



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:
NM134734
3105.2 (P0220)

Reference:
Hadar 10 Fed Com 1H
T. 19 S., R. 31 E.,
Section 10: N2

JUL 02 2015

Eddy County, NM

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134734 involving 80 acres of Federal land in lease NM130868, and 240 acres of Federal land in lease NMNM98186, Eddy County, New Mexico, which comprise a 320-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath T. 19 S., R. 31 E., Section 10: N2, NMPM, and is effective 12/15/14. 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.

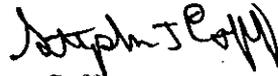
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of 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.

RECEIVED OGD
2015 JUL 13 P

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

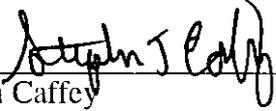
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 T. 19 S., R. 31 E., Section 10: N2, 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: 12/15/14

Contract No.: Com. Agr. NM134734



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM134734
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134734

Date of Completion: 12/23/14
Date of First Production: 12/23/14
Field: Hackberry, Bone Spring N.
Operator, Well Name & No, API Number: Devon; Hadar 10 Fed Com 1H; 30-015-41949
Surface Location: sec.11, T. 19 S., R. 31 E.
Total Depth: 13,711 MD; 9,012 TVD
Surface Elevation: 3,597GL
Producing Formation: Bone Spring (9,110 – 13,654)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 355 BBL; Gas 332 MCF; Water 1,570 BBL
Current Status: Producing Oil Well
Remarks: CA NM134734, effective 12/15/14, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 10: N2, T. 19 S., R. 31 E., NMPM, and comprises 80 acres of Federal land in lease NM130868, and 240 acres of Federal land in lease NMNM98186 for a 320-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/ Arthur Morrison
7/2/15

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