	Delivered
3/11/2021	KEYSTONE -CTAM- BPEOR NM LLC	947923358491	Delivered
3/11/2021	SRBI I BPEOR NM LLC	947923358470	Delivered
3/11/2021	CTV-LMB II BPEOR NM LLC	947923358540	Delivered
3/11/2021	SRBI II BPEOR NM LLC	947923358506	Delivered
3/11/2021	CTV-SRB II BPEOR NM LLC	947923358480	Delivered
3/11/2021	THRU LINE BPEOR NM LLC	947923358469	Delivered
3/11/2021	KEYSTONE RMB BPEOR NM LLC	947923358447	Delivered
3/11/2021	LMBI II BPEOR NM LLC	947923358458	Delivered
3/11/2021	CTV-SRB I BPEOR NM LLC	947923358399	Delivered
3/11/2021	WILMA G LATHROP	947923358403	Delivered
3/11/2021	WILMA G LATHROP	947923358414	Delivered
3/12/2021	THOMAS A GALLES LIVING TRUST DTD 10	947923358425	Delivered
3/11/2021	GLENN R GENTLE LIVING TRUST DTD 2-20	947923358388	Delivered
3/11/2021	HARRY F PETE SCHRAM	947923358436	Delivered
Notice sent prior to 7/18/2021			
7/18/2021	CHEVRON USA INC	9405509898642732875434	Delivered

**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-755

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Devon Energy Production Company, LP (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant 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.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12 NMAC, and 19.15.23 NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) and (6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
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 identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

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

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the

approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

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

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
6. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall

reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.

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**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 8/12/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-755
Operator: Devon Energy Production Company, LP (6137)
Central Tank Battery: Thoroughbred 10 Central Tank Battery 3
Central Tank Battery Location: J K N O Section 10, Township 26 South, Range 31 East
Gas Title Transfer Meter Location: J K N O Section 10, Township 26 South, Range 31 East

Pools

Pool Name	Pool Code
JENNINGS; BONE SPRING, WEST	97860
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 141879	E/2 E/2	3-26S-31E
	E/2 E/2	10-26S-31E
CA Wolfcamp NMNM 141878	E/2	3-26S-31E
	E/2	10-26S-31E
NMNM 089057	E/2 W/2	3-26S-31E
	E/2 W/2	10-26S-31E
NMNM 089057	W/2 SW/4	3-26S-31E
	D E L	10-26S-31E
NMNM 120904	SW/4 SW/4	10-26S-31E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46505	Thoroughbred 10 3 Federal Com #332H	E/2 W/2	3-26S-31E	97860
		E/2 W/2	10-26S-31E	
30-015-46897	Thoroughbred 10 3 Federal Com #334H	E/2 E/2	3-26S-31E	97860
		E/2 E/2	10-26S-31E	
30-015-46478	Thoroughbred 10 3 Federal Com #621H	W/2 SW/4	3-26S-31E	98220
		W/2 W/2	10-26S-31E	
30-015-46899	Thoroughbred 10 3 Federal Com #623H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	
30-015-46477	Thoroughbred 10 3 Federal Com #711H	W/2 SW/4	3-26S-31E	98220
		W/2 W/2	10-26S-31E	
30-015-46506	Thoroughbred 10 3 Federal Com #712H	E/2 W/2	3-26S-31E	98220
		E/2 W/2	10-26S-31E	
30-015-46900	Thoroughbred 10 3 Federal Com #713H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	
30-015-46902	Thoroughbred 10 3 Federal Com #714H	E/2	3-26S-31E	98220
		E/2	10-26S-31E	
30-015-46508	Thoroughbred 10 3 Federal Com #731H	W/2 SW/4	3-26S-31E	98220
		W/2 W/2	10-26S-31E	

30-015-46507	Thoroughbred 10 3 Federal Com #732H	E/2 W/2 E/2 W/2	3-26S-31E 10-26S-31E	98220
30-015-46904	Thoroughbred 10 3 Federal Com #733H	E/2 E/2	3-26S-31E 10-26S-31E	98220
30-015-46907	Thoroughbred 10 3 Federal Com #734H	E/2 E/2	3-26S-31E 10-26S-31E	98220

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-755**
Operator: **Devon Energy Production Company, LP (6137)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp BLM	W/2 SW/4	3-26S-31E	240	A
	W/2 W/2	10-26S-31E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 089057	W/2 SW/4	3-26S-31E	200	A
	D E L	10-26S-31E		
NMNM 120904	SW/4 SW/4	10-26S-31E	40	A

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 21649

CONDITIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 21649
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/18/2021