



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5010  
Phone (405) 228-4800

April 28, 2021

Dean McClure  
Petroleum Specialist  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive Santa Fe, New Mexico 87505  
(505) 476-3471

**Re: Central Tank Battery: Billiken 6 CTB 1**  
**Sec.-T-R: 6-26S-35E**  
**County: Lea Co., New Mexico**  
**Wells: Billiken 6-18 Fed Com 5H, Billiken 6-18 Fed Com 6H, Billiken 6-18 Fed Com 10H**  
**Lease: NMNM125401 (12.5%), NMNM115000 (12.5%), NMNM13647 (12.5%), NMNM104706 (12.5%)**  
**Agreements: Bone Spring CA Pending, Wolfcamp CA Pending**  
**Pool: WC-025 G-08 S263412K;BONE SPRING (96672)**  
**WC-025 G-09 S263504N;WOLFCAMP (98117)**

Dear Mr. McClure:

Please find attached the commingle application for the Central Tank Battery of the aforementioned wells. This application is necessary due to multiple pools and multiple Communitization Agreements and Leases.

The working interest, royalty interest and overriding royalty interest owners are identical.

A copy of the submitted Bureau of Land Management application is attached.

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 228-8429.

Sincerely,

Rebecca Deal  
Regulatory Compliance Professional

**Enclosures**

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Devon Energy Production Co., LP **OGRID Number:** 6137  
**Well Name:** Billiken 6-18 Fed Com 5H, 6H, & 10H - See Attached **API:** See Attached  
**Pool:** WC-025 G-08 S263412K, Bone Spring; WC-025 G-09 S263504N, Wolfcamp **Pool Code:** 96672, 98117

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  **Notification and/or concurrent approval by BLM**  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

**Rebecca Deal**  
 \_\_\_\_\_  
 Print or Type  
 Name  
  
 \_\_\_\_\_  
 Signature

**4/28/2021**  
 \_\_\_\_\_  
**405-228-8429**  
 \_\_\_\_\_  
 Phone Number  
**Rebecca.deal@divn.com**  
 \_\_\_\_\_  
 e-mail Address

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-47563 (Multiple)
5. Indicate Type of Lease STATE [ ] FEE [ ]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Billiken 6-18 Fed Com
8. Well Number 5H (Multiple)
9. OGRID Number 6137
10. Pool name or Wildcat WC-025 G-08 S263412K;BONE SPRING
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3466.9'

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [x] Gas Well [ ] Other [ ]
2. Name of Operator Devon Energy Production Co. LP
3. Address of Operator 333 W. Sheridan Ave OKC, OK 73102
4. Well Location Unit Letter D : 311 feet from the North line and 578 feet from the West line
Section 6 Township 26S Range 35E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3466.9'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
DOWNHOLE COMMINGLE [ ]
CLOSED-LOOP SYSTEM [ ]
OTHER: Surface Commingle [x]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
OTHER: [ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy respectfully requests approval for Lease/Pool Commingling at the Billiken 6 CTB 1. This application is necessary due to multiple pools and Communitization Agreements & Lease. The working interest, royalty interest and overriding royalty interest owners are identical.

Please find the included commingle application for the Central Tank Battery of the Billiken 6-18 Fed Com 5H, Billiken 6-18 Fed Com 6H, Billiken 6-18 Fed Com 10H wells.

Spud Date: [ ]

Rig Release Date: [ ]

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rebecca Deal TITLE Regulatory Analyst DATE 4/28/2021

Type or print name Rebecca Deal E-mail address: rebecca.deal@dvn.com PHONE: 405-228-8429
For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

**APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE**

Per 43 CFR 3173.14 (a)(1)(i-iv) - (i) Federal lease, unit PA, or CA, where each lease, unit PA, or CA proposed for commingling has 100 percent Federal mineral interest, the same fixed royalty rate and, and the same revenue distribution

**Proposal for Billiken 6 CTB 1**

Devon Energy Production Company, LP is requesting approval for a Lease Commingling for the following wells:

<b>NMNM125401 (12.5%), NMNM115000 (12.5%), NMNM13647 (12.5%), NMNM104706 (12.5%)</b> W/2 W/2 of Sec. 6, W/2 W/2 of Sec. 7 and W/2 NW/4 of Sec. 18 Communitization Agreement Pending (405.68acs)				
<b>Well Name</b>	<b>API</b>	<b>Location</b>	<b>Pool</b>	
Billiken 6-18 Fed Com 5H	30-025-47563	6-26S-35E	96672	WC-025 G-08 S263412K;BONE SPRING
<b>NMNM125401 (12.5%), NMNM115000 (12.5%), NMNM13647 (12.5%), NMNM104706 (12.5%)</b> E/2 W/2 of Sec. 6, E/2 W/2 of Sec. 7 and E/2 NW/4 of Sec. 18 Communitization Agreement Pending (400acs)				
<b>Well Name</b>	<b>API</b>	<b>Location</b>	<b>Pool</b>	
Billiken 6-18 Fed Com 10H	30-025-47568	6-26S-35E	96672	WC-025 G-08 S263412K;BONE SPRING
<b>NMNM125401 (12.5%), NMNM115000 (12.5%), NMNM13647 (12.5%), NMNM104706 (12.5%)</b> W/2 of Sec. 6, W/2 of Sec. 7 and NW/4 of Sec. 18 Communitization Agreement Pending (805.68 acs)				
<b>Well Name</b>	<b>API</b>	<b>Location</b>	<b>Pool</b>	
Billiken 6-18 Fed Com 6H	30-025-47564	6-26S-35E	98117	WC-025 G-09 S263504N;WOLFCAMP

**CA:**

Attached is the proposed federal CA allocation method for each lease in the CA. There are three pending Comm Agreements for the Billiken wells as follows:

- W/2 W/2 of Sec. 6, W/2 W/2 of Sec. 7 and W/2 NW/4 of Sec. 18, containing **405.68 acres**, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.
- E/2 W/2 of Sec. 6, E/2 W/2 of Sec. 7 and E/2 NW/4 of Sec. 18, containing **400.00 acres**, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, hereafter referred to as "communitized substances," producible from such formation
- W/2 of Sec. 6, W/2 of Sec. 7 and NW/4 of Sec. 18, containing **805.68 acres**, and this agreement shall include only the **Wolfcamp** Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

**Oil & Gas metering:**

The Billiken 6 CTB 1 central tank battery is in NW/4 of 26S-35E- 6 in Lea County, NM.

Each well flows to its own 3-Phase Separator where the full well stream is separated into independent gas, oil, and water streams.

3-Phase gas flows through an independent and designated orifice meter for rate allocation. The gas then flows into a manifold where it is combined with gas from other 3-Phases. The combined stream flows into the 2-Phase Separator(s) for further conditioning. The conditioned gas stream flows through an orifice meter(s) for Federal Measurement Point/Sales/Royalty Payment.

3-Phase oil flows through an independent and designated Coriolis meter for rate allocation. The oil then flows into a manifold where it is combined with oil from other 3-Phases. The combined stream flows into the Heater Treater(s) and then ULPS(s) for further conditioning and then into one of the oil tanks for storage. The stored oil is pumped into a LACT unit for Federal Measurement Point/Sales/Royalty Payment.

Flash gas from oil conditioning is recovered using compression (VRU). The recovered gas flows through a designated orifice meter for rate allocation.

3-Phase water flows through an independent and designated magnetic meter for rate allocation. The water then flows into a manifold where it is combined with water from other 3-Phases. The combined stream flows into the Gun Barrel(s) for further conditioning and then into one of the water tanks for storage.

The central tank battery has three oil tanks and three water tanks that all wells utilize. All wells have one common gas delivery point(s) on location and one common oil delivery point(s) (LACT) on or directly adjacent to location.

Secondary recovery will utilize recycled or buyback gas for gas lift. The gas is compressed and flows through and individual orifice meter to each wellhead.

Well Name	Individual Meters		
	Gas Allocation	Oil Allocation	Water Allocation
Billiken 6-18 Fed Com 10H	DVN / 390491914	DVN / 4108	DVN / 21046946
Billiken 6-18 Fed Com 6H	DVN / 390491915	DVN / 4067	DVN / 2104940
Billiken 6-18 Fed Com 5H	DVN / 390491916	DVN / 4110	DVN / 2109273
Common Meters			
VRU Allocation	DVN / 390001910		
Gas FMP	LUCID / 14763		
Oil FMP	MARATHON / N5005216000		

Meter Owner / Serial Number:

\* Meter serial numbers to be provided after construction of facility.

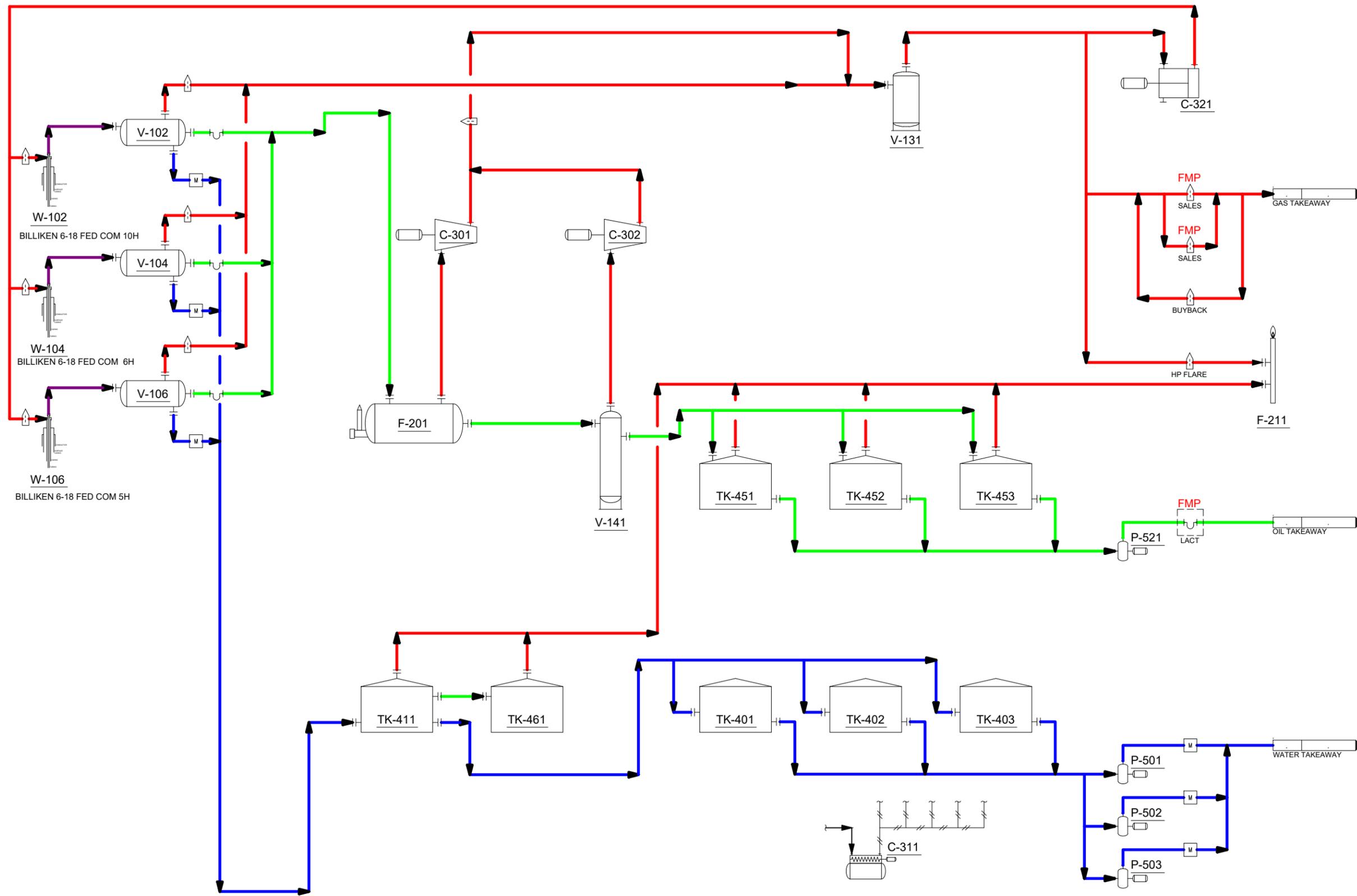
**Process and Flow Descriptions:**

The flow of produced fluids is described above and shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter.

The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners are identical. See enclosed identical ownership letter.



- NOTES:**
- ORIFICE METER
  - CORIOLIS METER
  - MAGNETIC METER
  - GAS
  - OIL
  - WATER
  - FULL WELL STREAM
  - INSTRUMENT AIR
  - FMP FEDERAL MEASUREMENT POINT

REV	DESCRIPTION	DATE	BY	APPROVED

DRAWING STATUS		
ISSUED FOR PHA	DATE	BY
BID		
CONSTRUCTION		
AS-BUILT		

DRAWN BY	DATE
ENGINEERED BY	DATE
APPROVED BY	DATE
PROJECT No.:	
DRAWING No.:	ST-120-01



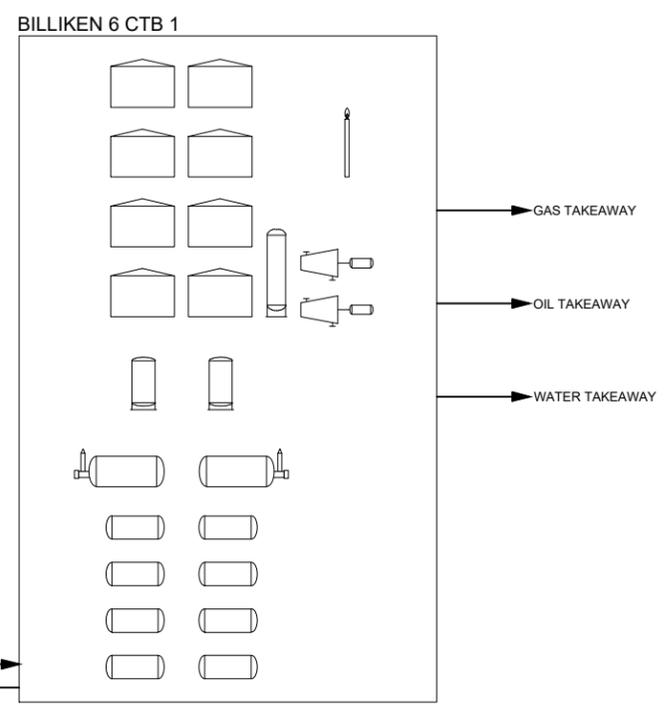
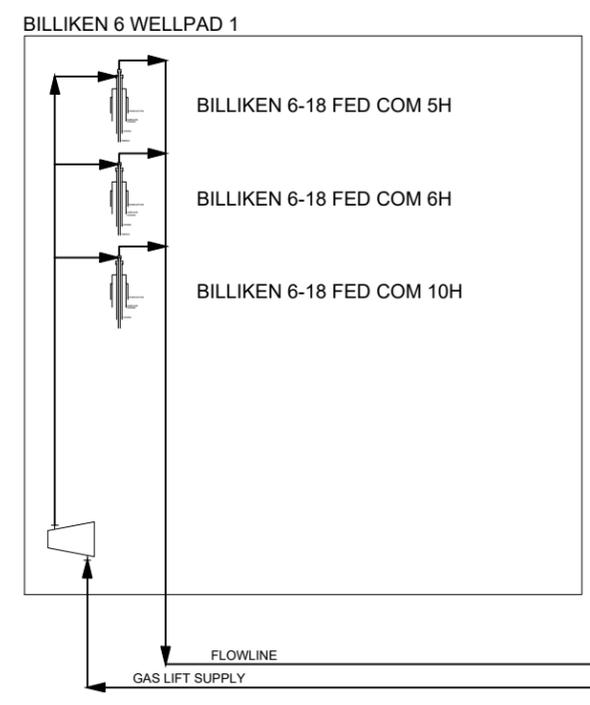
**Devon Energy Corporation**  
 333 West Sheridan Avenue, Oklahoma City, OK 73102-5015  
**DBBU - SPINE DESIGN**  
**STANDARD PROCESS FLOW DIAGRAM**  
 FILE NAME: STD-120-01

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 Page 8 of 59  
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**NOTES:**  
 1. EQUIPMENT AND LAYOUT CONFIGURATIONS ARE ONLY REPRESENTATIVE  
 2. MEASUREMENT POINTS SHOWN IN PROCESS FLOW DIAGRAM

REV	DESCRIPTION	DATE	BY	APPROVED
DRAWING REVISION				

DRAWING STATUS		
ISSUED FOR	DATE	BY
PHA		
BID		
CONSTRUCTION		
AS-BUILT		

DRAWN BY	DATE
ENGINEERED BY	DATE
APPROVED BY	DATE
PROJECT No.:	#####
DRAWING No.:	ST-120-02

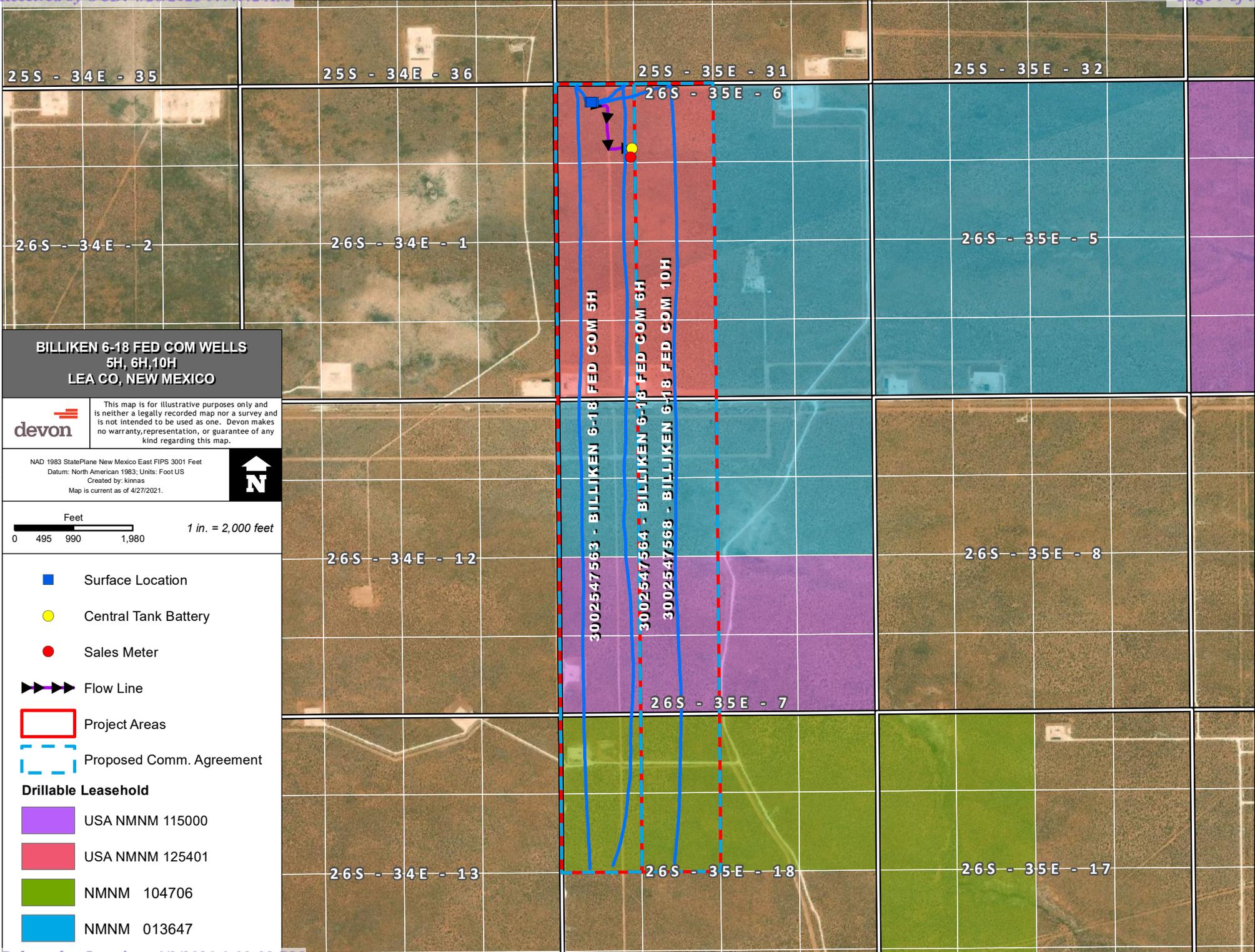


**Devon Energy Corporation**  
 333 West Sheridan Avenue, Oklahoma City, OK 73102-5015

**DBBU - SPINE DESIGN**  
**STANDARD PROCESS MAP**

FILE NAME: STD-120-02

W:\USA\CORPORATE\DATA\ENGINEERING\TECHNOLOGY\DRAWING\U0002 AR\TESIA\NT\IDBBU\DBBU - PRODUCTION FACILITIES - SPINE DESIGN\PI\DATA\SKETCHES\TD-120-02.DWG(3/25/23) 8:35:23 AM  
 PLOT SCALE: 0.5121  
 Printed: 4/8/21







Devon Energy Production Company, L.P. 405 235 3611 Phone  
333 West Sheridan Avenue www.devonenergy.com  
Oklahoma City, OK 73102

April 28, 2021

Mr. Dean McClure  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87504

Re: Billiken 6 CTB 1  
Lea County, New Mexico

Mr. McClure:

Devon Energy Production Company, L.P. (“Devon”) desires to surface commingle the wells listed below in the WC-025 G-08 S263412K; Bone Spring (Pool Code: 96672) and the WC-025 G-09 S263504N; Wolfcamp (Pool Code: 98117). Upon review of the title information and Devon’s records, please be advised that the ownership is identical in these wells.

Well Name	API	Pool
Billiken 6-18 Fed Com 5H	30-025-47563	WC-025 G-08 S263412K; Bone Spring (Pool Code: 96672)
Billiken 6-18 Fed Com 6H	30-025-47564	WC-025 G-09 S263504N; Wolfcamp (Pool Code: 98117)
Billiken 6-18 Fed Com 10H	30-025-47568	WC-025 G-08 S263412K; Bone Spring (Pool Code: 96672)

If you have any questions, please feel free to contact me at (405) 552-6113 or [tim.prout@devon.com](mailto:tim.prout@devon.com).

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout  
Sr. Staff Landman

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**Federal Communitization Agreement**

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of August, 2020, 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:

**TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M.**

**SECTION 06: Lot 1** (f/k/a NW/4 NW/4) (40.11 ac); **Lot 2** (f/k/a SW/4 NW/4) (40.26 ac); **Lot 3** (f/k/a NW/4 SW/4) (40.40 ac); and **Lot 4** (f/k/a SW/4 SW/4) (40.55 ac); **a/d/a W/2 W/2** (cont. 161.32 acres)

**SECTION 07: Lot 1** (f/k/a NW/4 NW/4) (40.64 ac); **Lot 2** (f/k/a SW/4 NW/4) (40.67 ac); **Lot 3** (f/k/a NW/4 SW/4) (40.71 ac); and **Lot 4** (f/k/a SW/4 SW/4) (40.74 ac); **a/d/a W/2 W/2** (cont. 162.76 acres)

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**SECTION 18: Lot 1** (f/k/a NW/4 NW/4) (40.78 ac); and **Lot 2** (f/k/a SW/4 NW/4) (40.82 ac); **a/d/a W/2 NW/4** (81.60 acres)

**Lea County, New Mexico.**

Containing **405.68 acres**, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, 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 included within the CA area are to be paid into the appropriate Unleased Lands 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

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

- 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 August 1, 2020, 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

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

- 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.

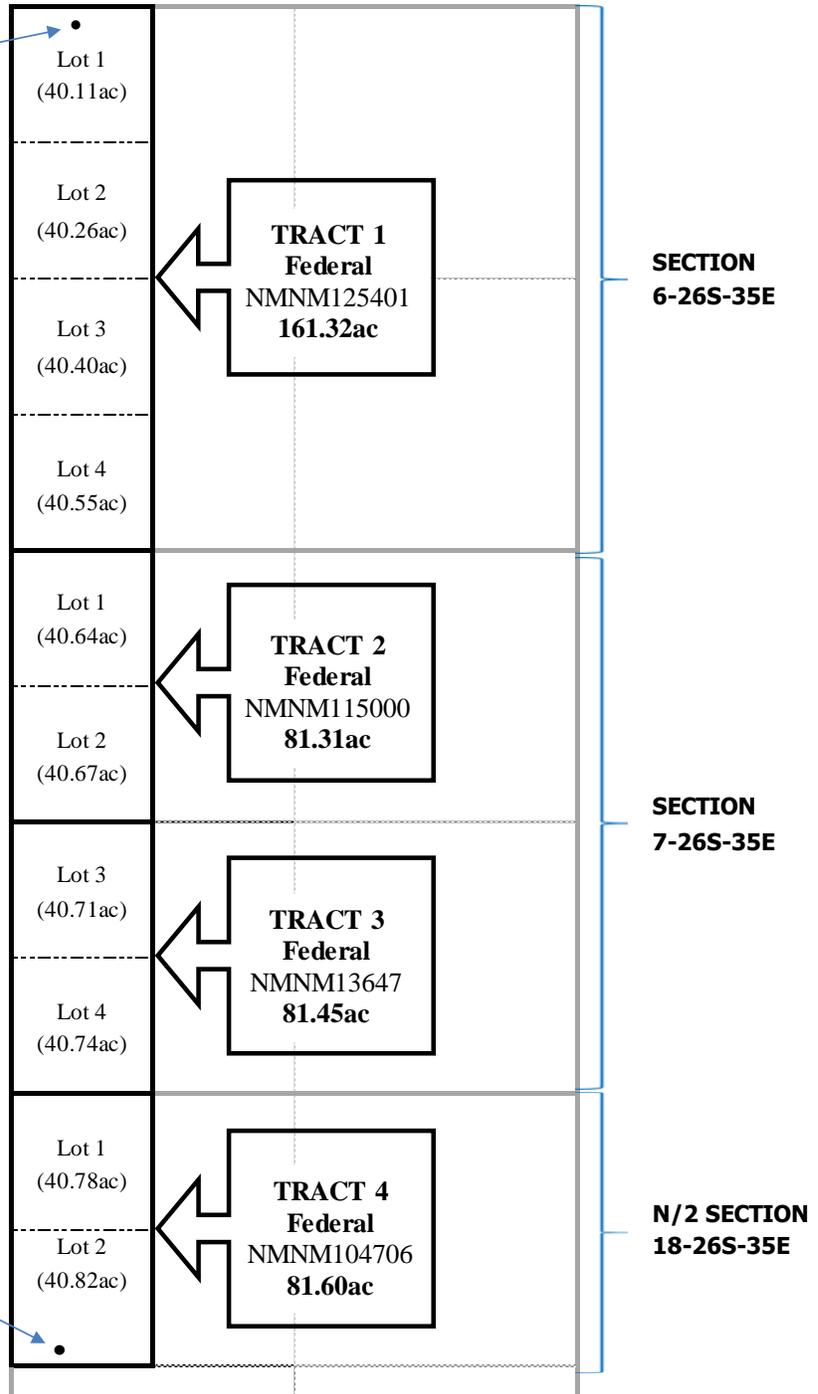
Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

### EXHIBIT "A"

Plat of communitized area covering 405.68 acres in the W/2 W/2 of Section 6, the W/2 W/2 of Section 7 and the W/2 NW/4 of Section 18, all within 26S-35E, N.M.P.M.,  
Lea County, New Mexico.

#### BILLIKEN 6-18 FED COM 5H WELL

Surface Location for  
Billiken 6-18 Fed Com 5H  
(Lot 1 in Section 6-26S-35E)



Bottomhole Location for the  
Billiken 6-18 Fed Com 5H  
(Lot 2 in Section 18-26S-35E)



Communitization Agreement  
 Billiken 6-18 Fed Com 5H Well  
 W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
 Lea County, New Mexico

**Tract No. 2**

Lease Serial Number: **NMNM13647**  
 Effective Date: May 1, 1971  
 Lease Term: 10 years (HBP)  
 Lease Recorded: Not recorded in Lea County, NM  
 Lessor: United States of America  
 Original Lessee: Burton F. Watt and George R. Mayfield  
 Present Lessee: Occidental Permian L.P. 100.0000%

Description of Land Committed: Township 26 South, Range 35 East, N.M.P.M.  
**SECTION 07: Lot 1** (f/k/a NW/4 NW/4) (40.64 ac),  
**and Lot 2** (f/k/a SW/4 NW/4) (40.67 ac)

Number of Gross Acres: 81.31 acres  
 Number of Net Acres: 81.31 acres  
 Interest Covered: 100%  
 Royalty: 12.50%

Working Interest Owners and Interest:

Occidental Permian Limited Partnership	25.0000%
Marathon Oil Permian LLC	75.0000%

ORRI Owner Name and Interest:

Bryan Bell Family LLC	0.1666%
Charmar, LLC	0.0583%
DMA, Inc.	0.0833%
Howard A. Rubin, Inc.	0.0833%
Jerune Allen	0.2500%
Madison M. Hinkle	0.6666%
MerPel, LLC	0.0028%
Morris E. Schertz and wife, Holly K. Schertz, as community property	0.6666%
Pony Oil Operating, LLC	0.0371%
Richard C. Deason	0.0291%
Rolla R. Hinkle III	0.6666%
Ronald H. Mayer and Martha M. Mayer Revocable Trust, dated 3/19/1990 and any amendments	0.0250%
Rubie C. Bell Family Limited Partnership #1	0.0416%
SAP, LLC	0.0250%

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**Tract No. 2, Continued**

ORRI Owner Name and Interest:	TD Minerals LLC	0.0225%
	Thomas D. Deason	0.0291%
	The Unknown Successor Trustee of Robert N. Enfield Revocable Trust dated March 16, 1999	0.1458%

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**Tract No. 3**

Lease Serial Number: **NMNM115000**  
Effective Date: December 1, 2005  
Lease Term: 10 years, extended to 11/30/2017 (HBP)  
Lease Recorded: Not Recorded in Lea County, NM  
Lessor: United States of America  
Original Lessee: Devon Energy Production Company, L.P.  
Present Lessee: Devon Energy Production 50.0000%  
Company, L.P.  
Chevron U.S.A. Inc. 50.0000%

Description of Land Committed: **Township 26 South, Range 35 East, N.M.P.M.**  
**Section 07: Lot 3** (f/k/a NW/4 SW/4) (40.71 ac)  
**and Lot 4** (f/k/a SW/4 SW/4) (40.74 ac)

Number of Gross Acres: 81.45 acres  
Number of Net Acres: 81.45 acres  
Interest Covered: 100%  
Royalty: 12.50%

Working Interest Owners  
and Interest: Devon Energy Production 50.0000%  
Company, L.P.  
Chevron U.S.A. Inc. 50.0000%

ORRI Owner Name and Interest: None

Communitization Agreement  
 Billiken 6-18 Fed Com 5H Well  
 W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
 Lea County, New Mexico

**Tract No. 4**

Lease Serial Number:	<b>NMNM104706</b>	
Effective Date:	June 1, 2000	
Lease Term:	10 years (HBP)	
Lease Recorded:	Not Recorded in Lea County, NM	
Lessor:	United States of America	
Original Lessee:	Yates Petroleum Corporation	4.0000%
	Yates Drilling Company	32.0000%
	Abo Petroleum Corporation	32.0000%
	Myco Industries, Inc.	32.0000%
Present Lessee:	Titus Oil & Gas Production II, LLC	77.0000%
	OXY Y-1 Company	20.0000%
	Sharbro Energy, LLC, formerly Sharbro Oil Ltd. Co.	3.0000%
Description of Land Committed:	<u>Township 26 South, Range 35 East, N.M.P.M.</u> <b>SECTION 18: Lot 1</b> (f/k/a NW/4 NW/4) (40.78 ac); <b>and Lot 2</b> (f/k/a SW/4 NW/4) (40.82 ac); <b>a/d/a</b> <b>W/2 NW/4</b>	
Number of Gross Acres:	81.60 acres	
Number of Net Acres:	81.60 acres	
Interest Covered:	100%	
Royalty:	12.50%	
Working Interest Owners and Interest:	Titus Oil & Gas Production II, LLC	77.0000%
	OXY Y-1 Company	20.0000%
	Sharbro Energy, LLC, formerly Sharbro Oil Ltd. Co.	3.0000%
ORRI Owner Name and Interest:	OXY Y-1 Company	0.9000%

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**RECAPITULATION**

<b>Tract</b>	<b>Type of Lease</b>	<b>No. of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
1	FEDERAL NMNM125401	161.32	39.7653%
2	FEDERAL NMNM13647	81.31	20.0429%
3	FEDERAL NMNM115000	81.45	20.0774%
4	FEDERAL NMNM104706	81.60	20.1144%
<b>Total</b>		<b>405.68</b>	<b>100.0000%</b>

Communitization Agreement  
Billiken 6-18 Fed Com 5H Well  
W/2 W/2 of Section 6, W/2 W/2 of Section 7 and W/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

## **SUMMARY OF OWNERS**

### **Unleased Fee Mineral Owners:**

None

### **Working Interest and/or Leasehold Interest Owners:**

Devon Energy Production Company, L.P.  
Chevron U.S.A. Inc.  
Occidental Permian Limited Partnership  
Marathon Oil Permian LLC  
Titus Oil & Gas Production II, LLC  
OXY Y-1 Company  
Sharbro Energy, LLC, formerly known as Sharbro Oil Ltd. Co.

\* Parties were pooled and subject to the terms and penalties provided under State of New Mexico Department of Energy, Minerals and Natural Resources Oil Conservation Division in Case No. 21334.

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

**Federal Communitization Agreement**

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of August, 2020, 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:

**TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M.**

**SECTION 06:** Lot 1 (f/k/a NW/4 NW/4) (40.11 ac); Lot 2 (f/k/a SW/4 NW/4) (40.26 ac); Lot 3 (f/k/a NW/4 SW/4) (40.40 ac); Lot 4 (f/k/a SW/4 SW/4) (40.55 ac) and E/2 W/2 (160.00 ac); a/d/a W/2 (cont. 321.32 acres)

**SECTION 07:** Lot 1 (f/k/a NW/4 NW/4) (40.64 ac); Lot 2 (f/k/a SW/4 NW/4) (40.67 ac); Lot 3 (f/k/a NW/4 SW/4) (40.71 ac); Lot 4 (f/k/a SW/4 SW/4) (40.74 ac) and E/2 W/2 (160.00 ac); a/d/a W/2 (cont. 322.76 acres)

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

**SECTION 18: Lot 1** (f/k/a NW/4 NW/4) (40.78 ac); **Lot 2** (f/k/a SW/4 NW/4) (40.82 ac); and **E/2 NW/4** (80.00 ac); **a/d/a NW/4** (161.60 acres)

**Lea County, New Mexico.**

Containing **805.68 acres**, and this agreement shall include only the Wolfcamp Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, 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 included within the CA area are to be paid into the appropriate Unleased Lands 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

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

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 August 1, 2020, 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

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

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.

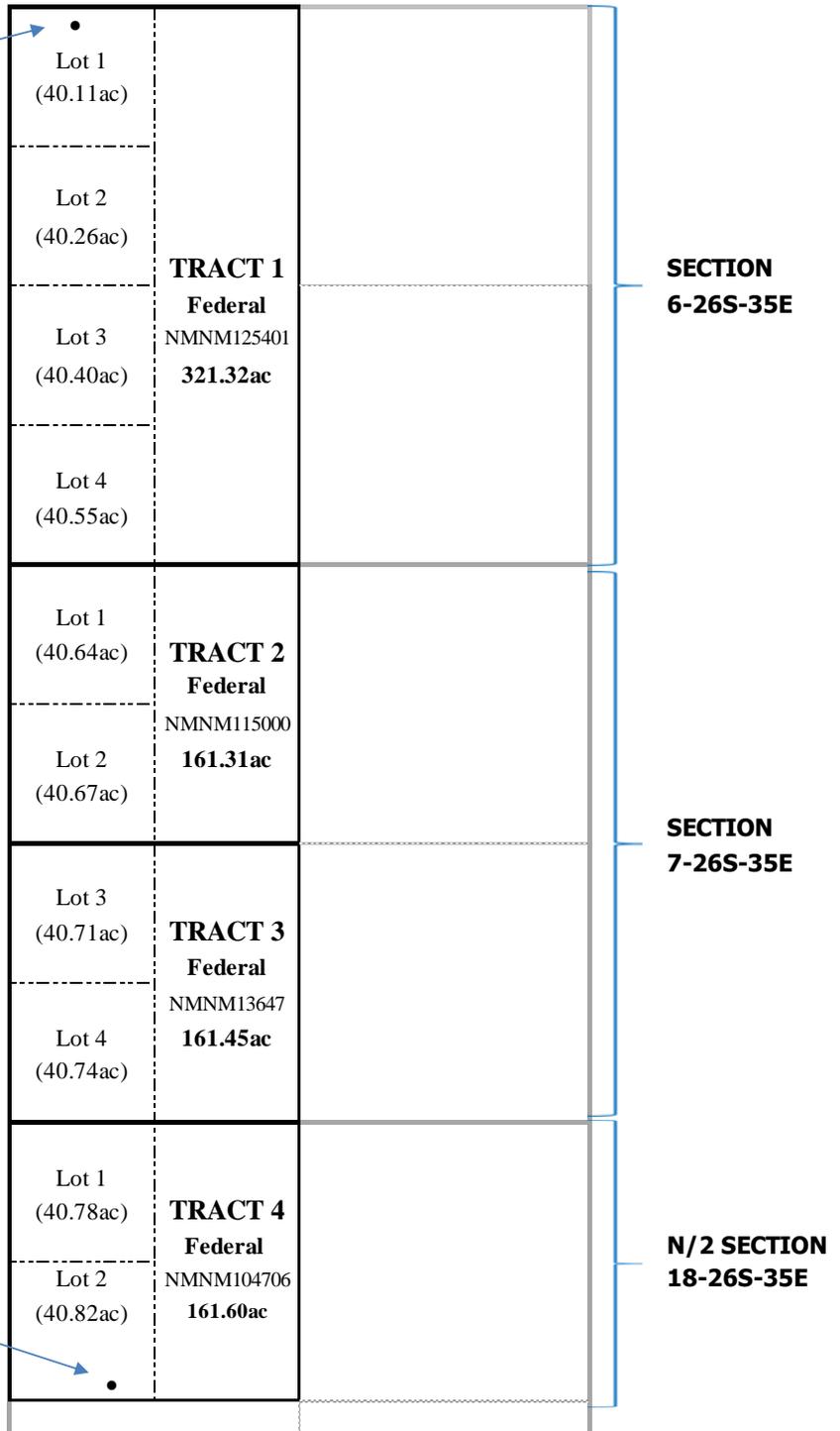
Communitization Agreement  
 Billiken 6-18 Fed Com 6H Well  
 W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

### EXHIBIT "A"

Plat of communitized area covering 805.68 acres in the W/2 of Section 6, the W/2 of Section 7 and the NW/4 of Section 18, all within 26S-35E, N.M.P.M., Lea County, New Mexico.

#### BILLIKEN 6-18 FED COM 6H WELL

Surface Location for  
**Billiken 6-18 Fed Com 6H**  
 (Lot 1 in Section 6-26S-35E)



Bottomhole Location for the  
**Billiken 6-18 Fed Com 6H**  
 (Lot 2 in Section 18-26S-35E)

Communitization Agreement  
 Billiken 6-18 Fed Com 6H Well  
 W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

**EXHIBIT “B”**

To Communitization Agreement dated August 1, 2020, embracing the following described land in the W/2 of Section 6, the W/2 of Section 7 and the NW/4 of Section 18, all within 26S-35E, N.M.P.M., Lea County, New Mexico, cont. 805.68 acres.

Operator of Communitized Area: **Devon Energy Production Company, L.P.**

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

Lease Serial Number:	<b>NMNM125401</b>	
Effective Date:	January 1, 2005	
Lease Term:	10 years, extended to 9/30/2017 (HBP)	
Lease Recorded:	Not recorded in Lea County, NM	
Lessor:	United States of America	
Original Lessee:	Devon Energy Production Company, L.P.	
Present Lessee:	Devon Energy Production	50.0000%
	Company, L.P.	
	Chevron U.S.A. Inc.	50.0000%
Description of Land Committed:	<u>Township 26 South, Range 35 East, N.M.P.M.</u> <b>SECTION 06: Lot 1</b> (f/k/a NW/4 NW/4) (40.11 ac); <b>and Lot 2</b> (f/k/a SW/4 NW/4) (40.26 ac); <b>and Lot 3</b> (f/k/a NW/4 SW/4) (40.40 ac); <b>and Lot 4</b> (f/k/a SW/4 SW/4) (40.55 ac) <b>and E/2 W/2; a/d/a W/2</b>	
Number of Gross Acres:	321.32 acres	
Number of Net Acres:	321.32 acres	
Interest Covered:	100%	
Royalty:	12.50%	
Working Interest Owners And Interest:	Devon Energy Production	50.0000%
	Company, L.P.	
	Chevron U.S.A. Inc.	50.0000%
ORRI Owner Name and Interest:	None	

Communitization Agreement  
 Billiken 6-18 Fed Com 6H Well  
 W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

## Tract No. 2

Lease Serial Number: **NMNM13647**  
 Effective Date: May 1, 1971  
 Lease Term: 10 years (HBP)  
 Lease Recorded: Not recorded in Lea County, NM  
 Lessor: United States of America  
 Original Lessee: Burton F. Watt and George R. Mayfield  
 Present Lessee: Occidental Permian L.P. 100.0000%

Description of Land Committed: Township 26 South, Range 35 East, N.M.P.M.  
**SECTION 07: Lot 1** (f/k/a NW/4 NW/4) (40.64 ac),  
**and Lot 2** (f/k/a SW/4 NW/4) (40.67 ac) **and E/2**  
**NW/4** (80.00 ac)

Number of Gross Acres: 161.31 acres  
 Number of Net Acres: 161.31 acres  
 Interest Covered: 100%  
 Royalty: 12.50%

Working Interest Owners and Interest:

Occidental Permian Limited Partnership		25.0000%
Marathon Oil Permian LLC		75.0000%

ORRI Owner Name and Interest:

Bryan Bell Family LLC		0.1666%
Charmar, LLC		0.0583%
DMA, Inc.		0.0833%
Howard A. Rubin, Inc.		0.0833%
Jerune Allen		0.2500%
Madison M. Hinkle		0.6666%
MerPel, LLC		0.0028%
Morris E. Schertz and wife, Holly K. Schertz, as community property		0.6666%
Pony Oil Operating, LLC		0.0371%
Richard C. Deason		0.0291%
Rolla R. Hinkle III		0.6666%
Ronald H. Mayer and Martha M. Mayer Revocable Trust, dated 3/19/1990 and any amendments		0.0250%
Rubie C. Bell Family Limited Partnership #1		0.0416%
SAP, LLC		0.0250%

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

**Tract No. 2, Continued**

ORRI Owner Name and Interest:	TD Minerals LLC	0.0225%
	Thomas D. Deason	0.0291%
	The Unknown Successor Trustee of Robert N. Enfield Revocable Trust dated March 16, 1999	0.1458%

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

**Tract No. 3**

Lease Serial Number: **NMNM115000**  
Effective Date: December 1, 2005  
Lease Term: 10 years, extended to 11/30/2017 (HBP)  
Lease Recorded: Not Recorded in Lea County, NM  
Lessor: United States of America  
Original Lessee: Devon Energy Production Company, L.P.  
Present Lessee: Devon Energy Production 50.0000%  
Company, L.P.  
Chevron U.S.A. Inc. 50.0000%

Description of Land Committed: Township 26 South, Range 35 East, N.M.P.M.  
**Section 07: Lot 3** (f/k/a NW/4 SW/4) (40.71 ac)  
**and Lot 4** (f/k/a SW/4 SW/4) (40.74 ac) **and E/2 SW/4** (80.00 ac)

Number of Gross Acres: 161.45 acres  
Number of Net Acres: 161.45 acres  
Interest Covered: 100%  
Royalty: 12.50%

Working Interest Owners and Interest: Devon Energy Production 50.0000%  
Company, L.P.  
Chevron U.S.A. Inc. 50.0000%

ORRI Owner Name and Interest: None

Communitization Agreement  
 Billiken 6-18 Fed Com 6H Well  
 W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

**Tract No. 4**

Lease Serial Number:	<b>NMNM104706</b>	
Effective Date:	June 1, 2000	
Lease Term:	10 years (HBP)	
Lease Recorded:	Not Recorded in Lea County, NM	
Lessor:	United States of America	
Original Lessee:	Yates Petroleum Corporation	4.0000%
	Yates Drilling Company	32.0000%
	Abo Petroleum Corporation	32.0000%
	Myco Industries, Inc.	32.0000%
Present Lessee:	Titus Oil & Gas Production II, LLC	77.0000%
	OXY Y-1 Company	20.0000%
	Sharbro Energy, LLC, formerly Sharbro Oil Ltd. Co.	3.0000%
Description of Land Committed:	<u>Township 26 South, Range 35 East, N.M.P.M.</u> <b>SECTION 18: Lot 1</b> (f/k/a NW/4 NW/4) (40.78 ac); <b>Lot 2</b> (f/k/a SW/4 NW/4) (40.82 ac); and <b>E/2 NW/4</b> (80.00 ac); <b>a/d/a NW/4</b> (161.60 acres)	
Number of Gross Acres:	161.60 acres	
Number of Net Acres:	161.60 acres	
Interest Covered:	100%	
Royalty:	12.50%	
Working Interest Owners and Interest:	Titus Oil & Gas Production II, LLC	77.0000%
	OXY Y-1 Company	20.0000%
	Sharbro Energy, LLC, formerly Sharbro Oil Ltd. Co.	3.0000%
ORRI Owner Name and Interest:	OXY Y-1 Company	0.9000%

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

**RECAPITULATION**

<b>Tract</b>	<b>Type of Lease</b>	<b>No. of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
1	FEDERAL NMNM125401	321.32	39.8818%
2	FEDERAL NMNM13647	161.31	20.0216%
3	FEDERAL NMNM115000	161.45	20.0390%
4	FEDERAL NMNM104706	161.60	20.0576%
<b>Total</b>		805.68	100.0000%

Communitization Agreement  
Billiken 6-18 Fed Com 6H Well  
W/2 of Section 6, W/2 of Section 7 and NW/4 of Section 18, all within 26S-35E, Lea County, New Mexico

## **SUMMARY OF OWNERS**

### **Unleased Fee Mineral Owners:**

None

### **Working Interest and/or Leasehold Interest Owners:**

Devon Energy Production Company, L.P.  
Chevron U.S.A. Inc.  
Occidental Permian Limited Partnership  
Marathon Oil Permian LLC  
Titus Oil & Gas Production II, LLC  
OXY Y-1 Company  
Sharbro Energy, LLC, formerly known as Sharbro Oil Ltd. Co.

\* Parties were pooled and subject to the terms and penalties provided under State of New Mexico Department of Energy, Minerals and Natural Resources Oil Conservation Division in Case No. 21335.

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**Federal Communitization Agreement**

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of August, 2020, 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:

**TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M.**

**SECTION 06: E/2 W/2** (cont. 160.00 acres)

**SECTION 07: E/2 W/2** (cont. 160.00 acres)

**SECTION 18: E/2 NW/4** (cont. 80.00 acres)

**Lea County, New Mexico.**

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

- Containing **400.00 acres**, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil, natural gas, and associated hydrocarbons, 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 included within the CA area are to be paid into the appropriate Unleased Lands 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

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

- 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 August 1, 2020, 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-

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

- 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.

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

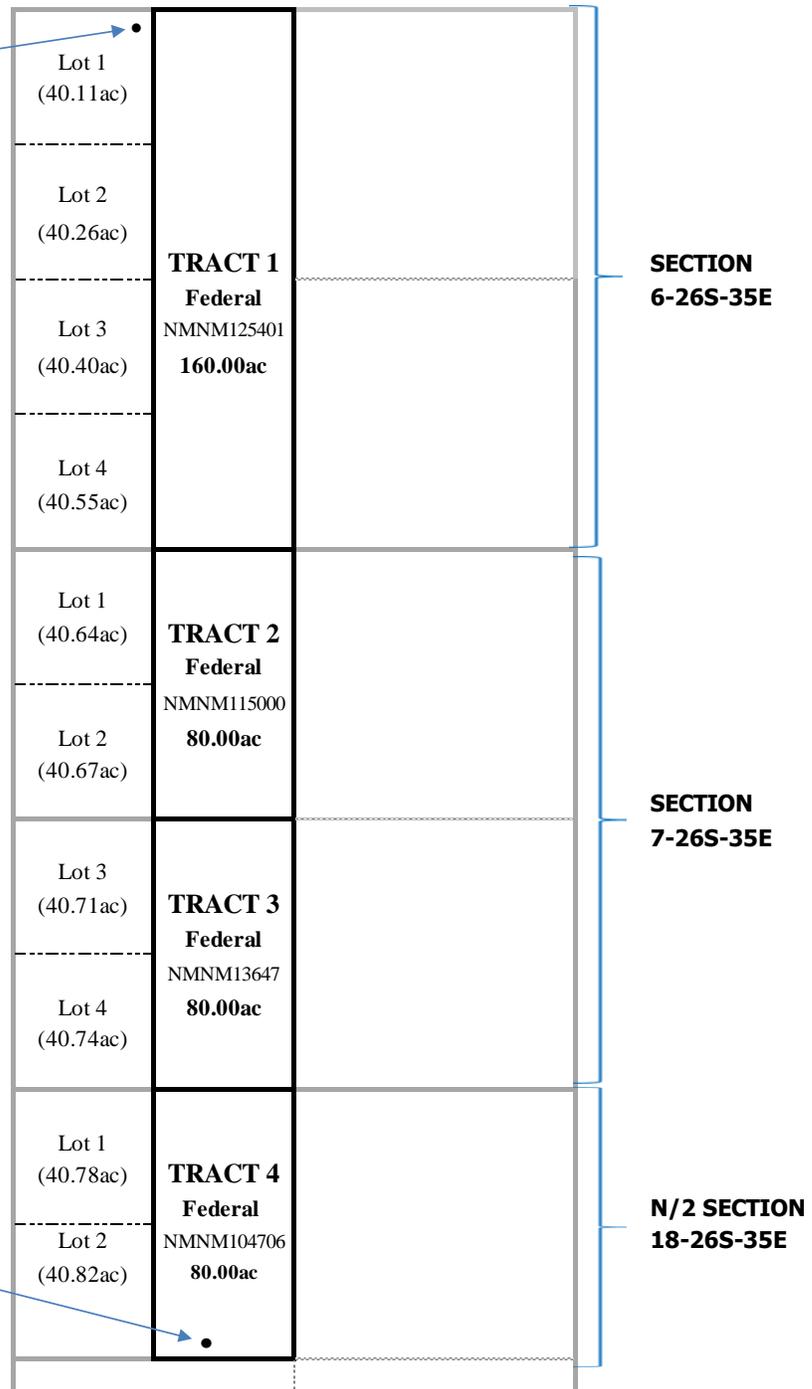
### EXHIBIT "A"

Plat of communitized area covering 400.00 acres in the E/2 W/2 of Section 6, the E/2 W/2 of Section 7 and the E/2 NW/4 of Section 18, all within 26S-35E, N.M.P.M.,  
Lea County, New Mexico.

#### BILLIKEN 6-18 FED COM 10H WELL

**Surface Location for  
Billiken 6-18 Fed Com 10H**  
(Lot 1 in Section 6-26S-35E)

**Bottomhole Location for the  
Billiken 6-18 Fed Com 10H**  
(SE/4 NW/4 in Section 18-26S-35E)





Communitization Agreement  
 Billiken 6-18 Fed Com 10H Well  
 E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
 Lea County, New Mexico

**Tract No. 2**

Lease Serial Number: **NMNM13647**  
 Effective Date: May 1, 1971  
 Lease Term: 10 years (HBP)  
 Lease Recorded: Not recorded in Lea County, NM  
 Lessor: United States of America  
 Original Lessee: Burton F. Watt and George R. Mayfield  
 Present Lessee: Occidental Permian L.P. 100.0000%

Description of Land Committed: Township 26 South, Range 35 East, N.M.P.M.  
**SECTION 07: E/2 NW/4 (80.00 ac)**

Number of Gross Acres: 80.00 acres  
 Number of Net Acres: 80.00 acres  
 Interest Covered: 100%  
 Royalty: 12.50%

Working Interest Owners and Interest:

Occidental Permian Limited Partnership	25.0000%
Marathon Oil Permian LLC	75.0000%

ORRI Owner Name and Interest:

Bryan Bell Family LLC	0.1666%
Charmar, LLC	0.0583%
DMA, Inc.	0.0833%
Howard A. Rubin, Inc.	0.0833%
Jerune Allen	0.2500%
Madison M. Hinkle	0.6666%
MerPel, LLC	0.0028%
Morris E. Schertz and wife, Holly K. Schertz, as community property	0.6666%
Pony Oil Operating, LLC	0.0371%
Richard C. Deason	0.0291%
Rolla R. Hinkle III	0.6666%
Ronald H. Mayer and Martha M. Mayer Revocable Trust, dated 3/19/1990 and any amendments	0.0250%
Rubie C. Bell Family Limited Partnership #1	0.0416%
SAP, LLC	0.0250%

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**Tract No. 2, Continued**

ORRI Owner Name and Interest:	TD Minerals LLC	0.0225%
	Thomas D. Deason	0.0291%
	The Unknown Successor Trustee of Robert N. Enfield Revocable Trust dated March 16, 1999	0.1458%

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**Tract No. 3**

Lease Serial Number: **NMNM115000**  
Effective Date: December 1, 2005  
Lease Term: 10 years, extended to 11/30/2017 (HBP)  
Lease Recorded: Not Recorded in Lea County, NM  
Lessor: United States of America  
Original Lessee: Devon Energy Production Company, L.P.  
Present Lessee: Devon Energy Production 50.0000%  
Company, L.P.  
Chevron U.S.A. Inc. 50.0000%

Description of Land Committed: Township 26 South, Range 35 East, N.M.P.M.  
**Section 07: E/2 SW/4** (80.00 ac)

Number of Gross Acres: 80.00 acres  
Number of Net Acres: 80.00 acres  
Interest Covered: 100%  
Royalty: 12.50%

Working Interest Owners  
and Interest: Devon Energy Production 50.0000%  
Company, L.P.  
Chevron U.S.A. Inc. 50.0000%

ORRI Owner Name and Interest: None

Communitization Agreement  
 Billiken 6-18 Fed Com 10H Well  
 E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
 Lea County, New Mexico

## Tract No. 4

Lease Serial Number:	<b>NMNM104706</b>	
Effective Date:	June 1, 2000	
Lease Term:	10 years (HBP)	
Lease Recorded:	Not Recorded in Lea County, NM	
Lessor:	United States of America	
Original Lessee:	Yates Petroleum Corporation	4.0000%
	Yates Drilling Company	32.0000%
	Abo Petroleum Corporation	32.0000%
	Myco Industries, Inc.	32.0000%
Present Lessee:	Titus Oil & Gas Production II, LLC	77.0000%
	OXY Y-1 Company	20.0000%
	Sharbro Energy, LLC, formerly Sharbro Oil Ltd. Co.	3.0000%
Description of Land Committed:	<u>Township 26 South, Range 35 East, N.M.P.M.</u> <b>SECTION 18: E/2 NW/4 (80.00 ac)</b>	
Number of Gross Acres:	80.00 acres	
Number of Net Acres:	80.00 acres	
Interest Covered:	100%	
Royalty:	12.50%	
Working Interest Owners and Interest:	Titus Oil & Gas Production II, LLC	77.0000%
	OXY Y-1 Company	20.0000%
	Sharbro Energy, LLC, formerly Sharbro Oil Ltd. Co.	3.0000%
ORRI Owner Name and Interest:	OXY Y-1 Company	0.9000%

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**RECAPITULATION**

<b>Tract</b>	<b>Type of Lease</b>	<b>No. of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
1	FEDERAL NMNM125401	160.00	40.0000%
2	FEDERAL NMNM13647	80.00	20.0000%
3	FEDERAL NMNM115000	80.00	20.0000%
4	FEDERAL NMNM104706	80.00	20.0000%
<b>Total</b>		<b>400.00</b>	<b>100.0000%</b>

Communitization Agreement  
Billiken 6-18 Fed Com 10H Well  
E/2 W/2 of Section 6, E/2 W/2 of Section 7 and E/2 NW/4 of Section 18, all within 26S-35E  
Lea County, New Mexico

**SUMMARY OF OWNERS**

**Unleased Fee Mineral Owners:**

None

**Working Interest and/or Leasehold Interest Owners:**

Devon Energy Production Company, L.P.  
Chevron U.S.A. Inc.  
Occidental Permian Limited Partnership  
Marathon Oil Permian LLC  
Titus Oil & Gas Production II, LLC  
OXY Y-1 Company  
Sharbro Energy, LLC, formerly known as Sharbro Oil Ltd. Co.

\* Parties were pooled and subject to the terms and penalties provided under State of New Mexico Department of Energy, Minerals and Natural Resources Oil Conservation Division in Case No. 21336.

**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 BRAZOS RD., 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, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-47563</b>	Pool Code <b>96672</b>	Pool Name <b>WC-025 G-08 S263412K;BONE SPRING</b>
Property Code <b>328242</b>	Property Name <b>BILLIKEN 6-18 FED COM</b>	
OGRID No. <b>6137</b>	Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	
		Well Number <b>5H</b>
		Elevation <b>3278.4'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 1	6	26-S	35-E		311	NORTH	578	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
LOT 2	18	26-S	35-E		2620	NORTH	360	WEST	LEA

Dedicated Acres <b>405.14</b>	Joint or Infill	Consolidation Code	Order No.
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**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**

BILLIKEN 6-18 FED COM 5H  
EL: 3278.4'  
LAT:32.078789  
LON:103.413265  
N:393615.83  
E:826309.07

FIRST TAKE POINT  
100' FNL 360' FWL SEC. 6  
LAT:32.079370  
LON:103.413968  
N:393825.32  
E:826089.24

LAST TAKE POINT  
2540' FNL 360' FWL SEC. 18  
LAT:32.043630  
LON:103.413959  
N:380823.57  
E:826202.95

BOTTOM OF HOLE  
LAT:32.043410  
LON:103.413959  
N:380743.57  
E:826203.65

Note: All bearings recited herein are based on the New Mexico State Plane Coordinate System, NAD 83, New Mexico East Zone 3001, US Survey Feet, all distances are grid.

**OPERATOR CERTIFICATION**

*I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

*Rebecca Deal* 4/28/2021  
Signature Date

Rebecca Deal, Regulatory Analyst  
Printed Name  
rebecca.deal@dvn.com  
E-mail Address

---

**SURVEYOR CERTIFICATION**

*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.*

05/19/2020  
Date of Survey

Signature & Seal of Professional Surveyor

05/21/20

Certificate No. 22404 B.L. LAMAN  
DRAWN BY: CM





**From:** [AFMSS](#)  
**To:** [Deal, Rebecca](#)  
**Subject:** Well Name: Batch Sundry, Sundry Id: 2158939, Notification of Batch Sundry Received  
**Date:** Wednesday, April 28, 2021 8:11:18 AM

## The Bureau of Land Management

### Notice Of Intent Receipt

- Operator Name: **DEVON ENERGY PRODUCTION COMPANY LP**
- Well Name: **Batch Sundry**
- Well Number: **Batch Sundry**
- US Well Number: **Batch Sundry**
- Sundry ID: **2158939**

The BLM received your Notice Of Intent, Commingling (Surface) and Off-Lease Measurement sundry on 04/28/2021. This is to notify you that we are processing your sundry.

You may contact the field office if you have any questions.

If we need more information we will contact you. Thank you.

---

This notification is automatically generated. Please do not reply to this message as this account is not monitored.

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Deal, Rebecca](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Glover, James](#); [Paradis, Kyle Q](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-766  
**Date:** Tuesday, June 8, 2021 12:49:55 PM  
**Attachments:** [PLC766 Order.pdf](#)

NMOCD has issued Administrative Order PLC-766 which authorizes Devon Energy Production Company, LP (6137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-47563	Billiken 6 18 Federal Com #5H	W/2 W/2	6-26S-35E	97088
		W/2 W/2	7-26S-35E	
		W/2 NW/4	18-26S-35E	96672
30-025-47568	Billiken 6 18 Federal Com #10H	E/2 W/2	6-26S-35E	97088
		E/2 W/2	7-26S-35E	
		E/2 NW/4	18-26S-35E	96672
30-025-47564	Billiken 6 18 Federal Com #6H	W/2	6-26S-35E	
		W/2	7-26S-35E	98117
		NW/4	18-26S-35E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY DEVON ENERGY PRODUCTION  
COMPANY, LP**

**ORDER NO. PLC-766**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Devon Energy Production Company, LP (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the leases to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

### **CONCLUSIONS OF LAW**

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to surface commingle and off-lease measure, as applicable, oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.
3. No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.
4. Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B.
5. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to

wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

6. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
7. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
8. Applicant shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless of whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
10. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
11. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL  
DIRECTOR

AS/dm

DATE: 6/07/2021

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: PLC-766**  
**Operator: Devon Energy Production Company, LP (6137)**  
**Central Tank Battery: Billiken 6 Central Tank Battery 1**  
**Central Tank Battery Location (NMPM): NW/4 Sec 6-T26S-R35E**  
**Gas Custody Transfer Meter Location (NMPM): NW/4 Sec 6-T26S-R35E**

### Pools

Pool Name	Pool Code
WC-025 G-08 S263412K; BONE SPRING	96672
WC-025 G-08 S253534O; BONE SPRING	97088
WC-025 G-09 S263504N; WOLFCAMP	98117

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 125401	W/2	6-26S-35E
NMNM 115000	SW/4	7-26S-35E
NMNM 013647	NW/4	7-26S-35E
NMNM 104706	NW/4	18-26S-35E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-47563	Billiken 6 18 Federal Com #5H	W/2 W/2	6-26S-35E	97088
		W/2 W/2	7-26S-35E	
		W/2 NW/4	18-26S-35E	
30-025-47568	Billiken 6 18 Federal Com #10H	E/2 W/2	6-26S-35E	97088
		E/2 W/2	7-26S-35E	
		E/2 NW/4	18-26S-35E	
30-025-47564	Billiken 6 18 Federal Com #6H	W/2	6-26S-35E	98117
		W/2	7-26S-35E	
		NW/4	18-26S-35E	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: PLC-766  
Operator: Devon Energy Production Company, LP (6137)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA BS BLM	W/2 W/2	6-26S-35E	405.68	A
	W/2 W/2	7-26S-35E		
	W/2 NW/4	18-26S-35E		
CA BS BLM	E/2 W/2	6-26S-35E	400	B
	E/2 W/2	7-26S-35E		
	E/2 NW/4	18-26S-35E		
CA WC BLM	W/2	6-26S-35E	805.68	C
	W/2	7-26S-35E		
	NW/4	18-26S-35E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 125401	W/2 W/2	6-26S-35E	161.32	A
NMNM 115000	W/2 SW/4	7-26S-35E	81.45	A
NMNM 013647	W/2 NW/4	7-26S-35E	81.31	A
NMNM 104706	W/2 NW/4	18-26S-35E	81.6	A
NMNM 125401	E/2 W/2	6-26S-35E	160	B
NMNM 115000	E/2 SW/4	7-26S-35E	80	B
NMNM 013647	E/2 NW/4	7-26S-35E	80	B
NMNM 104706	E/2 NW/4	18-26S-35E	80	B
NMNM 125401	W/2	6-26S-35E	321.32	C
NMNM 115000	SW/4	7-26S-35E	161.45	C
NMNM 013647	NW/4	7-26S-35E	161.31	C
NMNM 104706	NW/4	18-26S-35E	161.6	C

**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 Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS  
 Action 25976

**CONDITIONS**

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 25976
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclore	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.	6/8/2021