



United States Department of the Interior



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

MAR 31 2021

In Reply Refer To:
NMNM141670
3105.2 (NM920)

Reference:
Communitization Agreement
Chincoteague 8 5 Fed Com 231H
Section 5: Lot 4, SWNW, W2SW
Section 8: W2NW
T. 25 S., R. 32 E., N.M.P.M.
Lea County, NM

Devon Energy Production Co. L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM141670 involving 160.53 acres of Federal land in lease NMLC 061863A, and 80 acres of Federal land in lease NMLC 061873B, Lea County, New Mexico, which comprise a 240.53 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Lot 4, SWNW, W2SW of Sec. 05 and W2NW of Sec. 08, T. 25 S., R. 32 E., NMPM, Lea County, NM, and is effective March 12, 2019. 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 Elizabeth Rivera at (505) 954-2162.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Sheila Mallory".

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)

NM State Land Commissioner

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.

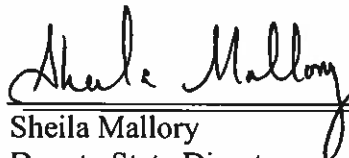
- B. Approve the attached Communitization Agreement covering Lot 4, SWNW, W2SW of Sec. 05 and W2NW of Sec. 08, T. 25 S., R. 32 E., NMPM, Lea County, NM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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:

MAR 31 2021



Sheila Mallory
Deputy State Director
Division of Minerals

Effective: March 12, 2019

Contract No.: Com. Agr. NMNM141670



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Peggy Buller
(405) 552-3623

BLM-NMSO
FEB:25:2020 13:11:45
RECEIVED

NM NM
141670

February 24, 2020

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

RE: Federal Communitization Agreements:

Section 5-25S-32E: Lot 4, SW/4 NW/4, W/2 SW/4
Section 8-25S-32E: W/2 NW/4
Lea County, New Mexico
Chincoteague 8 5 Fed Com 231H (API 3002545699)

Section 5-25S-32E: Lot 3, SE/4 NW/4, E/2 SW/4
Section 8-25S-32E: E/2 NW/4
Lea County, New Mexico
Chincoteague 8 5 Fed Com 232H (API 3002545700)

Section 5-25S-32E: Lot 2, SW/4 NE/4, W/2 SE/4
Section 8-25S-32E: W/2 NE/4
Lea County, New Mexico
Chincoteague 8 5 Fed Com 233H (API 3002545701)

Section 5-25S-32E: Lots 3 & 4, S/2 NW/4, SW/4
Section 8-25S-32E: NW/4
Lea County, New Mexico
Chincoteague 8 5 Fed Com 521H (API 3002546438)

To Whom It May Concern:

Please find enclosed one (1) original and three (3) copies of the Federal Communitization Agreements covering the lands described above and the Chincoteague 8 5 Fed Com 231H, Chincoteague 8 5 Fed Com 232H, and Chincoteague 8 5 Fed Com 233H, and four (4) copies of the Federal Communitization Agreement covering the lands covering the Chincoteague 8 5 Fed Com 521H. These agreements were originally submitted as one agreement covering all lands; however, the original CA was rejected and returned to Devon. Per our January 23, 2020 phone conversation, the original signature pages submitted with the original CA are attached to the revised CA with three copies. Four original signature pages were submitted with the original

CA; however, only three originals were returned so the CA covering the Chincoteague 8 5 Fed Com 521H contains four copies.

Once approved, please forward the Agreement to the undersigned at the letterhead address. If you have any questions regarding this matter, please contact the undersigned by phone at (405) 552-3623 or by e-mail at peggy.buller@devon.com.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Peggy Buller
Land Analysis Professional

Enclosures

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 Bravo 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

HOBBES OCD
JAN 06 2020
RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-45699		Pool Code 97899	Pool Name WC-025 G-06 S253206M; BONE SPRING
Property Code 325131	Property Name CHINCOTEAGUE 8-5 FED COM		Well Number 231H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		Elevation 3437.9

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	25 S	32 E		2470	NORTH	895	WEST	LEA

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
4	5	25 S	32 E		22	NORTH	914	WEST	LEA

Dedicated Acres 240	Joint or Infill	Consolidation Code	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.

<p>" OPERATOR CERTIFICATION</p> <p>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 undivided 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.</p> <p><i>Jenny Harms</i> 12-30-2019 Signature Date JENNY HARMS Printed Name JENNY.HARMS@DVN.COM E-mail Address</p>		<p>"SURVEYOR CERTIFICATION</p> <p>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.</p> <p>OCTOBER 16, 2018 Date of Survey Signature and Seal of Professional Surveyor: Certificate Number: 12797 PROFESSIONAL SURVEYOR NO. 6605</p>	
<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) USED IN NEW MEXICO STATE PLANS. EAST COORDINATES ARE GRID (NAD83) BASED ON BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES ADJUSTED TO THE SURFACE. VERTICAL DATUM NAVD83.</p> <p>CHINCOTEAGUE 8-5 FED COM 231H ELEV. = 3437.9 LAT. = 32.1453073N (NAD83) LONG. = 103.7029134W NMSP EAST (FT) N = 417189.43 E = 736453.05</p>			

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised August 1, 2011

Submit one copy to appropriate District Office

☒ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Devon Energy Production Company, L.P. 333 West Sheridan, Oklahoma City, OK 73102		² OGRID Number 6137
⁴ API Number 30-025-45699		³ Reason for Filing Code/ Effective Date NW / 11/18/19
⁵ Pool Name WC-025 G-06 S253206M, BONESPRING	⁶ Pool Code 97899	
⁷ Property Code 325131	⁸ Property Name CHINCOTEAGUE 8 5 FEDERAL COM	
⁹ Well Number 231H		

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	25S	32E		2470	North	895	West	LEA

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	5	25S	32E	22		North	914	West	LEA
¹¹ Lee Code F	¹² Producing Method Code F	¹³ Gas Connection Date 11/18/19	¹⁴ C-129 Permit Number	¹⁵ C-129 Effective Date	¹⁶ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁷ Transporter OGRID	¹⁸ Transporter Name and Address	¹⁹ O/G/W
036785	DCP Midstream P.O. Box 50020 Midland, TX 79710-0020	Gas
320009	EnLink Midstream Operating, LP 2501 Cedar Springs Road, Suite 100, Dallas, TX 75201	Oil
051618	Enterprise Field Services, LLC P.O. Box 4324 Houston, TX 77210-4324	Gas
371960	Lucid Energy Delaware, LLC 3100 McKinnon St., Ste. 800, Dallas, TX 75201	Gas

IV. Well Completion Data

²⁰ Spud Date 6/10/19	²¹ Ready Date 11/18/19	²² TD 17962	²³ PBTD 17864	²⁴ Perforations 10390 - 17853	²⁵ DHC, MC
²⁶ Hole Size	²⁷ Casing & Tubing Size	²⁸ Depth Set	²⁹ Sacks Cement		
17-1/2"	13-3/8"	822	899		
12 - 1/4"	9-5/8"	4634			
8 - 3/4"	5 - 1/2"	10442	2094		
8 - 1/2"	5 - 1/2"	17867			

V. Well Test Data

Tubing: NOT SET

³⁰ Date New Oil 11/18/19	³¹ Gas Delivery Date 11/18/19	³² Test Date 12/6/19	³³ Test Length 24 hrs	³⁴ Tbg. Pressure 0 psi	³⁵ Ctg. Pressure 0 psi
³⁶ Choke Size	³⁷ Oil	³⁸ Water	³⁹ Gas	⁴⁰ Test Method	
	2710 bbl	3457 bbl	4732 mcf		

* I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Jenny Harms

Title:

Regulatory Analyst

E-mail Address:

Jenny.Harms@dm.com

Date:

1/3/2020

Phone:

405-552-6560

Approved by:

Title:

L.M.

Approval Date:

1/15/2020

OIL CONSERVATION DIVISION

HOBBS OCD

JAN 06 2020

RECEIVED

Federal Communitization Agreement

Contract No. NMNM141670

THIS AGREEMENT entered into as of the 12 day of March, 2019, 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 5: Lot 4, SW/4 NW/4, W/2 SW/4
Section 8: W/2 NW/4

Township 25 South, Range 32 East, Lea County, New Mexico

Containing **240.53** 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.

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., 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 12, 2019, 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

11/22/2019
Date

By: Catherine Lebsack
Catherine Lebsack, Vice President

ML

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A., Inc.

Date

By: _____
Title: _____

ACKNOWLEDGEMENT

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.

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Devon Energy Production Company, L.P.
Operator

Date

By: _____
Catherine Lebsack, Vice President

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A. Inc.

12-9-2019
Date

By: K.R. McNally
Title: Attorney-in-Fact

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me this 12th day of NOVEMBER, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.



Lisa Othon
Notary Public in and for the State of Oklahoma

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me this ____ day of _____, 2019, by, _____, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT

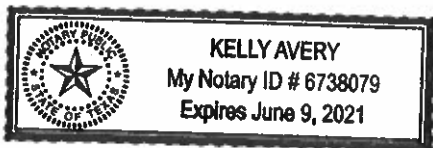
STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me this ____ day of _____, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., a Oklahoma limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Oklahoma

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me this 9 day of December, 2019, by K.R. McNelly, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



Kelly Avery
Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering **240.53** acres in Lot 4, SW/4 NW/4, W/2, SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 South, Range 32 East, Lea County, New Mexico

Well Name/No.

Tract 1 USA NMLC 0061863A 160.53 Acres	
Tract 2 USA NMLC 061873B 80 Acres	

EXHIBIT "B"

To Communitization Agreement Dated March 12, 2019 embracing the following described land in Lot 4, SW/4 NW/4, W/2 SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 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:	USA NMLC 061863A
Description of Land Committed:	Township 25 South, Range 32 East, Lea County, NM Section 5: Lot 4, SW/4 NW/4, W/2 SW/4
Number of Acres:	160.53
Record Title Owner – Lessee:	Devon Energy Production Company, L.P. – 50.00% Chevron U.S.A., Inc. – 50.00%
Name of Working Interest Owners:	Devon Energy Production Company, L.P. – 100.00%

Tract No. 2

Lease Serial Number:	USA NMLC 061873B
Description of Land Committed:	Township 25 South, Range 32 East, Lea County, NM Section 8: W/2 NW/4
Number of Acres:	80

Record Title Owner – Lessee: Devon Energy Production Company, L.P. – 50.00%
Chevron U.S.A., Inc. – 50.00%

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.53	66.740116%
2	<u>80.00</u>	<u>33.259884%</u>
Total	240.53	100.0000%

Federal Communitization Agreement

Contract No. NMNM141670

THIS AGREEMENT entered into as of the 12 day of March, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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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:

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Section 5: Lot 4, SW/4 NW/4, W/2 SW/4

Section 8: W/2 NW/4

Township 25 South, Range 32 East, Lea County, New Mexico

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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., 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 12, 2019, 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

11/22/2011
Date

By: Catherine Lebsack
Catherine Lebsack, Vice President

ML

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A., Inc.

Date

By: _____
Title: _____

ACKNOWLEDGEMENT

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

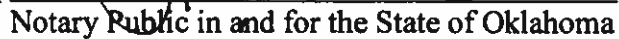
**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A. Inc.

12-9-2019
Date

By: K.R. McNally
Title: Attorney-in-Fact

This instrument was acknowledged before me this 17 day of NOVEMBER, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.



This instrument was acknowledged before me this ____ day of _____, 2019, by, _____, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT

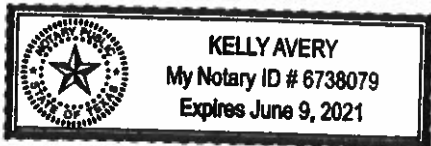
STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me this ____ day of _____, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., a Oklahoma limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Oklahoma

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me this 9 day of December, 2019, by, K.R. McNelly, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



Kelly Avery
Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering **240.53** acres in Lot 4, SW/4 NW/4, W/2, SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 South, Range 32 East, Lea County, New Mexico

Well Name/No.

Tract 1 USA NMLC 0061863A 160.53 Acres	
Tract 2 USA NMLC 061873B 80 Acres	

EXHIBIT "B"

To Communitization Agreement Dated March 12, 2019 embracing the following described land in Lot 4, SW/4 NW/4, W/2 SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 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: USA NMLC 061863A

Description of Land Committed: Township 25 South, Range 32 East,
Lea County, NM
Section 5: Lot 4, SW/4 NW/4, W/2 SW/4

Number of Acres: 160.53

Record Title Owner – Lessee: Devon Energy Production Company, L.P. – 50.00%
Chevron U.S.A., Inc. – 50.00%

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

Tract No. 2

Lease Serial Number: USA NMLC 061873B

Description of Land Committed: Township 25 South, Range 32 East,
Lea County, NM
Section 8: W/2 NW/4

Number of Acres: 80

Record Title Owner – Lessee: Devon Energy Production Company, L.P. – 50.00%
Chevron U.S.A., Inc. – 50.00%

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.53	66.740116%
2	<u>80.00</u>	<u>33.259884%</u>
Total	240.53	100.0000%

Federal Communitization Agreement

Contract No. NMNM141670

THIS AGREEMENT entered into as of the 12 day of March, 2019, 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 5: Lot 4, SW/4 NW/4, W/2 SW/4

Section 8: W/2 NW/4

Township 25 South, Range 32 East, Lea County, New Mexico

Containing **240.53** 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.

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., 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 12, 2019, 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

11/22/2011
Date

By: Catherine Lebsack
Catherine Lebsack, Vice President

MT

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A., Inc.

Date

By: _____
Title: _____

ACKNOWLEDGEMENT

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

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A. Inc.

12-9-2019
Date

By: K.R. McNally
Title: Attorney-in-Fact

This instrument was acknowledged before me this 17 day of NOVEMBER, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.



This instrument was acknowledged before me this ____ day of _____, 2019, by, _____, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Devon - Internal

ACKNOWLEDGEMENT

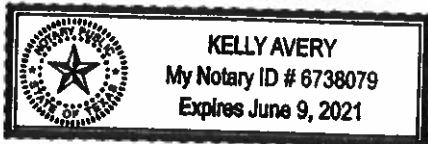
STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me this ____ day of _____, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., a Oklahoma limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Oklahoma

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me this 9 day of December, 2019, by, K.R. McNelly, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



Kelly Avery
Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering **240.53** acres in Lot 4, SW/4 NW/4, W/2, SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 South, Range 32 East, Lea County, New Mexico

Well Name/No.

Tract 1 USA NMLC 0061863A 160.53 Acres	
Tract 2 USA NMLC 061873B 80 Acres	

EXHIBIT "B"

To Communitization Agreement Dated March 12, 2019 embracing the following described land in Lot 4, SW/4 NW/4, W/2 SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 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: USA NMLC 061863A

Description of Land Committed: Township 25 South, Range 32 East,
Lea County, NM
Section 5: Lot 4, SW/4 NW/4, W/2 SW/4

Number of Acres: 160.53

Record Title Owner – Lessee: Devon Energy Production Company, L.P. – 50.00%
Chevron U.S.A., Inc. – 50.00%

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

Tract No. 2

Lease Serial Number: USA NMLC 061873B

Description of Land Committed: Township 25 South, Range 32 East,
Lea County, NM
Section 8: W/2 NW/4

Number of Acres: 80

Record Title Owner – Lessee: Devon Energy Production Company, L.P. – 50.00%
Chevron U.S.A., Inc. – 50.00%

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.53	66.740116%
2	<u>80.00</u>	<u>33.259884%</u>
Total	240.53	100.0000%

Federal Communitization Agreement

Contract No. NmNM141670

THIS AGREEMENT entered into as of the 12 day of March, 2019, 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 5: Lot 4, SW/4 NW/4, W/2 SW/4
Section 8: W/2 NW/4

Township 25 South, Range 32 East, Lea County, New Mexico

Containing **240.53** 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.

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., 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 12, 2019, 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

11/22/2011
Date

By: Catherine Lebsack
Catherine Lebsack, Vice President

ML

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A., Inc.

Date

By: _____
Title: _____

ACKNOWLEDGEMENT

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.

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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

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Chevron U.S.A. Inc.

12-9-2019
Date

By: K.R. McNally
Title: Attorney-in-Fact

This instrument was acknowledged before me this 15 day of NOVEMBER, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.



This instrument was acknowledged before me this ____ day of _____, 2019, by, _____, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT

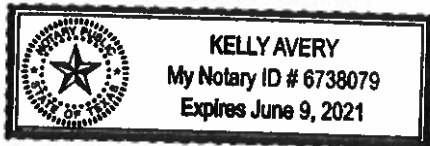
STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me this ____ day of _____, 2019, by Catherine Lebsack, Vice President for Devon Energy Production Company, L.P., a Oklahoma limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Oklahoma

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me this 9 day of December, 2019, by, K.R. McNelly, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



Kelly Avery
Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering **240.53** acres in Lot 4, SW/4 NW/4, W/2, SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 South, Range 32 East, Lea County, New Mexico

Well Name/No.

Tract 1 USA NMLC 0061863A 160.53 Acres	
Tract 2 USA NMLC 061873B 80 Acres	

EXHIBIT "B"

To Communitization Agreement Dated March 12, 2019 embracing the following described land in Lot 4, SW/4 NW/4, W/2 SW/4 of Section 5 & the W/2 NW/4 of Section 8, Township 25 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:	USA NMLC 061863A
Description of Land Committed:	Township 25 South, Range 32 East, Lea County, NM Section 5: Lot 4, SW/4 NW/4, W/2 SW/4
Number of Acres:	160.53
Record Title Owner – Lessee:	Devon Energy Production Company, L.P. – 50.00% Chevron U.S.A., Inc. – 50.00%
Name of Working Interest Owners:	Devon Energy Production Company, L.P. – 100.00%

Tract No. 2

Lease Serial Number:	USA NMLC 061873B
Description of Land Committed:	Township 25 South, Range 32 East, Lea County, NM Section 8: W/2 NW/4
Number of Acres:	80

Record Title Owner – Lessee: Devon Energy Production Company, L.P. – 50.00%
Chevron U.S.A., Inc. – 50.00%

Name of Working Interest Owners: Devon Energy Production Company, L.P. – 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.53	66.740116%
2	<u>80.00</u>	<u>33.259884%</u>
Total	240.53	100.0000%