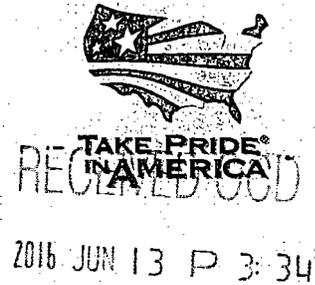




## United States Department of the Interior

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:  
NM135905  
3105.2 (P0220)

Reference:

Mizar 11 Fed Com 1H 06/06/2016  
T. 19 S., R. 31 E.,  
Sec. 11: N2  
Eddy County, NM

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135905 involving 160 acres of Federal land in lease NMNM99039, 80 acres of Federal land in lease NMNM130869 and 80 acres of Federal land in lease NMNM23002, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath T. 19 S., R. 31 E., N2 of Sec. 11, NMPM, and is effective 07/01/2014. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed here to. This agreement is to replace the existing communitization agreement NM134540 in order to solve drainage issues. Therefore when CA NM134540 is terminated, you will be required to resubmit all production to the new agreement, NM135905.

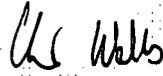
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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 Edward G. Fernandez Petroleum Engineer at (575) 234-2220 or Deborah Ham at (575) 234-5965.

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

Sincerely,



For James A. Amos  
Acting Assistant Field Manager  
Land and Minerals

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 T. 19 S., R. 31 E., N2 of sec. 11, 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:

*for*   
\_\_\_\_\_  
James A. Amos  
Acting Assistant Field Manager  
Authorized Officer

Effective: 07/01/2014

Contract No.: Com. Agr. NM135950



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene  
Carlsbad, New Mexico 88220-6292  
www.nm.blm.gov



In Reply Refer to  
NM135905  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM135905

Date of Completion:	12/25/2014
Date of First Production:	12/25/2014
Field:	Greenwood
Operator, Well Name & No, API Number:	Devon Energy; Mizar 11 Fed Com 1H; 30-015-41964
Surface Location:	NWNW, sec.11, T. 19 S., R. 31 E.
Bottom Location:	NENE, sec. 11, T. 19 S., R. 31 E.
Total Depth:	13,623 MD; 9,005 TVD
Surface Elevation:	3,597 GL
Producing Formation:	Bone Spring (9,181 – 13,566)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 334 BBL; Gas 239 MCF; Water 1333 BBL
Current Status:	Producing Oil Well

Remarks: CA NM135905, effective 07/01/14, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 11: N2, T. 19 S., R. 31 E., NMPM, and comprises 160 acres of Federal land in lease NMNM99039, 80 acres of Federal land in lease NMNM130869 and 80 acres of Federal land in lease NMNM23002 for a 320 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  
06/06/2016

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