



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:

NM134540

3105.2 (P0220)

Reference:

Mizar 11 Fed Com 1H

T. 19 S., R. 31 E.,

N2N2, sec. 11

May 18, 2015

Lea County, NM

Devon Energy Corporation
333 W. Sheridan
Oklahoma City, OK 73102

RECEIVED OCD
2015 MAY 27 P 3:20

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134540 involving 80 acres of Federal land in lease NMNM99039, and 80 acres of Federal land in lease NMNM130869, Eddy County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the N2N2 of sec. 11, T. 19 S., R. 31 E., NMPM, and is effective 07/01/2014. 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,



Stephen Caffey
Assistant Field Manager,

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

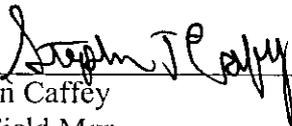
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 the N2N2 of sec: 11, T. 19 S., R. 31 E., NMPM, as to all producible hydrocarbons from the Bone spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.

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

Approved:



Stephen Caffey
Asst. Field Mgr.
Authorized Officer

Effective: 07/01/14

Contract No.: Com. Agr. NM134540

United States Department of the Interior



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM134540
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134540

Date of Completion: 12/25/2014
Date of First Production: 12/25/2014
Field: Greenwood
Operator, Well Name & No, API Number: Devon; Mizar 11 Fed Com 1H; 30-015-41964
Surface Location: sec.11, T. 19 S., R. 31 E.
Total Depth: 13,623 MD; 9,005 TVD
Surface Elevation: 3,597GL
Producing Formation: Bone Spring (9,181 – 13,566)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 334 BBL; Gas 239 MCF; Water 1,333 BBL
Current Status: Producing Oil Well

Remarks: CA NM134540, effective 07/01/14, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath N2N2 of sec. 30, T. 19 S., R. 31 E., NMPM, and comprises 80 acres of Federal land in lease NMNM99039, and 80 acres of Federal land in lease NMNM130869 for a 160 acre 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/ Deborah Ham
05/18/2015

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