



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM134249
3105.2 (P0220)

Reference:
Big Sinks Draw 25 Fed Com 1H
T. 25 S., R. 31 E.,
Section 24: All
Section 25:N2

MAR 11 2015

Eddy County, NM

Devon Energy Corporation
333 W. Sheridan
Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134249 involving 320 acres of Federal land in lease NMLC062300, 320 acres of Federal land in lease NMLC061869, and 320 acres of Federal land in lease NMNM125634 Eddy County, New Mexico, which comprise a 960 acre well spacing unit.

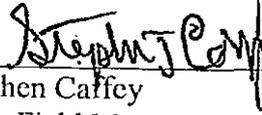
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Section 24: All; Section 25:N2; T. 25 S., R. 31 E., NMPM, and is effective 10/1/13. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

If you have any questions regarding this approval, please contact Edward G. Fernandez Petroleum Engineer at (575) 234-2220.

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

Sincerely,



Stephen Caffey
Asst. Field Mgr.
Authorized Officer

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering Section 24: All; Section 25:N2; T. 25 S., R. 31 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



Stephen Caffey
Asst. Field Mgr.
Authorized Officer

Effective: 10/1/13

Contract No.: Com. Agr. NM134249



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BUREAU OF LAND MANAGEMENT

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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM134249
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134249

RECEIVED OGD
2015 MAR 23 P 2:29

Date of Completion: 4/30/14
Date of First Production: 4/30/14
Field: WC-015 G-05 S263125N
Operator, Well Name & No, API Number: Devon; Big Sinks Draw 25 Fed Com 1H; 30-015-41548
Surface Location: sec. 25, T. 25 S., R. 31 E.
Total Depth: 18,027 MD; 10,364 TVD
Surface Elevation: 3,341GL
Producing Formation: Bone Spring 2nd (10,885 – 17,965)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 618 BBL; Gas 1,522 MCF; Water 1,125 BBL
Current Status: Producing Oil Well
Remarks: CA NM134249, effective 10/1/13, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath all of sec. 24, & the N2 of sec. 25, T. 25 S., R. 31 E., NMPM, and comprises 320 acres of Federal land in lease NMLC062300, 320 acres of Federal land in lease NMLC061869, and 320 acres of Federal land in lease NMNM125634 for a 960 acre spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Arthur Morrison at ajmorrison@blm.gov.

/S/ Arthur Morrison
3/11/15

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