



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

August 4th, 2023

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: Chiles 28 Wellpad 1 Facility**

**Sec.-T-R:** 28-21S-34E  
**County:** Lea Co., New Mexico  
**Wells:** CHILES 28-21 STATE COM 1H - 5H

**Lease:** VB-1880, VB-1890, B-1581, VB-1912  
**Agreements:** Three Approved Bone Spring CAs  
**Pool:** [96660] BERRY;BONE SPRING, SOUTH

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 Communitization Agreements and Leases.

While Devon is the sole working interest owner, leases have varying royalty rates. Therefore, royalty interest and overriding royalty interest owners are not identical.

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,

A handwritten signature in blue ink that reads "Rebecca Deal".

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., L.P.

**OGRID Number:** 6137

**Well Name:** CHILES 28-21 STATE COM 1H - 5H

**API:** See Attached

**Pool:** BERRY;BONE SPRING, SOUTH

**Pool Code:** 96660

**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<sub>(PROJECT AREA)</sub>       NSP<sub>(PRORATION UNIT)</sub>       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

**FOR OCD ONLY**

<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.**

8/4/2023

Date

Rebecca Deal

Print or Type Name

Rebecca Deal

Signature

405-228-8249

Phone Number

rebecca.deal@dvn.com

e-mail Address

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Devon Energy Production Co., L.P.

OPERATOR ADDRESS: 333 W Sheridan Avenue, Oklahoma City, OK 73102

APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

Yes  No

**(A) POOL COMMINGLING**

**Please attach sheets with the following information**

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables?  Yes  No

(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.

(4) Measurement type:  Metering  Other (Specify) \_\_\_\_\_

(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved \_\_\_\_\_

**(B) LEASE COMMINGLING**

**Please attach sheets with the following information**

(1) Pool Name and Code. [96660] BERRY;BONE SPRING, SOUTH

(2) Is all production from same source of supply?  Yes  No

(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No

(4) Measurement type:  Metering  Other (Specify) \_\_\_\_\_

**(C) POOL and LEASE COMMINGLING**

**Please attach sheets with the following information**

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

**Please attach sheets with the following information**

(1) Is all production from same source of supply?  Yes  No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

**Please attach sheets with the following information**

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Rebecca Deal

TITLE: Regulatory Specialist

8/4/2023

TYPE OR PRINT NAME Rebecca Deal TELEPHONE NO.: 405-228-8429

E-MAIL ADDRESS: rebecca.deal@dvn.com

**APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE****Proposal for Chiles 28 Wellpad 1**

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

<b>Approved Bone Spring E/2 E/2 CA - Leases VB-1880, VB-1890, B-1581</b>			
<b>Well Name</b>	<b>API</b>	<b>LOCATION</b>	<b>POOL</b>
CHILES 28-21 STATE COM 1H	30-025-45350	O-28-21S-34E	[96660] BERRY;BONE SPRING, SOUTH

<b>Approved Bone Spring W2E2 CA - Leases VB-1880, VB-1890</b>			
<b>Well Name</b>	<b>API</b>	<b>LOCATION</b>	<b>POOL</b>
CHILES 28-21 STATE COM 2H	30-025-45351	O-28-21S-34E	[96660] BERRY;BONE SPRING, SOUTH
CHILES 28-21 STATE COM 5H	30-025-49589	O-28-21S-34E	[96660] BERRY;BONE SPRING, SOUTH

<b>Approved Bone Spring E2W2 CA - VB-1912, VB 1890</b>			
<b>Well Name</b>	<b>API</b>	<b>LOCATION</b>	<b>POOL</b>
CHILES 28-21 STATE COM 3H	30-025-45352	O-28-21S-34E	[96660] BERRY;BONE SPRING, SOUTH
CHILES 28-21 STATE COM 4H	30-025-49588	O-28-21S-34E	[96660] BERRY;BONE SPRING, SOUTH

**CA:**

Attached is the approved State CA allocation method for leases in each CA.

- Approved Bone Spring E/2 E/2 CA - Leases VB-1880, VB-1890, B-1581 – Containing 320acs, covering the E/2 E/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico
- Approved Bone Spring W/2 E/2 CA - Leases VB-1880, VB-1890 – covering the W/2 E/2 of Section 28 and Section 21. Township 21 South, Range 34 East, NMPM, Lea County, New Mexico
- Approved Bone Spring E/2 W/2 CA - VB-1912, VB 1890 – Containing 320acs, covering the E/2 W/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

**Oil & Gas metering:**

The Chiles 28 Wellpad 1 central tank battery is in SE/4, S28, T21S, R34E in Lea County, New Mexico.

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 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 for further conditioning and then into one of the water tanks for storage.

The central tank battery has two oil tanks and two 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 an individual orifice meter to each wellhead.

Well Name	Individual Meters		
	Gas Allocation	Oil Allocation	Water Allocation
CHILES 28-21 STATE COM 1H	DVN / *	DVN / *	DVN / *
CHILES 28-21 STATE COM 2H	DVN / *	DVN / *	DVN / *
CHILES 28-21 STATE COM 3H	DVN / *	DVN / *	DVN / *
CHILES 28-21 STATE COM 4H	DVN / *	DVN / *	DVN / *
CHILES 28-21 STATE COM 5H	DVN / *	DVN / *	DVN / *
<b>Common Meters</b>			
<b>VRU Allocation</b>	DVN / *		
<b>Gas FMP</b>		DELEK / *	
<b>Oil FMP</b>		DELEK / *	

Meter Owner / Serial Number:

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

The total of all oil sales meters will be allocated to each well based on the oil allocation meter located downstream of each well's 3-phase separator. Devon will continue to operate and maintain the Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regards to proving the Coriolis Meter to meet applicable BLM standards. The total of all gas sales meters will be allocated to each well based on the gas allocation meter located downstream of each well's 3-phase separator and the VRU allocation meter. The VRU allocation meter volumes will be allocated to each well based on the oil allocation meter of each well. The BLM and OCD will be notified of any future changes to the facilities.

#### 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 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.

The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. NMOCD Notice Variance Requested: Devon Energy Production Company, LP request approval to add new leases and pools and/or new wells producing from the authorized leases and pools. Devon Energy Production Company, LP request approval to only notice the interest owners of new leases and pools to be added via amendment (reference rule 19.15.12.10(C)(4)(g) NMAC)

Working, royalty, and overriding interest owners have been notified of this proposal.

Date: 08/04/2023

## Allocation Methodology

### PRORATED ALLOCATION

#### **GAS ALLOCATION**

Each well has a Wellhead Allocation (WH ALLOC) meter and a Gas Lift Injection (GL INJ) meter. The CTB has a commingled gas Meter (BATT ALLOC or 3rd Party Sales) that measures the volume of gas that leaves the CTB, this meter would be considered the FMP. Any Buy Back meter that measures off-lease gas coming on lease used for gas lift injection from the gathering line would be considered an FMP.

1. Buyback is the volume of off-lease gas used for gas lift, compression fuel, and well injection.
2. Net Well Production is base amount of production not used for gas lift and is calculated by subtracting gas lift injection (GL INJ) volume from the wellhead allocation (WH ALLOC) meter reading.
3. Lease use gas is allocated by theoretical % for each well \* total amount of lease use volume.
4. Theoretical % used for the allocation of production/sales is calculated by dividing the Net Well Production volume for each well into the sum of the Net Well Production.
5. Net CTB Gas is Battery Allocation (BATT ALLOC) or 3rd Party Sales meter measuring commingled CTB gas less any Buy Back. All off lease Buy Back will be metered as an FMP and netted out of the BATT ALLOC FMP metered volume to derive both the Total Net FMP and total Net CTB production.
6. Theoretical % for each well is multiplied by the Net CTB Gas.
7. HP Flare is volume of gas flared from the CTB, allocated to wells by Theoretical % for each well \* HP FL volume.
8. VRU measures the gas that flashes from the ultra-low-pressure separator (ULPS) and is piped in upstream of the commingled CTB BATT ALLOC meter. The VRU volume will be allocated based on the same allocation methodology applied for WH ALLOC allocated gas.
9. Allocated Production is all gas produced by CTB and is calculated by adding Total Net FMP Volumes+ HP Flare + Lease Use.

#### **OIL ALLOCATION**

Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Sales Volume (FMP) back to each well.

1. Allocated production is volume of oil produced by the CTB and is calculated by Ending Tank Inventory + Pipeline LACT (FMP) – Beginning Tank Inventory.
2. Available oil for sale is calculated by Pipeline LACT (FMP) + Beginning Tank Inventory.
3. Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
4. The Theoretical % available for sale is the well sales available divided by the total available sales.
5. Total Sales Volume is the volume of oil sold through the FMP meter
6. Beginning Inventory comes from previous accounting period's Ending Inventory for each well.
7. Ending Inventory for each well is calculated by multiplying the theoretical production % by total ending inventory.

### **WATER ALLOCATION**

Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Transferred Volume back to each well.

1. CTB Allocated production is volume of water produced by the CTB and is calculated by Ending Tank Inventory + Water Transfer – Beginning Tank Inventory.
2. CTB Available Water to Transfer is calculated by Water Transfer + Tank Inventory.
3. Theoretical % is calculated by dividing each water meter volume into the sum of the water meters.
4. The Theoretical % available for transfer for each well is the well production available divided the total Available water.
5. Total Transfer Volume is the volume of water metered by the water transfer meter.
6. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
7. Ending Inventory for each well is calculated by multiplying the theoretical production % by total ending inventory.

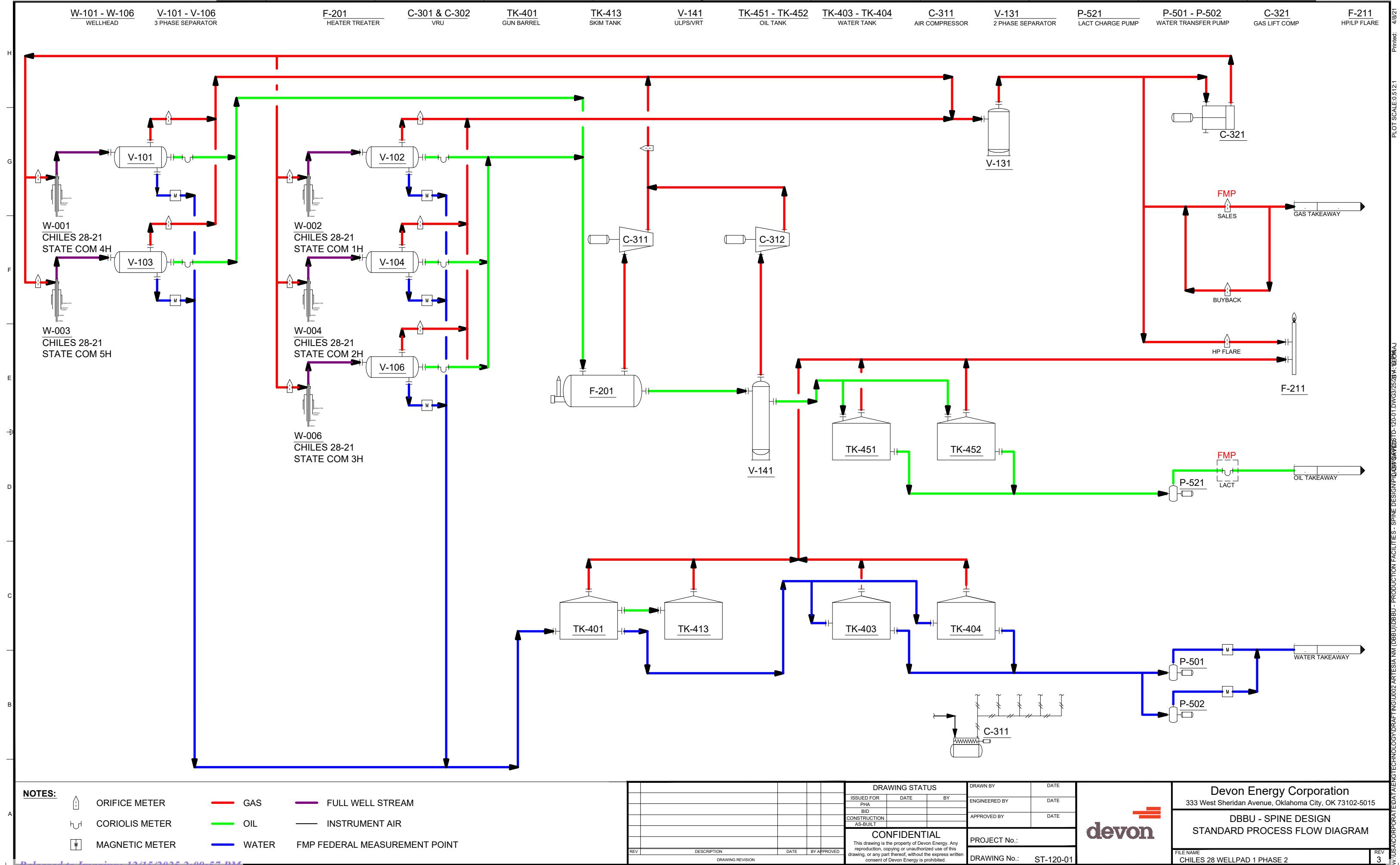
**Process and Flow Descriptions:**

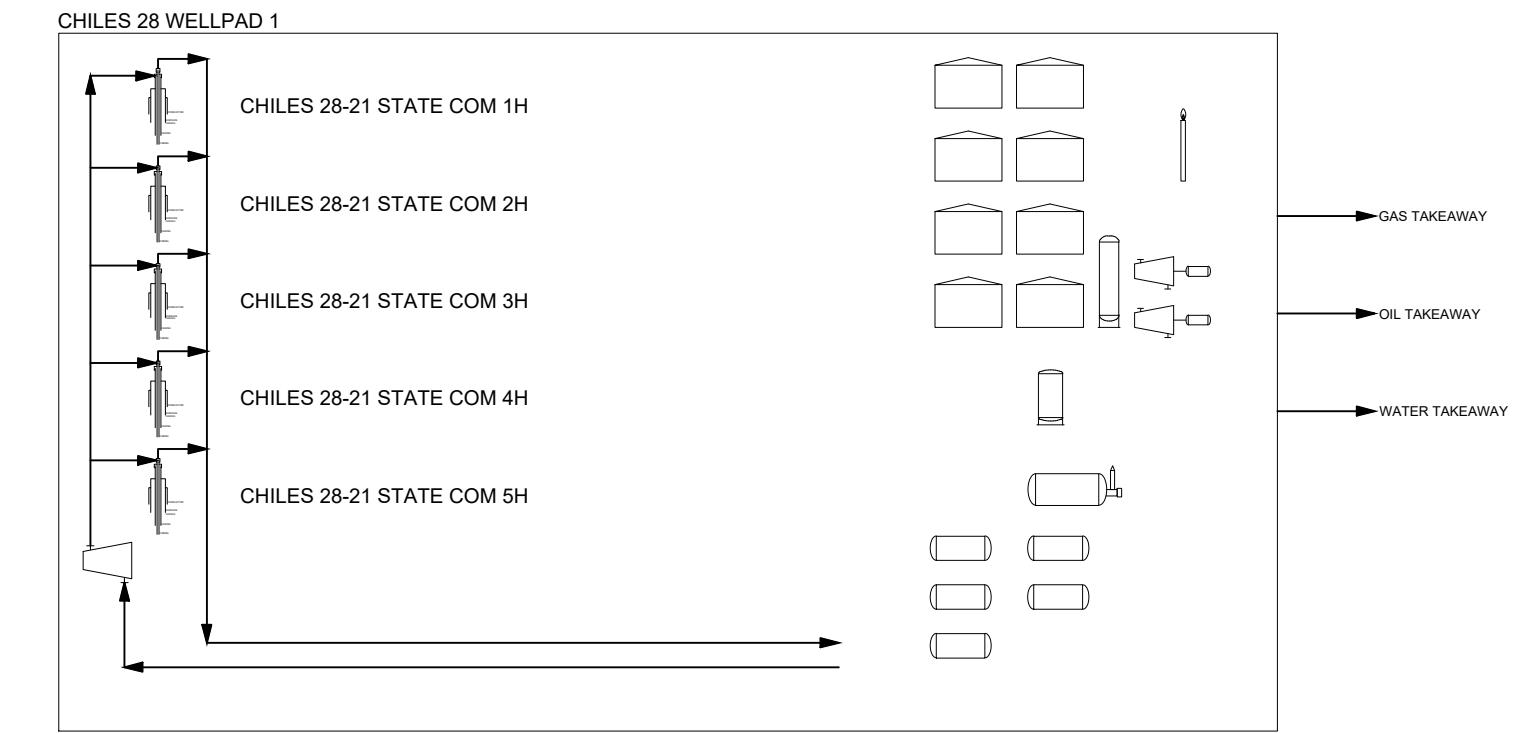
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Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached). NMOCD Notice Variance Requested: Devon Energy Production Company, LP request approval to add new leases and pools and/or new wells producing from the authorized leases and pools. Devon Energy Production Company, LP request approval to only notice the interest owners of new leases and pools to be added via amendment (reference rule 19.15.12.10(C)(4)(g) NMAC)





## NOTES:

**NOTES:**

1. EQUIPMENT AND LAYOUT CONFIGURATIONS ARE ONLY REPRESENTATIVE.
2. MEASUREMENT POINTS SHOWN IN PROCESS FLOW DIAGRAM.

				DRAWING STATUS			DRAWN BY	DATE		
				ISSUED FOR	DATE	BY	ENGINEERED BY	DATE		
				PHA						
				BID						
				CONSTRUCTION						
				AS-BUILT						
				CONFIDENTIAL			PROJECT No.: #####			
				This drawing is the property of Devon Energy. Any reproduction, copying or unauthorized use of this drawing, or any part thereof, without the express written consent of Devon Energy is prohibited.			DRAWING No.: ST-120-02			
REV	DESCRIPTION	DATE	BY APPROVED							
DRAWING REVISION										

	<p><b>Devon Energy Corporation</b>            333 West Sheridan Avenue, Oklahoma City, OK 73102-5015</p>
<p><b>DBBU - SPINE DESIGN</b>  <b>STANDARD PROCESS MAP</b></p>	
<p>FILE NAME  <b>CHILES 28 WELLPAD 1 PHASE 2</b></p>	
<p>REV  <b>3</b></p>	

21S - 34E - 15

21S - 34E - 21

2-1S - 34E - 2-2

ST OF NM  
VB 1912ST OF NM  
VB 18803002545958 - CHILES 28-21 STATE COM 4H  
300254552 - CHILES 28-21 STATE COM 5H3002545989 - CHILES 28-21 STATE COM 5H  
3002545361 - CHILES 28-21 STATE COM 2H

3002545173 - CHILES 28-21 STATE COM 1H

**CHILES 28-21 STATE COM WELLS**  
1H,2H,3H,4H,5H  
LEA CO, NEW MEXICO



This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Datum: North American 1983; Units: Foot US  
Created by: kinnas  
Map is current as of 8/2/2023.



Feet  
0 360 720 1,440 1 in. = 1,500 feet

- Surface Location
- Central Tank Battery
- Sales Meter
- Flow Line
- Project Areas
- CA 2280971
- CA 2280972
- CA 2280973

**Devon Leasehold**

- ST OF NM B0-1581
- ST OF NM VB 1880
- ST OF NM VB 1890
- ST OF NM VB 1912

21S - 34E - 33



RECEIVED

MAR 19 2020

LAND DEPARTMENT

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
[www.nmstatelands.org](http://www.nmstatelands.org)

Commissioner

Stephanie Garcia Richard

*State of New Mexico*  
**Commissioner of Public Lands**  
310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Jill N. Lee  
Devon Energy Production Company, LP  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102

February 19<sup>th</sup>, 2020

Re: Communityization Agreement Approval  
Chiles 28-21 State Com #1H  
Vertical Extent: Bone Spring  
Township: 21 South, Range 34 East, NMPPM  
Sect 21: E2E2  
Sect 28: E2E2  
Lea County, New Mexico

Dear Ms. Lee,

The Commissioner of Public Lands has this date approved the Chiles 28-21 State Com #1H Communityization Agreement for the Bone Spring formation effective 9/1/2018. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communityized substances are produced from the communityized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjan Khalsa at (505) 827-6628.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephanie Garcia Richard". The signature is fluid and cursive, with the name being the most prominent part.

Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS

## NEW MEXICO STATE LAND OFFICE

## CERTIFICATE OF APPROVAL

## COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Devon Energy Production Company, LP

Chiles 28-21 State Com #1H

Vertical Extent: Bone Spring

Township: 21 South, Range: 34 East, NMPM

Section 21: E2E2

Section 28: E2E2

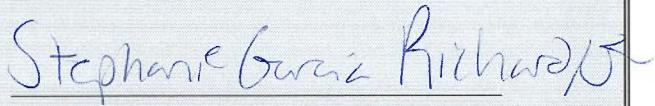
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 1, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 19<sup>th</sup> Day of February, 2020.



COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

**NM State Land Office**  
**Oil, Gas, & Minerals Division**

**STATE/STATE OR  
 STATE/FEE**  
 Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Chiles 28-21 State Com 1H

STATE OF NEW MEXICO ) API Number: **30-025-45350**  
 ) SS  
 COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of September 1, 2018, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

ONLINE version  
 March, 2017

State/State  
 State/Fee

1

\$100.00  
 #0112 Fees  
 \*\* VP-1880-1

1-0001 4/25/2019

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

**Township 21 South, Range 34 East, N.M.P.M.**

**Section 28: E/2 E/2**

**Section 21: E/2 E/2**

Containing 320 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Devon Energy Production Company, L.P.** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Devon Energy Production Company, L.P.**

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual  
*18:6 W 52 N 10*

agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty

(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

## OPERATOR AND LESSEE OF RECORD:

Devon Energy Production Company, L.P.

*Catherine Lebsack*  
 By: Catherine Lebsack, Vice President  
 GL KB

## LESSEE OF RECORD:

ZPZ Delaware I LLC

By: Amy D. Lindsey, Attorney-in-Fact

## AKNOWLEDGEMENTS

STATE OF OKLAHOMA )  
 ) SS  
 COUNTY OF OKLAHOMA )

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

*Courtney Thomas*

Signature of Notarial Officer

My Commission Expires: 7-24-2021

STATE OF \_\_\_\_\_ )  
 ) SS  
 COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2019 by Amy D. Lindsey as Attorney-in-Fact of ZPZ Delaware I LLC, a(n) \_\_\_\_\_, on behalf of same.

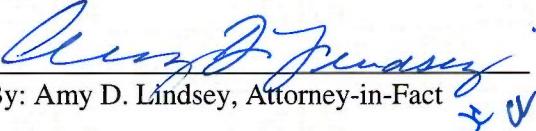
\_\_\_\_\_  
Signature of Notarial Officer

My Commission Expires: \_\_\_\_\_

*2019 APR 25 AM 9:34*

**OPERATOR AND LESSEE OF RECORD:****Devon Energy Production Company, L.P.**

By: Catherine Lebsack, Vice President

**RECORD TITLE OWNER:****ZPZ Delaware I LLC**

  
By: Amy D. Lindsey, Attorney-in-Fact
**AKNOWLEDGEMENTS**

STATE OF OKLAHOMA )  
                          ) SS  
 COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on \_\_\_\_\_, 2019 by Catherine Lebsack  
 as Vice President of Devon Energy Production Company, L.P. an Oklahoma limited partnership,  
 on behalf of said limited partnership.

Signature of Notarial Officer

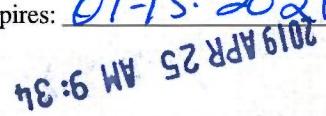
My Commission Expires: \_\_\_\_\_

STATE OF As Texas )  
                          ) SS  
 COUNTY OF Midland )

This instrument was acknowledged before me on April 10, 2019 by Amy D. Lindsey as  
 Attorney-in-Fact of ZPZ Delaware I LLC, a(n) limited liability company,  
 on behalf of same.

ONLINE version  
March, 2017State/State  
State/Fee


Signature of Notarial Officer

My Commission Expires: 01-15-2021


**Exhibit "A"**

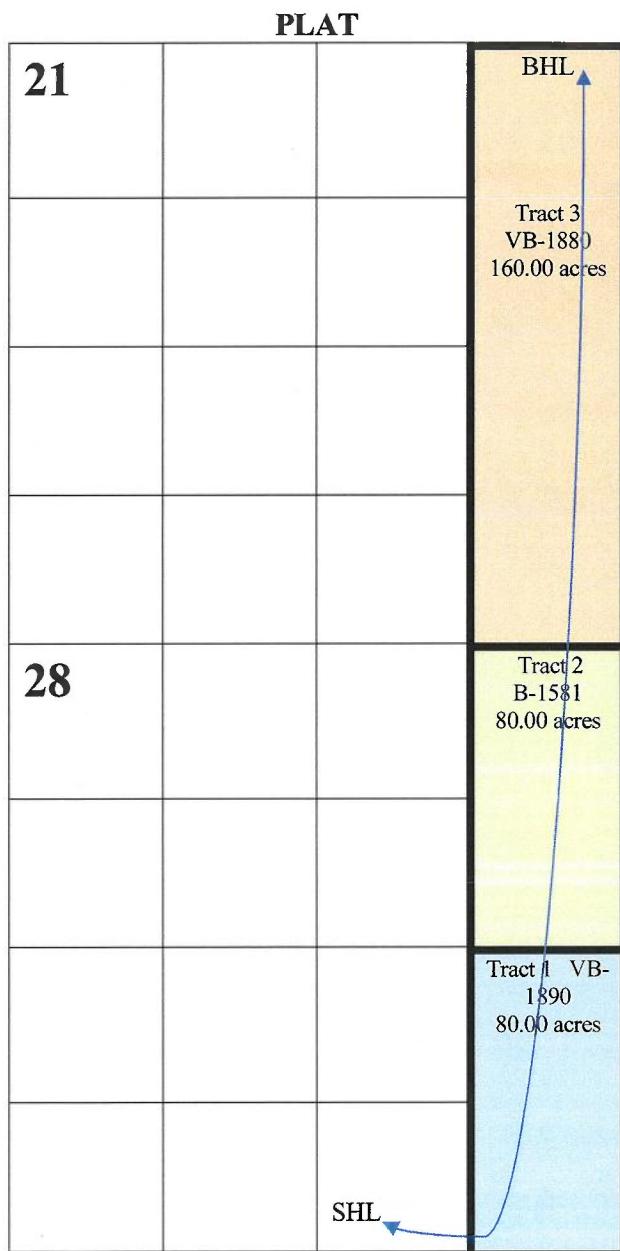
Attached to and made a part of that Communitization Agreement dated September 1, 2018, by and between Devon Energy Production Company, L.P. and ZPZ Delaware I LLC, covering the E/2 E/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

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

Chiles 28-21 State Com 1H:

SHL: 330' FSL & 2310' FEL of Section 28-T21S-R34E

BHL: 20' FNL & 380' FEL of Section 21-T21S-R34E



**Exhibit "B"**

Attached to and made a part of that Communitization Agreement dated September 1, 2018, by and between Devon Energy Production Company, L.P. and ZPZ Delaware I LLC, covering the E/2 E/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: The State of New Mexico, by and through the Commissioner of Public Lands

Record Title Owner: Devon Energy Production Company, L.P. 100%

Serial No. of Lease: VB-1890

Date of Lease: July 1, 2010

Description of Lands Committed: Insofar and only insofar as said lease covers:  
Township 21 South, Ranger 34 East, NMPM  
Sec. 28: E/2 SE/4

No. of Acres: 80.00

Royalty Rate: 3/16<sup>th</sup>

Overriding Royalty Owners: None

**TRACT NO. 2**

Lessor: The State of New Mexico

Record Title Owner: ZPZ Delaware I LLC 100%

Serial No. of Lease: B-1581

Date of Lease: January 4, 1933

Description of Lands Committed: Insofar and only insofar as said lease covers:  
Township 21 South, Ranger 34 East, NMPM  
Sec. 28: E/2 NE/4

No. of Acres: 80.00

Royalty Rate: 1/8<sup>th</sup>

Overriding Royalty Owners: None

### TRACT NO. 3

Lessor: The State of New Mexico, by and through the Commissioner of Public Lands

Record Title Owner: Devon Energy Production Company, L.P. 100%

Serial No. of Lease: VB-1880

Date of Lease: July 1, 2010

Description of Lands Committed: Insofar and only insofar as said lease covers: Township 21 South, Ranger 34 East, NMPM Sec. 21: E/2 E/2

No. of Acres: 160.00

Royalty Rate: 3/16<sup>th</sup>

Overriding Royalty Owners: None

### **RECAPITULATION**

<b>Tract number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communized Area</b>
No. 1	80.00	25.000000%
No. 2	80.00	25.000000%
<u>No. 3</u>	<u>160.00</u>	<u>50.000000%</u>
<b>TOTAL</b>	<b>320.00</b>	<b>100.000000%</b>

2019 APR 25 AM 9:34



Commissioner  
Stephanie Garcia Richard

*State of New Mexico*  
**Commissioner of Public Lands**  
310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
[www.nmstatelands.org](http://www.nmstatelands.org)

Jill N. Lee  
Devon Energy Production Company, LP  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102

February 19<sup>th</sup>, 2020

Re: Communityization Agreement Approval  
Chiles 28-21 State Com #2H  
Vertical Extent: Bone Spring  
Township: 21 South, Range 34 East, NMMPM  
Sect 21: W2E2  
Sect 28: W2E2  
Lea County, New Mexico

Dear Ms. Lee,

The Commissioner of Public Lands has this date approved the Chiles 28-21 State Com #2H Communityization Agreement for the Bone Spring formation effective 2/1/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjan Khalsa at (505) 827-6628.

Sincerely,

*Stephanie Garcia Richard/JR*

Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Devon Energy Production Company, LP**

**Chiles 28-21 State Com #2H**

**Vertical Extent: Bone Spring**

**Township: 21 South, Range: 34 East, NMPPM**

**Section 21: W2E2**

**Section 28: W2E2**

**Lea County, New Mexico**

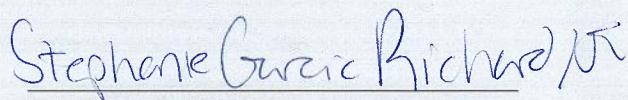
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There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 19<sup>th</sup> Day of February, 2020.



**COMMISSIONER OF PUBLIC LANDS**

**of the State of New Mexico**

**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised March 2017

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:      Well Name: Chiles 28-21 State Com 2H

STATE OF NEW MEXICO      )      API Number: **30-025-45351**  
                                    )  
                                    ) SS  
COUNTY OF LEA      )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of February 1, 2019, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

ONLINE version  
March, 2017

State/State  
State/Fee

1

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

**Township 21 South, Range 34 East, N.M.P.M.**

**Section 28: W/2 E/2**

**Section 21: W/2 E/2**

Containing 320 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Devon Energy Production Company, L.P.** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Devon Energy Production Company, L.P.**

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual

*15-6 HHS  
10/10/2017*

agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

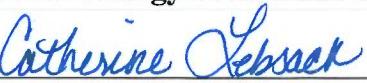
14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ONLINE version  
March, 2007

State/State  
State/Fee

4

**OPERATOR AND LESSEE OF RECORD:****Devon Energy Production Company, L.P.**  
By: Catherine Lebsack, Vice President *KD***AKNOWLEDGEMENTS**

STATE OF OKLAHOMA      )  
                            )  
                            ) SS  
COUNTY OF OKLAHOMA    )

This instrument was acknowledged before me on March 14, 2019 by Catherine Lebsack as Vice President of Devon Energy Production Company, L.P. an Oklahoma limited partnership, on behalf of said limited partnership.

Courtney Thomas

Signature of Notarial Officer

My Commission Expires: 7-24-2021

2019APR-5 M 9:54

ONLINE version  
March, 2017State/State  
State/Fee

5

Devon - Internal

**Exhibit "A"**

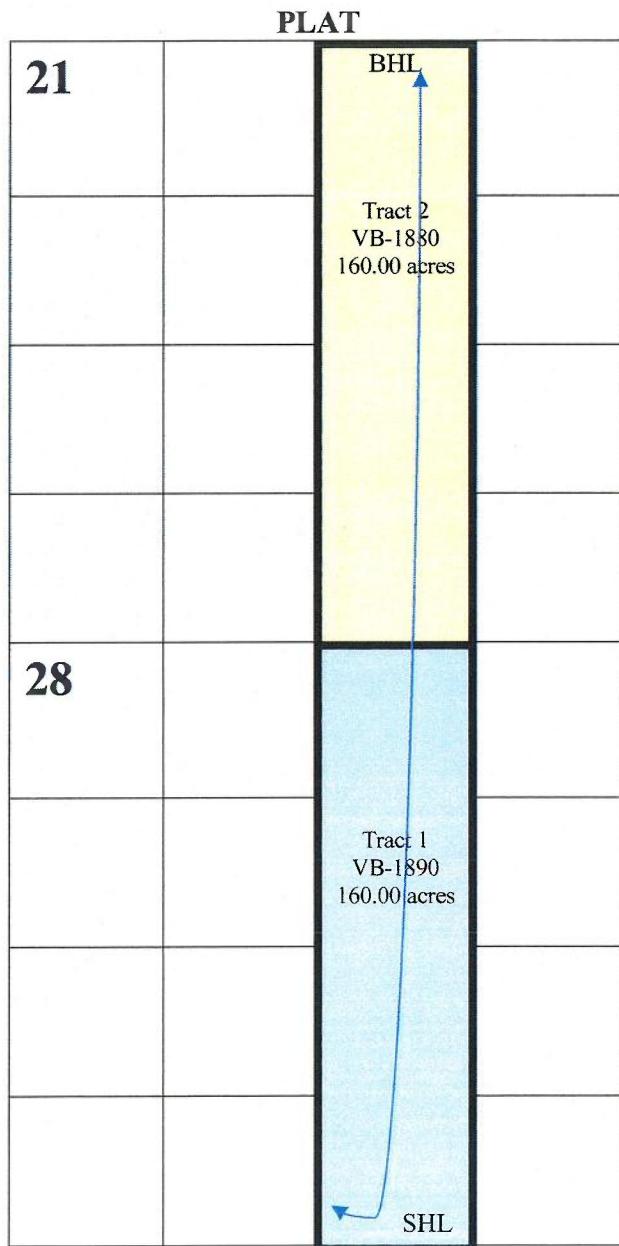
Attached to and made a part of that Communitization Agreement dated February 1, 2019, by Devon Energy Production Company, L.P., covering the W/2 E/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMMPM, Lea County, New Mexico.

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

Chiles 28-21 State Com 2H:

SHL: 280' FSL & 2340' FEL of Section 28-T21S-R34E

BHL: 20' FNL & 1890' FEL of Section 21-T21S-R34E



**Exhibit "B"**

Attached to and made a part of that Communitization Agreement dated February 1, 2019, by Devon Energy Production Company, L.P., covering the W/2 E/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: The State of New Mexico, by and through the Commissioner of Public Lands

Lessee of Record: Devon Energy Production Company, L.P.

Serial No. of Lease: VB-1890

Date of Lease: July 1, 2010

Description of Lands Committed: Insofar and only insofar as said lease covers: Township 21 South, Ranger 34 East, NMPM Sec. 28: W/2 E/2

No. of Acres: 160.00

Royalty Rate: 3/16<sup>th</sup>

Name and Percent WI Owners: Devon Energy Production Company, L.P.: 100%

Overriding Royalty Owners: None

**TRACT NO. 2**

Lessor: The State of New Mexico, by and through the Commissioner of Public Lands

Lessee of Record: Devon Energy Production Company, L.P.

Serial No. of Lease: VB-1880

Date of Lease: July 1, 2010

Description of Lands Committed: Insofar and only insofar as said lease covers:

ONLINE version  
March, 2017

State/State  
State/Fee

7

Township 21 South, Ranger 34 East, NMPM  
Sec. 21: W/2 E/2

No. of Acres:

160.00

Royalty Rate:

3/16<sup>th</sup>

Name and Percent WI Owners:

Devon Energy Production Company, L.P.: 100%

Overriding Royalty Owners:

None

## RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	160.00	50.000000%
No. 2	160.00	50.000000%
<b>TOTAL</b>	<b>320.00</b>	<b>100.000000%</b>

2019 APR-5 AM 9:54

2019APR-5 AM 9:54

ONLINE version  
March, 2017

State/State  
State/Fee

8

Devon - Internal



Commissioner  
Stephanie Garcia Richard

*State of New Mexico*  
**Commissioner of Public Lands**  
310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**  
Phone (505) 827-5760  
Fax (505) 827-5766  
[www.nmstatelands.org](http://www.nmstatelands.org)

Jill N. Lee  
Devon Energy Production Company, LP  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102

February 19<sup>th</sup>, 2020

Re: Communitization Agreement Approval  
Chiles 28-21 State Com #3H  
Vertical Extent: Bone Spring  
Township: 21 South, Range 34 East, NMPM  
Sect 21: E2W2  
Sect 28: E2W2  
Lea County, New Mexico

Dear Ms. Lee,

The Commissioner of Public Lands has this date approved the Chiles 28-21 State Com #3H Communitization Agreement for the Bone Spring formation effective 2/1/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjan Khalsa at (505) 827-6628.

Sincerely,

*Stephanie Garcia Richard/S*  
Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Devon Energy Production Company, LP**  
Chiles 28-21 State Com #3H  
Vertical Extent: Bone Spring  
Township: 21 South, Range: 34 East, NMPM  
Section 21: E2W2  
Section 28: E2W2  
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 19<sup>th</sup> Day of February, 2020.

*Stephanie Garcia Richards*  
**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised March 2017

COMMUNITIZATION AGREEMENT  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Chiles 28-21 State Com 3H

STATE OF NEW MEXICO ) API Number: 30-025-45352  
                          ) SS  
COUNTY OF LEA        )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of February 1, 2019, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

ONLINE version  
March, 2017

State/State  
State/Fee

1

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

**Township 21 South, Range 34 East, N.M.P.M.**

**Section 28: E/2 W/2**

**Section 21: E/2 W/2**

Containing 320 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Devon Energy Production Company, L.P.** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Devon Energy Production Company, L.P.**

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual

agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

2019 APR - 5  
MH:953

ONLINE version  
March, 2017

State/State  
State/Fee

4

**OPERATOR AND LESSEE OF RECORD:****Devon Energy Production Company, L.P.**Catherine Lebsack  
By: Catherine Lebsack, Vice President *KD***AKNOWLEDGEMENTS**STATE OF OKLAHOMA )  
                          ) SS  
COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on March 14, 2019 by Catherine Lebsack as Vice President of Devon Energy Production Company, L.P. an Oklahoma limited partnership, on behalf of said limited partnership.



Signature of Notarial Officer

My Commission Expires: 7-24-2021

2019 APR - 5 AM 9:50

ONLINE version  
March, 2017State/State  
State/Fee

## Exhibit "A"

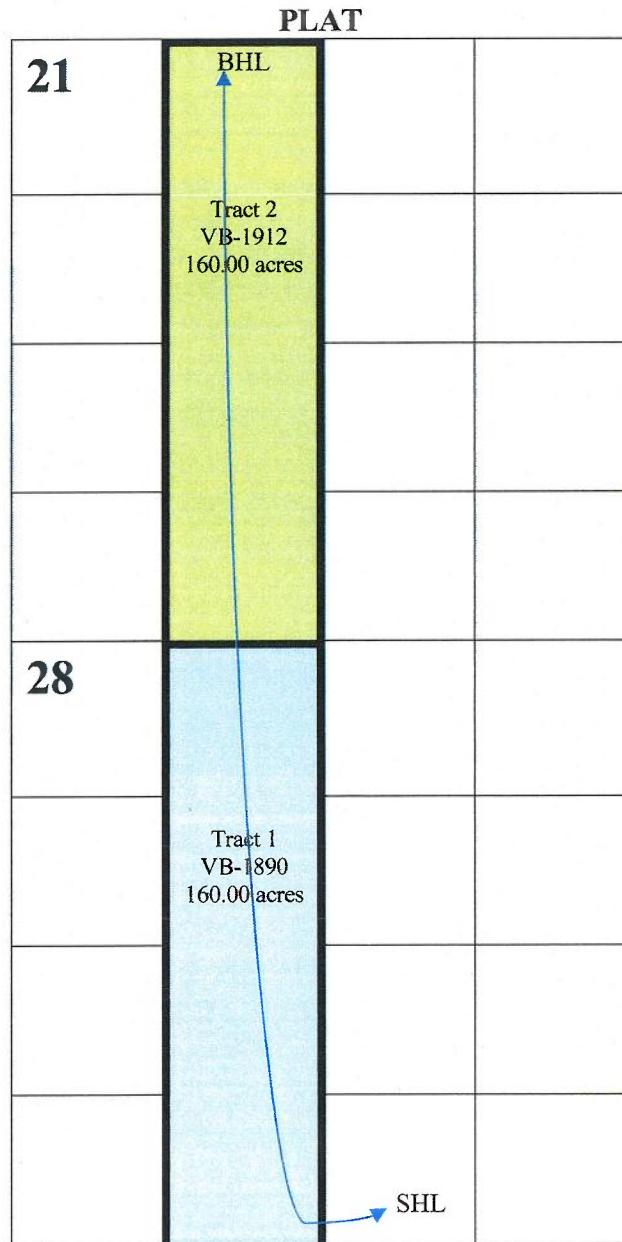
Attached to and made a part of that Communitization Agreement dated February 1, 2019, by Devon Energy Production Company, L.P., covering the E/2 W/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMMP, Lea County, New Mexico.

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

Chiles 28-21 State Com 3H:

SHL: 280' FSL & 2370' FEL of Section 28-T21S-R34E

BHL: 20' FNL & 1890' FWL of Section 21-T21S-R34E



**Exhibit "B"**

Attached to and made a part of that Communitization Agreement dated February 1, 2019, by Devon Energy Production Company, L.P., covering the E/2 W/2 of Section 28 and Section 21, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: The State of New Mexico, by and through the Commissioner of Public Lands

Lessee of Record: Devon Energy Production Company, L.P.

Serial No. of Lease: VB-1890

Date of Lease: July 1, 2010

Description of Lands Committed: Insofar and only insofar as said lease covers: Township 21 South, Ranger 34 East, NMPM Sec. 28: E/2 W/2

No. of Acres: 160.00

Royalty Rate: 3/16<sup>th</sup>

Name and Percent WI Owners: Devon Energy Production Company, L.P.: 100%

Overriding Royalty Owners: None

**TRACT NO. 2**

Lessor: The State of New Mexico, by and through the Commissioner of Public Lands

Lessee of Record: Devon Energy Production Company, L.P.

Serial No. of Lease: VB-1912

Date of Lease: September 1, 2010

Description of Lands Committed: Insofar and only insofar as said lease covers:

Township 21 South, Ranger 34 East, NMPM  
Sec. 21: E/2 W/2

No. of Acres: 160.00  
R royalty Rate: 3/16<sup>th</sup>  
Name and Percent WI Owners: Devon Energy Production Company, L.P.: 100%  
Overriding Royalty Owners: None

## RECAPITULATION

<b>Tract number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
No. 1	160.00	50.000000%
<u>No. 2</u>	<u>160.00</u>	<u>50.000000%</u>
<b>TOTAL</b>	<b>320.00</b>	<b>100.000000%</b>

**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) 748-0720

**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		Pool Code		Pool Name			
30-025-45350		96660		BERRY; BONE SPRING, SOUTH			
Property Code	322866	Property Name				Well Number	
OGRID No.	6137	CHILES 28-21 STATE COM				1H	

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	28	21-S	34-E		280	SOUTH	2310	EAST	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
A	21	21-S	34-E		73	NORTH	406	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code			Order No.				
320									

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><b>OPERATOR CERTIFICATION</b> 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.</p> <p><i>Rebecca Deal</i> <b>8/5/2019</b> Signature Date Rebecca Deal, Regulatory Analyst Printed Name rebecca.deal@dvn.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b> 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><b>06/2019</b> Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <p><b>08/04/19</b> Certificate No. 22404 B.L. LAMAN W.O. # DRAWN BY: CM</p>
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Intent  As Drilled 

API #
30-025-45350

Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: CHILES 28-21 STATE COM	Well Number 1H
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## Kick Off Point (KOP)

UL P	Section 28	Township 21-S	Range 34-E	Lot	Feet 59	From N/S SOUTH	Feet 572	From E/W EAST	County LEA
Latitude 32.442817				Longitude 103.468164					NAD 83

## First Take Point (FTP)

UL P	Section 28	Township 21-S	Range 34-E	Lot	Feet 100	From N/S SOUTH	Feet 544	From E/W EAST	County LEA
Latitude 32.442931				Longitude 103.468071					NAD 83

## Last Take Point (LTP)

UL A	Section 21	Township 21-S	Range 34-E	Lot	Feet 100	From N/S NORTH	Feet 405	From E/W EAST	County LEA
Latitude 32.471391				Longitude 103.467638					NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Y
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Is this well an infill well?

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If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #	Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: CHILES 28-21 STATE COM	Well Number 1H
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KZ 06/29/2018

**DISTRICT I**  
1625 N. FRENCH DR., HOBBS, NM 88240  
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**DISTRICT II**  
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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	Pool Code	Pool Name
<b>30-025-45351</b>	<b>96660</b>	<b>BERRY; BONE SPRING, SOUTH</b>
Property Code	Property Name	Well Number
<b>322866</b>	<b>CHILES 28-21 STATE COM</b>	<b>2H</b>
OGRID No.	Operator Name	Elevation
<b>6137</b>	<b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<b>3712.0'</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
<b>0</b>	<b>28</b>	<b>21-S</b>	<b>34-E</b>		<b>280</b>	<b>SOUTH</b>	<b>2340</b>	<b>EAST</b>	<b>LEA</b>

**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
<b>B</b>	<b>21</b>	<b>21-S</b>	<b>34-E</b>		<b>10</b>	<b>NORTH</b>	<b>1913</b>	<b>EAST</b>	<b>LEA</b>
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
<b>320</b>									

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><b>CHILES 28-21 STATE COM 2H</b> EL: 3712.0' LAT:32.443404 LON:103.473893 N:526108.20 E:806467.80</p> <p><b>AS-DRILLED KOP</b> 19' FSL 1731' FEL SEC. 28 LAT:32.442695 LON:103.471921 N:525855.09 E:807078.47</p> <p><b>AS-DRILLED FIRST TAKE POINT</b> 100' FSL 1731' FEL SEC. 28 LAT:32.442918 LON:103.471921 N:525936.22 E:807077.73</p> <p><b>AS-DRILLED LAST TAKE POINT</b> 100' FSL 1910' FEL SEC. 21 LAT:32.471376 LON:103.472520 N:536288.20 E:806809.45</p> <p><b>AS-DRILLED BOTTOM OF HOLE</b> LAT:32.471623 LON:103.472526 N:536378.05 E:806806.70</p> <p><b>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.</b></p>			
<p><b>OPERATOR CERTIFICATION</b> 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.</p> <p><i>Rebecca Deal</i> <b>8/5/2019</b> Signature Date</p> <p><b>Rebecca Deal, Regulatory Analyst</b> Printed Name</p> <p><b>rebecca.deal@dvn.com</b> E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b> 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><b>06/2019</b> Date of Survey</p> <p><b>Signature &amp; Seal of Professional Surveyor</b></p> <p><b>B. L. LAMAN</b> <b>NEW MEXICO</b> <b>22404</b> <b>PROFESSIONAL SURVEYOR</b></p> <p><b>08/04/19</b> Certificate No. 22404 B. L. LAMAN W.O. # DRAWN BY: CM</p>			

Intent  As Drilled 

API # 30-025-45351	Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: CHILES 28-21 STATE COM	Well Number 2H
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## Kick Off Point (KOP)

UL O	Section 28	Township 21-S	Range 34-E	Lot	Feet 19	From N/S SOUTH	Feet 1731	From E/W EAST	County LEA
Latitude 32.442695	Longitude 103.471921								NAD 83

## First Take Point (FTP)

UL O	Section 28	Township 21-S	Range 34-E	Lot	Feet 100	From N/S SOUTH	Feet 1731	From E/W EAST	County LEA
Latitude 32.442918	Longitude 103.471921								NAD 83

## Last Take Point (LTP)

UL B	Section 21	Township 21-S	Range 34-E	Lot	Feet 100	From N/S NORTH	Feet 1910	From E/W EAST	County LEA
Latitude 32.471376	Longitude 103.472520								NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

 N

Is this well an infill well?

 Y

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API # 30-025-45350	Operator Name: Devon Energy Production Co., L.P.	Property Name: Chiles 28-21 State Com	Well Number 1H
-----------------------	---	--	-------------------

KZ 06/29/2018

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
30-025-45352	96660	BERRY; BONE SPRING, SOUTH
Property Code 322866	Property Name CHILES 28-21 STATE COM	Well Number 3H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3712.0'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	28	21-S	34-E		280	SOUTH	2370	EAST	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
C	21	21-S	34-E		45	NORTH	1869	WEST	LEA
Dedicated Acres 320	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>CHILES 28-21 STATE COM 3H EL: 3712.0' LAT:32.443404 LON:103.473989 N:526108.10 E:806438.30</p> <p>AS-DRILLED KOP 25' FSL 1924' FWL SEC. 28 LAT:32.442689 LON:103.477186 N:525839.84 E:805454.12</p> <p>AS-DRILLED FIRST TAKE POINT 100' FSL 1900' FWL SEC. 28 LAT:32.442896 LON:103.477265 N:525915.21 E:805428.99</p> <p>AS-DRILLED LAST TAKE POINT 101' FNL 1871' FWL SEC. 21 LAT:32.471361 LON:103.477379 N:536270.52 E:805310.83</p> <p>AS-DRILLED BOTTOM OF HOLE LAT:32.471514 LON:103.477385 N:536326.13 E:805308.51</p> <p>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.</p>		<p>N: 89°19'42" E E:2647.01 N:536349.40 E:803439.22</p> <p>N: 89°21'31" E E:2633.13 N:536409.90 E:808719.00</p> <p>N: 002°27'58" W E:2640.32 N:533709.17 E:803460.69</p> <p>N: 003°30'19" E E:2640.03 N:533769.97 E:808742.29</p> <p>N: 002°30'56" W E:2641.35 N:531067.93 E:803484.46</p> <p>N: 002°29'29" E E:2633.02 N:531137.05 E:808764.87</p> <p>N: 002°29'36" W E:2641.49 N:528426.53 E:803507.21</p> <p>N: 003°30'35" E E:2638.77 N:528498.39 E:808788.34</p> <p>N: 003°30'03" W E:2635.46 N:525791.17 E:803530.25</p> <p>N: 002°28'10" E E:2640.88 N:525857.79 E:808809.98</p> <p>N: 003°31'10" W E:2640.57 N:525824.08 E:806170.62</p>	<p><b>OPERATOR CERTIFICATION</b> 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.</p> <p><i>Rebecca Deal</i> 8/5/2019 Signature Date Rebecca Deal, Regulatory Analyst Printed Name rebecca.deal@dvn.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b> 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>06/2019 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>B. L. LAMAN</i> <i>NEW MEXICO</i> <i>22404</i> <i>PROFESSIONAL SURVEYOR</i> <i>B. L. LAMAN</i> 08/04/19 Certificate No. 22404 W.O. # DRAWN BY: CM</p>
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Intent  As Drilled 

API # <b>30-025-45352</b>	Operator Name: <b>DEVON ENERGY PRODUCTION COMPANY, LP.</b>	Property Name: <b>CHILES 28-21 STATE COM</b>	Well Number <b>3H</b>
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## Kick Off Point (KOP)

UL <b>N</b>	Section <b>28</b>	Township <b>21-S</b>	Range <b>34-E</b>	Lot	Feet <b>25</b>	From N/S <b>SOUTH</b>	Feet <b>1924</b>	From E/W <b>WEST</b>	County <b>LEA</b>
Latitude <b>32.442689</b>	Longitude <b>103.477186</b>								NAD <b>83</b>

## First Take Point (FTP)

UL <b>N</b>	Section <b>28</b>	Township <b>21-S</b>	Range <b>34-E</b>	Lot	Feet <b>100</b>	From N/S <b>SOUTH</b>	Feet <b>1900</b>	From E/W <b>WEST</b>	County <b>LEA</b>
Latitude <b>32.442896</b>	Longitude <b>103.477265</b>								NAD <b>83</b>

## Last Take Point (LTP)

UL <b>C</b>	Section <b>21</b>	Township <b>21-S</b>	Range <b>34-E</b>	Lot	Feet <b>101</b>	From N/S <b>NORTH</b>	Feet <b>1871</b>	From E/W <b>WEST</b>	County <b>LEA</b>
Latitude <b>32.471361</b>	Longitude <b>103.477379</b>								NAD <b>83</b>

Is this well the defining well for the Horizontal Spacing Unit?

 **N**

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API # <b>30-025-45350</b>	Operator Name: <b>Devon Energy Production Co., L.P.</b>	Property Name: <b>Chiles 28-21 State Come</b>	Well Number <b>1H</b>
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KZ 06/29/2018

**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) 748-0720

**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		Pool Code		Pool Name			
		96660		BERRY; BONE SPRING, SOUTH			
Property Code		Property Name				Well Number	
		CHILES 28-21 STATE COM				4H	
OGRID No.		Operator Name				Elevation	
6137		DEVON ENERGY PRODUCTION COMPANY, L.P.				3713.3'	

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	28	21-S	34-E		182	SOUTH	2455	EAST	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
C	21	21-S	34-E		20	NCRH	1980	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code			Order No.				
<b>320</b>									

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><b>OPERATOR CERTIFICATION</b> 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 has an 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.</p> <p><i>Rebecca Deal</i> 11/10/2021 Signature Date</p> <p>Rebecca Deal, Regulatory Analyst Printed Name</p> <p>rebecca.deal@dvn.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b> 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>11/2021 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p></p> <p>11/09/21 Date of Survey</p> <p>Certificate No. 22404 B.L. LAMAN W.O. # DRAWN BY: CM</p>
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Intent  As Drilled 

API #
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Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: CHILES 28-21 STATE COM	Well Number 4H
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## Kick Off Point (KOP)

UL 28	Section 21S	Township 21S	Range 34E	Lot	Feet 44	From N/S FSL	Feet 1978	From E/W FWL	County LEA
Latitude 32.4426				Longitude -103.4771					

## First Take Point (FTP)

UL N 28	Section 21-S	Township 21-S	Range 34-E	Lot	Feet 100	From N/S SOUTH	Feet 1980	From E/W WEST	County LEA
Latitude 32.442896				Longitude 103.477005					

## Last Take Point (LTP)

UL C 21	Section 21	Township 21-S	Range 34-E	Lot	Feet 100	From N/S NORTH	Feet 1980	From E/W WEST	County LEA
Latitude 32.471364				Longitude 103.477026					

Is this well the defining well for the Horizontal Spacing Unit?

N
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Is this well an infill well?

Y
---

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #	Property Name: CHILES 28-21 STATE COM	Well Number 3H
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.		

KZ 06/29/2018

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1625 N. FRENCH DR., HOBBS, NM 88240  
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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		Pool Code		Pool Name	
96660		BERRY; BONE SPRING, SOUTH			
Property Code		Property Name		Well Number	
CHILES 28-21 STATE COM		5H			
OGRID No.		Operator Name		Elevation	
6137		DEVON ENERGY PRODUCTION COMPANY, L.P.		3713.3'	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	28	21-S	34-E		182	SOUTH	2425	EAST	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
B	21	21-S	34-E		20	NORTH	1980	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code		Order No.					
320									

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b> 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.</p> <p><i>Rebecca Deal</i> 11/10/2021 Signature Date</p> <p>Rebecca Deal, Regulatory Analyst Printed Name</p> <p>rebecca.deal@dvn.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b> 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>11/2021 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <p>11/09/21 Certificate No. 22404 B.L. LAMAN W.O. # DRAWN BY: CM</p>
--	---

Intent  As Drilled 

API #
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Operator Name:	Property Name:	Well Number
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## Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

## First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

## Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

Is this well the defining well for the Horizontal Spacing Unit? Is this well an infill well? 

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #
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Operator Name:	Property Name:	Well Number
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KZ 06/29/2018



Devon Energy Production Company, L.P.  
333 W. Sheridan Avenue  
Oklahoma City, Oklahoma 73102  
Phone: (405) 228-4800

August 1st, 2023

**CERTIFIED MAIL**

**RETURN RECEIPT REQUESTED**

**Re: Chiles 28 Wellpad 1 Facility**  
**Sec.-T-R: 28-21S-34E**  
**County: Lea Co., New Mexico**  
**Wells: CHILES 28-21 STATE COM 1H - 5H**

**Lease: VB-1880, VB-1890, B-1581, VB-1912**  
**Agreements: Approved Bone Spring CAs: 2280971, 2280972, 2280973**  
**Pool: [96660] BERRY;BONE SPRING, SOUTH**

Interest Owners:

This letter is to advise that Devon Energy Production Company, L.P. is filing an application with the New Mexico Oil Conservation Division (NMOCD) seeking approval for a Central Tank Battery for the above-mentioned wells. A copy of the submitted application is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

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.

Please contact Devon Energy Production Company, L.P. at (405) 228-4800 with any questions or needs.

Sincerely,

Devon Energy Production Company, L.P.

A handwritten signature in blue ink that reads "Rebecca Deal".

Rebecca Deal  
Regulatory Compliance Professional  
Enclosure

Name1	Name2	Street	City	State	Postal Code	Tracking Number
DEVON ENERGY PROD CO LP STATE OF NEW MEXICO	COMMISSION OF PUBLIC LANDS	333 W SHERIDAN AVE PO BOX 1148	OKLAHOMA CITY SANTA FE	OK NM	73102-5015 87504-1148	N/A 9414814901527181261846

**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. CTB-1178**

**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 the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
6. 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 as described in Exhibit A.

**CONCLUSIONS OF LAW**

7. 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, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
11. 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) NMAC and 19.15.12.10 C.(4)(h) NMAC.
12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
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 oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described 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.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.

6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
7. 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.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
9. If a well is not included in Exhibit A but produces from a pool and lease as described 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, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

*Albert Chang*  
\_\_\_\_\_  
**ALBERT C. S. CHANG**  
**DIRECTOR**

**DATE:** 12/14/2025

**State of New Mexico**  
**Energy, Minerals and Natural Resources Department**

**Exhibit A**

**Order: CTB-1178**

**Operator: Devon Energy Production Company, LP (6137)**

**Central Tank Battery: Chiles 28 Wellpad 1 Central Tank Battery**

**Central Tank Battery Location: UL O, Section 28, Township 21 South, Range 34 East**

**Gas Title Transfer Meter Location: UL O, Section 28, Township 21 South, Range 34 East**

**Pools**

<b>Pool Name</b>	<b>Pool Code</b>
<b>BERRY;BONE SPRING, SOUTH</b>	<b>96660</b>

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

<b>Lease</b>	<b>UL or Q/Q</b>	<b>S-T-R</b>
<b>CA Bone Spring SLO 203922 PUN 1377446</b>	<b>E2E2</b>	<b>21-21S-34E</b>
	<b>E2E2</b>	<b>28-21S-34E</b>
<b>CA Bone Spring SLO 203923 PUN 1377438</b>	<b>W2E2</b>	<b>21-21S-34E</b>
	<b>W2E2</b>	<b>28-21S-34E</b>
<b>CA Bone Spring SLO 203924 PUN 1377420</b>	<b>E2W2</b>	<b>21-21S-34E</b>
	<b>E2W2</b>	<b>28-21S-34E</b>

**Wells**

<b>Well API</b>	<b>Well Name</b>	<b>UL or Q/Q</b>	<b>S-T-R</b>	<b>Pool</b>
<b>30-025-45350</b>	<b>CHILES 28 21 STATE COM #001H</b>	<b>E2E2</b>	<b>21-21S-34E</b>	<b>96660</b>
		<b>E2E2</b>	<b>28-21S-34E</b>	
<b>30-025-45351</b>	<b>CHILES 28 21 STATE COM #002H</b>	<b>W2E2</b>	<b>21-21S-34E</b>	<b>96660</b>
		<b>W2E2</b>	<b>28-21S-34E</b>	
<b>30-025-49589</b>	<b>CHILES 28 21 STATE COM #005H</b>	<b>W2E2</b>	<b>21-21S-34E</b>	<b>96660</b>
		<b>W2E2</b>	<b>28-21S-34E</b>	
<b>30-025-45352</b>	<b>CHILES 28 21 STATE COM #003H</b>	<b>E2W2</b>	<b>21-21S-34E</b>	<b>96660</b>
		<b>E2W2</b>	<b>28-21S-34E</b>	
<b>30-025-49588</b>	<b>CHILES 28 21 STATE COM #004H</b>	<b>E2W2</b>	<b>21-21S-34E</b>	<b>96660</b>
		<b>E2W2</b>	<b>28-21S-34E</b>	

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 248642

**CONDITIONS**

Operator:  DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 248642
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov.	12/15/2025