



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM133371
3105.2 (P0220)

Reference:
Harroun Trust 31-30 Fed Com 2H
T. 23 S., R. 29 E.,
Section 31
Eddy County, NM

SEP 29 2014

RECEIVED OGD
2014 OCT -8 P 2:51

Devon Energy Production Company
333 West Sheridan Avenue
Oklahoma City, OK 73102-5105

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM133371 involving 39.59 acres of Federal land in lease NM82886, and 195.42 acres of Fee land, Eddy County, New Mexico, which comprise a 235.01 acre well spacing unit, whose leases are held by actual production.

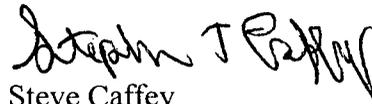
The agreement communitizes all rights to all producible hydrocarbons from the Brushy Canyon formation beneath sec. 31, T. 23 S., R. 29 E., NMPM, and is effective 2/1/14. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

If you have any questions regarding this approval, please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

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

Sincerely,



Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

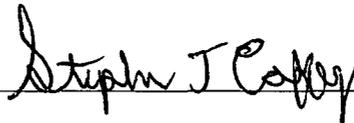
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering sec. 31, T. 23 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Brushy Canyon formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement. Operator will be required to obtain like approval from the BLM on these sundries to confirm that the public interest requirements are met.

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

Approved:



Authorized Officer
Steve Caffey
Assistant Field Manager

Effective: 2/1/14

Contract No.: Com. Agr. NM133371



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Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM133371
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM133371

Date of Completion: 5/28/14
Date of First Production: 5/16/14
Field: Harroun Ranch-Delaware
Operator, Well Name & No, API Number: Devon; Harroun Trust 31-30 Fed Com 2H;
3001541963
Surface Location: sec. 31, T. 23 S., R. 29 E.
Total Depth: 13,217 MD; TVD 6,324
Surface Elevation: 2,957 GL
Producing Formation: Brushy Canyon (6,529 – 13,110)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 420 BBL; Gas 447 MCF; Water 1,910 BBL
Current Status: Producing Oil Well

Remarks: CA NM133371, effective 2/1/14, communitizes production of all gas and fluid hydrocarbons in the Brushy Canyon formation beneath sec. 31, T. 23 S., R. 29 E., NMPM, and comprises 39.59 acres of Federal land in lease NM82886, and 195.42 acres of Fee land for a 235.01 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Arthur Morrison at ajmorrison@blm.gov.

/S/ **Arthur Morrison**
September 29, 2014

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