



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



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2016 DEC 19 P 2:15

IN REPLY REFER TO:
NM136568
3105.2 (P0220)

Reference:

Stray Cat 8 Federal Com 1H
T. 23 S., R. 32 E.,
Sec. 8: W2W2
Lea County, NM

12/12/2016

Devon Energy Corporation
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5015

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136568 involving 80 acres of Federal land in lease NMNM18848 and 80 acres of Federal land in lease NMNM98826, Lea County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath T. 23 S., R. 32 E., W2W2 of Sec. 8, NMPM, and is effective 06/24/2016. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed here to.

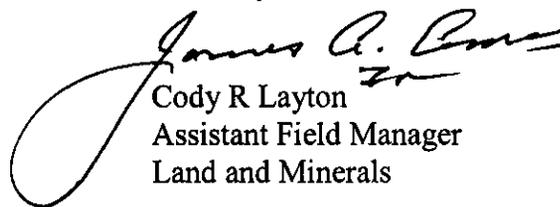
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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

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

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

Sincerely,



Cody R Layton
Assistant Field Manager
Land and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

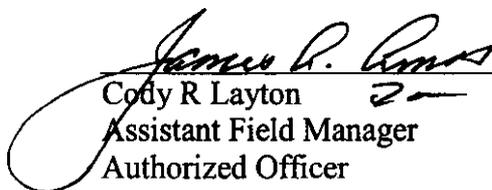
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

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

- B. Approve the attached Communitization Agreement covering T. 23 S., R. 32 E., W2W2 of sec. 8, NMPM, as to all producible hydrocarbons from the Bone spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

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

Approved: 12/12/2016


Cody R Layton
Assistant Field Manager
Authorized Officer

Effective: 06/24/2016

Contract No.: Com. Agr. NM136568



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM136568
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM136568

Date of Completion:	10/21/2016
Date of First Production:	10/21/2016
Field:	Sand Dunes
Operator, Well Name & No, API Number:	Devon Energy; Stray Cat 8 Fed Com 1H; 30-025-42982
Surface Location:	SWSW, sec.8, T. 23 S., R. 32 E.
Bottom Location:	NWNW, sec. 8, T. 23 S., R. 32 E.
Total Depth:	15,203 MD; 10,724 TVD
Surface Elevation:	3,593 GL
Producing Formation:	Bone Spring (10,602 – 14,987)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 1289 BBL; Gas 1561 MCF; Water 869 BBL
Current Status:	Producing Oil Well

Remarks: CA NM136568, effective 06/24/2016, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 8: W2W2, T. 23 S., R. 32 E., NMPM, and comprises 80 acres of Federal land in lease NMNM18848 and 80 acres of Federal land in lease NMNM98826 for a 160 acre spacing unit, whose leases are held by actual production.

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

/S/ Deborah Ham
12/12/2016

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