



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico

IN REPLY REFER TO:

NMNM138944
3105.2 (P0220)

SEP 23 2018 11:45 AM

SEP 24 2018

30-025-44601

Reference:
Communitization Agreement
Stray Cat 8-5 Fed Com #214H
Section 08: E2E2
Section 05: Lot 1, SENE, E2SE
T. 23 S., R. 32 E., N.M.P.M.
Lea County, NM

Devon Energy Production Company, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5015

To Whom it May Concern:

Enclosed is an approved copy of Communitization Agreement NMNM 138944 involving 80 acres of Federal land in lease NMNM 98826, 80 acres of Federal land in lease NMNM 18848, 80 acres of Federal land in lease NMNM 62223, and 79.49 acres of Federal land in lease NMNM 126065, Lea County, New Mexico, which comprise a 319.49 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Lot 1, SENE, E2SE of Sec. 05, and E2E2 of Sec. 08, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective July 1, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

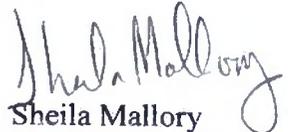
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

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

Sincerely,


Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (9200)
NM (P0220-CFO, File Room)
NMSO (NM925, File)

Determination - Approval - Certification

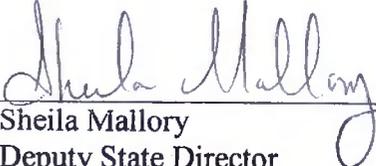
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 Lot 1, SENE,E2SE of sec. 05 and E2E2 of sec. 08, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

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

Approved: **SEP 24 2018**



Sheila Mallory
Deputy State Director
Division of Minerals

Effective: July 1, 2018

Contract No.: Com. Agr. NMNM138944