

Revised March 23, 2017

M9NGP-200421-C-107B 953

RECEIVED: 4/21/20	REVIEWER:	TYPE: CTB	APP NO: pDM2015052262
----------------------	-----------	--------------	--------------------------

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:** see attachments for multiple wells and API's **API:**  
**Pool:** 39350 LIVINGSTON RIDGE; BONE SPRING **Pool Code:**

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

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling – Storage – Measurement

☐ DHC☐ CTB☒ PLC☐ PC☐ OLS☒ OLM

[ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ 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.**

4-21-2020

Date

Jenny Harms

Print or Type Name

405-552-6560

Phone Number

Signature

jenny.harms@dmv.com

e-mail Address



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5010

405 552-7970 Phone  
Erin.workman@dvn.com

April 21, 2020

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

**Re: Central Tank Battery**  
**BELLOQ 11 CTB 1**  
**Sec.,T, R: SWSW, S11, T23S, R31E**  
**Lease: NMNM040441, STATE, NMNM018848, NMNM097891,**  
**NMNM121955, NMNM081953**  
**Pool: 39350 LIVINGSTON RIDGE; BONE SPRING**  
**County: Eddy Co., New Mexico**

Dear Mr. McClure:

Please find attached the OCD Form C-103 Notice of Intent for a Central Tank Battery of the aforementioned wells. This application is necessary due to diverse leases.

A application was approved for Off-Lease Measurement and a Surface Commingle was not required by the BLM due to the wells paying federal royalties at the 3 phase FMP.

Please note there is not a CA for the Belloq 11 FED 222H (3001545275)

The working interest, royalty interest and overriding royalty interest owners are not identical, therefore notifications have been sent.

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) 552-6560.

Sincerely,

A handwritten signature in blue ink that reads "Jenny Harms". The signature is fluid and cursive, with the first name "Jenny" and last name "Harms" clearly distinguishable.

**Jenny Harms**

Regulatory Compliance Professional  
Work Phone: (405)552-6560  
[Jennifer.harms@dvn.com](mailto:Jennifer.harms@dvn.com)  
Devon Energy Center-Tower  
333 West Sheridan Avenue Oklahoma City OK 73102-5015

**Enclosures**

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
See attachments					

- (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.  
(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 attached 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: Jenny Harms TITLE: Regulatory Specialist DATE: 4-21-2020

TYPE OR PRINT NAME Jenny Harms TELEPHONE NO.: 405-552-6560

E-MAIL ADDRESS: jenny.harms@dmn.com

Form 3160-5  
(June 2015)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**OLM + Vapors  
OFFICIAL FILE COPY

15. Lease Serial No. NMNM0405444
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. ALEUTIAN 10-3 FED COM 214H
9. API Well No. 30-015-45570-00-X1
10. Field and Pool or Exploratory Area LIVINGSTON RIDGE-BONE SPRING
11. County or Parish, State EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator DEVON ENERGY PRODUCTION COMPANY	Contact: JENNIFER HARMS E-Mail: jennifer.harms@dvn.com
3a. Address 333 WEST SHERIDAN AVENUE OKLAHOMA, OK 73102	3b. Phone No. (include area code) Ph: 405-552-6560	10. Field and Pool or Exploratory Area LIVINGSTON RIDGE-BONE SPRING
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T23S R31E SESE 315FSL 850FEL 32.312611 N Lat, 103.759872 W Lon		11. County or Parish, State EDDY COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measuremen t
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Devon Energy Production Company, L.P. (Devon) respectfully requests approval for Off Lease Measurement for the below wells, please see attachments.

8 Vapor CAA

50% State  
100% Fed

BELLOQ 11-2 FED STATE COM 231H  
BELLOQ 11-2 FED STATE COM 223H  
BELLOQ 11-2 FED STATE COM 234H  
Belloq 11 Fed 222H  
Aleutian 10-3 Fed Com 214H

14. I hereby certify that the foregoing is true and correct. Electronic Submission #465032 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION COM LP, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 05/13/2019 (19PP2036SE)	
Name (Printed/Typed) JENNIFER HARMS	Title REGULATORY COMPLIANCE ANALYST
Signature (Electronic Submission)	Date 05/13/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By  Dylan Rossman	Title PE	Date 1/31/20
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office CFO	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*



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

**Proposal for BELLOQ 11-2 FED STATE COM 231H, BELLOQ 11-2 FED STATE COM 223H, BELLOQ 11-2 FED STATE COM 234H, Belloq 11 Fed 222H, Aleutian 10-3 Fed Com 214H**

Devon Energy Production Company, LP is requesting approval for Off Lease Measurement for the following wells on the Belloq 11 CTB 1:

### Federal Lease NMNM0404441 (12.5 %)

Well Name	Location	API #	Pool	County
BELLOQ 11-2 FED STATE COM 231H	11-23S-31E	3001545277	BONESPRING	EDDY
BELLOQ 11-2 FED STATE COM 223H	11-23S-31E	3001542276	BONESPRING	EDDY
BELLOQ 11-2 FED STATE COM 234H	11-23S-31E	3001545278	BONESPRING	EDDY

### STATE- Lease

Well Name	Location	API #	Pool	County
BELLOQ 11-2 FED STATE COM 231H	11-23S-31E	3001545277	BONESPRING	EDDY
BELLOQ 11-2 FED STATE COM 223H	11-23S-31E	3001542276	BONESPRING	EDDY
BELLOQ 11-2 FED STATE COM 234H	11-23S-31E	3001545278	BONESPRING	EDDY

### Federal Lease NMNM018848 (12.5 %)

Well Name	Location	API #	Pool	County
Belloq 11 Fed 222H	11-23S-31E	3001545275	BONESPRING	EDDY
Aleutian 10-3 Fed Com 214H	10-23S-31E	3001545570	BONESPRING	EDDY

### Federal Lease NMNM097891 (12.5 %)

Well Name	Location	API #	Pool	County
Belloq 11 Fed 222H	11-23S-31E	3001545275	BONESPRING	EDDY
Aleutian 10-3 Fed Com 214H	10-23S-31E	3001545570	BONESPRING	EDDY

### Federal Lease NMNM121955 (12.5 %)

Well Name	Location	API #	Pool	County
Aleutian 10-3 Fed Com 214H	10-23S-31E	3001545570	BONESPRING	EDDY

### Federal Lease NMNM081953 (12.5 %)

Well Name	Location	API #	Pool	County
Aleutian 10-3 Fed Com 214H	10-23S-31E	3001545570	BONESPRING	EDDY

CA's-Each wellbore will have its own CA due to ownership and is currently pending submittal.

### Oil & Gas metering:

The central tank battery, Belloq 11 CTB 1, is located in SWSW, S11, T23S, R31E in Eddy County, New Mexico.

Each well is routed to its own 3-phase separator where the full well stream is separated into gas, oil, and water streams. For each well, after separation, gas is measured with an independent, designated orifice meter as a Federal Measurement Point (FMP) for payment of royalties, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas sales meter(s). The oil from the 3-phase separator is measured with an independent, designated Micro Motion Coriolis Meter in which will serve as the FMP. It then combines with the oil production from the other wells as shown on the attached process flow diagram, flows into the heater treater. The combined oil then flows into the Ultra-Low Pressure Separator(s) (ULPS), and into one of the oil tanks. The oil is then pumped out of the common tanks to an oil sales meter (LACT unit). The water from the 3-phase separator is measured with an independent, designated Mag meter for allocation, combines with the water from the other wells, then flows into the gun barrel, and into one of the produced water tanks. Flash gas that exits the heater treater(s) flows through the medium pressure Vapor Recovery Unit (VRU), and is then measured with a designated orifice meter as a Federal Measurement Point for payment of royalties. Flash gas that exits the ULPS(s) flows to the low pressure Vapor Recovery Unit (VRU) and is then measured with a designated orifice meter and allocated based on monthly oil production.

The central tank battery will have 4 oil tanks and 3 water tanks that all wells will utilize. All wells will have 1 common gas delivery point(s) on location. They will also share 1 common oil delivery point(s) (LACT) on or directly adjacent to location.

## Meter Owner / Serial Number:

Well Name	Gas Allocation Meter	Oil Allocation Meter	Gas FMP	Oil FMP	Water Allocation Meter	VRU Allocation Meter
BELLOQ 11 FED 222H	na	DVN / *	DVN / *	DVN / *	DVN / *	na
ALEUTIAN 10-3 FED COM 214H	na	DVN / *	DVN / *	DVN / *	DVN / *	na
BELLOQ 11-2 FED STATE COM 231H	na	DVN / *	DVN / *	DVN / *	DVN / *	na
BELLOQ 11-2 FED STATE COM 234H	na	DVN / *	DVN / *	DVN / *	DVN / *	na
BELLOQ 11-2 FED STATE COM 223H	na	DVN / *	DVN / *	DVN / *	DVN / *	na

\* 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 FMP meter located downstream of each well's 3-phase separator. Devon will continue to operate and maintain the Micro Motion Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regards to proving the Micro Motion Coriolis Meter to meet applicable BLM standards. Each well's gas volumes will be based on the gas FMP meter located downstream of each well's 3-phase separator and the medium pressure VRU FMP meter. The medium pressure VRU FMP 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.

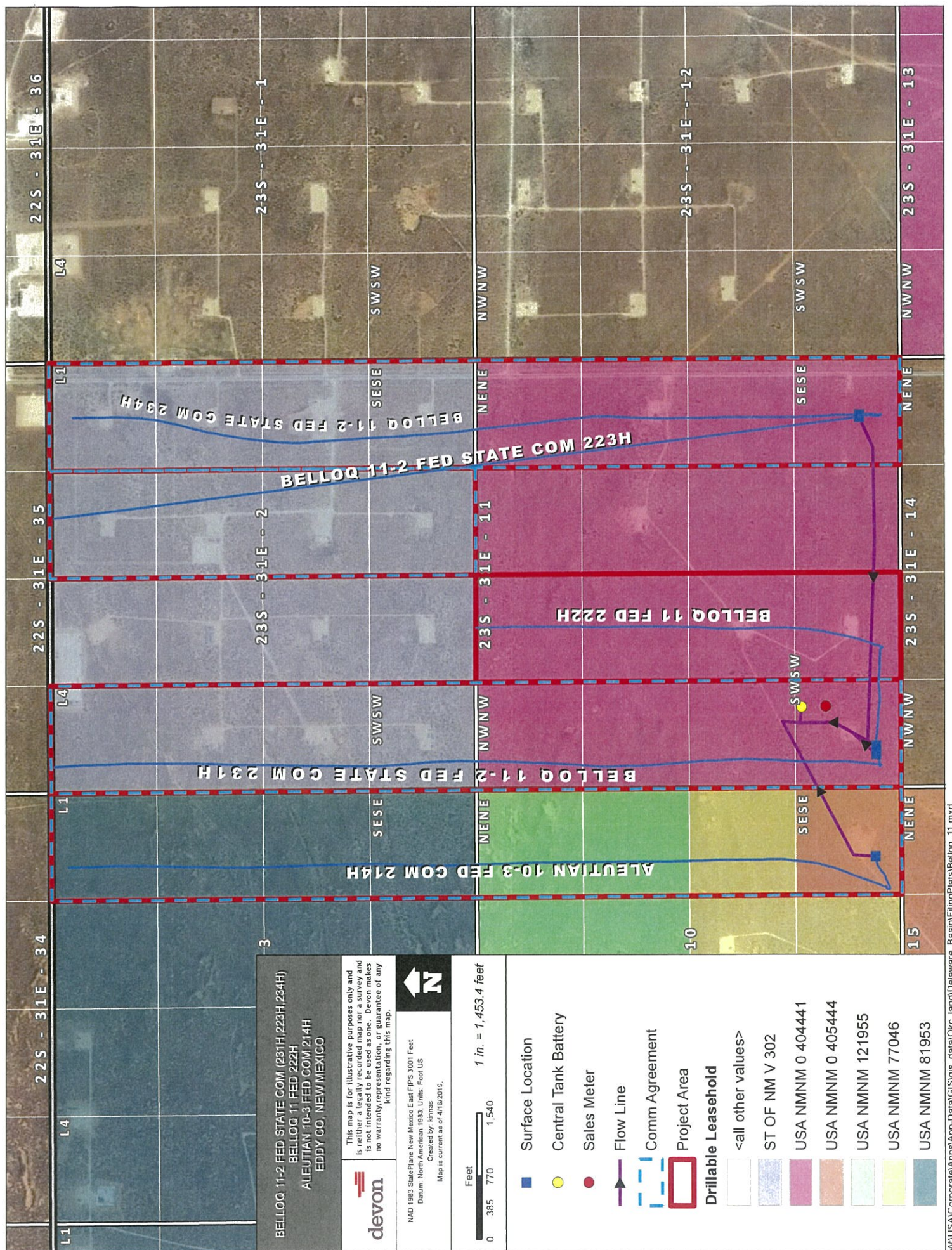
The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed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

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

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).









**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

## **Conditions of Approval**

### **Vapor CAA and Off-Lease Storage, Measurement and Sales of Production**

**Devon Energy Production Company**

**Belloq 11 CTB 1 (and Aleutian 10-3 F C 214H)**

**Leases: NMNM040441 (CTB loc.), NMNM018848, NMNM097891,  
NMNM121955, NMNM081953, 640 ac. state**

#### **Approval of vapor CAA and OLM is subject to the following conditions of approval:**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any change in sales method or location of the Sales point.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the public's interest (surface and/or subsurface).
5. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
6. All oil and gas subject to royalty shall be measured and reported to ONRR as required, unless otherwise approved by an Authorized Officer. Aside from exceptions listed in 43 CFR 3179, all flared/vented gas volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33" for royalty-bearing flared gas and disposition code 63 for royalty-bearing vented gas.
7. Additional wells require a new and updated application for off-lease operations.
8. In lieu of FMP numbers on the site facility diagram, which shall be submitted within 30 days of the facility becoming operational per 43 CFR 3173.11, include all meter serial numbers or assign unique meter ID numbers that are reflected in the field.
9. Vapor and flash gas are being commingled and will be allocated back to each well based on oil production. Vapor recovery equipment is also approved with this application.
10. Approval for off-lease operations is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocations.

**01312020 DR**



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8425 95

---

A G ANDRIKOPOULOS RESOURCE INC  
PO BOX 788  
CHEYENNE WY 82003-0788



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 01

---

ALFRED GILES III  
% ALFRED GILES IV  
PO BOX 50360  
AUSTIN TX 78763-0360





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 18

---

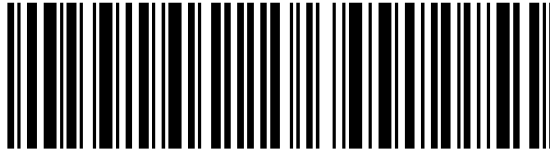
BALONEY FEATHERS LTD  
BY ELK MOUNTAIN HOLDINGS LLC  
PO BOX 1586  
LUBBOCK TX 79408



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 25

---

CAMTERRA RESOURCES PTNRS LTD  
ATTN: ACCOUNTING DEPT  
2615 E END BLVD S  
MARSHALL TX 75672-7425



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 32

---

CARGOIL & GAS CO LLC  
CAROLYN L SHOGRIN REV TR SINGLE  
PO BOX 29450  
SANTA FE NM 87592-9450





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 49

---

CATHERINE M GRACE  
%DAN SERNA & COMPANY  
6031 INTERSTATE 20 W STE 251LB  
ARLINGTON TX 76017-1084



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 56

---

CDA FAMILY PARTNERSHIP LTD  
PO BOX 81077  
MIDLAND TX 79708



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 63

---

CHARLES R WIGGINS  
PO BOX 10862  
MIDLAND TX 79702





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 70

---

CROW REYNOLDS LTD  
2406 IRVING BLVD  
DALLAS TX 75207



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 87

---

DEVON ENERGY PROD CO LP  
333 W SHERIDAN AVE  
OKLAHOMA CITY OK 73102-5015



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8426 94

---

DON FRANKLIN  
1 HIDEAWAY CIR  
HOUSTON TX 77074





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 00

---

DONALD C ALLMAN TRUST  
UA DATED 10-26-68  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 17

---

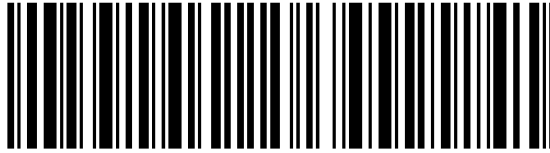
DOUGLAS ABELL DENTON  
1501 PRINCETON AVE  
MIDLAND TX 79701-5761



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 24

---

FIGURE 4 INVESTMENT TRUST  
PO BOX 1113  
PINEHURST TX 77362



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 31

---

FIVE TALENTS LTD  
ATTN MARK DOERING  
10355 FM 215  
VALLEY MILLS TX 76689



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 48

---

GEORGE ALLMAN JR TRUST  
UA DTD 10-26-68  
PO BOX 2605  
FORT WORTH TX 76113





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 55

---

GEORGE M ALLMAN III TRUST  
GEORGE MARTIN ALLMAN III TRUSTEE  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 62

---

GEORGIA B BASS  
2855 WESTMINISTER PLAZA DR STE 4409  
HOUSTON TX 77082



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 79

---

INNERARITY FAMILY MINERALS LLC  
PO BOX 313  
MIDLAND TX 79702



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 86

---

JADT MINERALS LTD  
PO BOX 190229  
DALLAS TX 75219-0229



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8427 93

---

JILL ALLMAN MANCUSO TRUST  
JILL ALLMAN MANCUSO TTEE  
PO BOX 2605  
FORT WORTH TX 76113





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 09

---

JOE N GIFFORD  
PO BOX 51187  
MIDLAND TX 79710-1187



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 16

---

KIMBELL ROYALTY HOLDINGS LLC  
% DUNCAN MANAGEMENT LLC  
PO BOX 671099  
DALLAS TX 75367-1099



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 23

---

KORBAN RESOURCES LLC  
UNKNOWN  
UNKNOWN OK 73102



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 30

---

LISA GAIL KARABATSOS  
PO BOX 327  
COLUMBUS TX 78934



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 47

---

LORRAINE L JOHNSON FAMILY TRUST  
FARMERS NATIONAL CO AGENT  
PO BOX 3480  
OMAHA NE 68103-0480





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 54

---

MARGARET A SUMMERFORD ROGERS  
SCOTT SUMMERFORD OR  
6460 N SILVERSMITH PL  
TUCSON AZ 85750



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 61

---

MARGARET SUE SCHROEDER TRUST  
UA DTD 10-26-68  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 78

---

MARILYN M ALLMAN TRUST  
MARILYN MARIE ALLMAN TRUSTEE  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 85

---

MARY ELIZABETH SCHRAM TRUST  
UA DTD 10-26-68  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8428 92

---

MARY MARGARET OLSON TRUST  
LEONARD M OLSON & JOHN B OLSON &  
6031 W INTERSTATE-20 STE 251  
ARLINGTON TX 76017

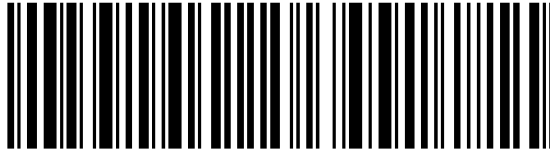




Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 08

---

MARY PATRICIA DOUGHERTY TRUST  
NORTHERN BANK TRUST OF TX  
98 SAN JACINTO BLVD STE 350  
AUSTIN TX 78701



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 15

---

MICHELLE ALLMAN GRANTOR TRUST  
UA DTD 12-31-87  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 22

---

MOMENTUM MINERALS OPERATING LP  
750 TOWN & COUNTRY BLVD STE 420  
HOUSTON TX 77024



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 39

---

NANCY S THOMAS  
106 MAPLE VALLEY RD  
HOUSTON TX 77056



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 46

---

NANCY STALLWORTH THOMAS MARITAL  
TRUST  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 53

---

NURAY K PACE  
258 CAPE JASMINE CT  
SPRING TX 77381



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 60

---

ONRR  
ROYALTY MANAGEMENT PROGRAM  
PO BOX 25627  
DENVER CO 80225-0627



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 77

---

OTTO E SCHROEDER JR  
500 HAWK CT  
COPPELL TX 75019





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 84

---

P A ALLMAN TRUST  
PHYLLIS ANNE ALLMAN TRUSTEE  
PO BOX 2605  
FORT WORTH TX 76113



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8429 91

---

PATRICIA BOYLE YOUNG  
PO BOX 1639  
SOLANA BEACH CA 92075-7639



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 04

---

PATRICIA BOYLE YOUNG MGMT TRUST  
FIRST NATIONAL BANK & TRUST CO TTEE  
PO BOX 1037  
OKMULGEE OK 74447



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 11

---

PATRICIA KAY LORENZ  
401 RED OAK ST  
ARANSAS PASS TX 78336-4616



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 28

---

RICHARD DONALD JONES JR  
200 N GAINES RD  
CEDAR CREEK TX 78612



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 35

---

RONNIE LORENZ  
302 HEATHERCREST  
PORTLAND TX 78374



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 42

---

SANTA ELENA MINERALS IV LP  
PO BOX 2063  
MIDLAND TX 79702



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 59

---

SOURCE ROCK MINERALS LP  
PO BOX 670713  
DALLAS TX 75367





Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 66

---

STATE OF NEW MEXICO  
COMMISSION OF PUBLIC LANDS  
PO BOX 1148  
SANTA FE NM 87504-1148



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 73

---

SYDHAN LP  
PO BOX 92349  
AUSTIN TX 78709



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 80

---

TD MINERALS LLC  
8111 WESTCHESTER DR STE 900  
DALLAS TX 75225



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8430 97

---

TEK PROPERTIES LTD  
% THOMAS E KELLY  
4705 MIRAMONT CIRCLE  
BRYAN TX 77802



Devon Energy  
Regulatory Affairs  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

---

USPS CERTIFIED MAIL



9414 8149 0152 7181 8431 03

---

THERESA ALLMAN SMITH GRANTOR TRUST  
UA DTD 12-31-87  
PO BOX 2605  
FORT WORTH TX 76113

Federal/Federal

## COMMUNITIZATION AGREEMENT

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

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such Parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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

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

Township 23 South, Range 31 East, N.M.P.M.

Section 10: E2E2

Section 3: Lot 1, SENE, & E2SE

Eddy County, New Mexico

Containing 319.45 acres, and this agreement shall include only the Bone Spring Formations underlying said lands and the oil, natural gas and associated liquid hydrocarbon substances, hereinafter, referred to as "communitized substances, producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders rules or regulations.

10. The date of this agreement is February 1, 2019 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect as to the Bone Spring formation(s) individually for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized formation or formations in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease, which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.



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

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

**Devon Energy Production Company, L.P.**  
(Operator, Record Title and Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Catherine Lebsack, Vice President

**Camterra Resources Partners, Ltd.,**  
a Texas Limited Partnership  
By: Camterra Resources, Inc.,  
a Texas Corporation  
Its: Managing General Partner  
(Record Title and Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Zachary Q. Carlile, Chief Executive Officer

**Oxy Y-1 Company**  
(Record Title and Operating Rights Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title \_\_\_\_\_

**XTO Holdings, LLC**  
(Record Title Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title \_\_\_\_\_

**EOG Resources, Inc.**  
(Record Title Owner)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title \_\_\_\_\_

**ACKNOWLEDGMENTS**

STATE OF OKLAHOMA           §  
   §  
 COUNTY OF OKLAHOMA       §

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

My Commission Expires:

\_\_\_\_\_  
 Notary Public

STATE OF TEXAS               §  
   §  
 COUNTY OF DALLAS           §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2019 by Zachary Q. Carlisle as Chief Executive Officer of Camterra Resources, Inc., a Texas Corporation, Managing General Partner of Camterra Resources, Ltd., a Texas limited partnership, on behalf of said limited partnership.

My Commission Expires:

\_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_       §  
   §  
 COUNTY OF \_\_\_\_\_       §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2019 by \_\_\_\_\_, as \_\_\_\_\_ of Oxy Y-1 Company, on behalf of said company.

My Commission Expires:

\_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2019 by \_\_\_\_\_, as \_\_\_\_\_ of XTO Holdings, LLC, on behalf of said limited liability company.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2019 by \_\_\_\_\_, as \_\_\_\_\_ of EOG Resources, Inc., on behalf of said company.

My Commission Expires:

\_\_\_\_\_  
Notary Public

## EXHIBIT "A"

To Communitization Agreement dated February 1, 2019 embracing E2E2 of Section 10 and Lot 1, SENE, & E2SE of Section 3, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

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

## DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial No.:	NMNM-0405444
Lease Date:	July 1, 1963
Lease Term:	10 Years
Lessor:	United States of America
Original Lessee:	Lorraine L. Todd
Present Lessee:	XTO Holdings LLC - 100.00%
Description of Land Committed:	<u>Township 23 South, Range 31 East, N.M.P.M.</u> Section 10: Insofar and only insofar as said lease covers SESE
Number of Acres:	40.0
Royalty Rate:	1/8
Name and Percent WI Owners:	Devon Energy Production Company, L.P. Joe Gifford, et ux Nancy Stallworth Thomas Marital Trust P.A. Allman Trust George M. Allman, III Trust Marilyn M. Allman Trust Jill Allman Manusco Trust Donald C. Allman Trust, dtd 10/26/1968 George Allman, Jr. Trust, dtd 10/26/1968 Mary Elizabeth Schram Trust, dtd 10/26/1968 Margaret Sue Schroeder Trust, dtd 10/26/1968 Michell Allman Grantor Trust, dtd 12/31/1987 Theresa Allman Smith Grantor Trust, dtd 12/31/1987

Nancy S. Thomas  
TEK Properties, Ltd.  
Otto E. Schroeder, Jr.  
Catherine M. Grace  
Mary Margaret Olson

Non-Consenting Parties: Schram Family Living Revocable Trust  
Estate of Alfred Schram  
Mabee Flynt Lease Trust

Name and Percent ORRI Owners: Of Record

Tract No. 2

Lease Serial No.: NMNM-77046

Lease Date: September 1, 1988

Lease Term: 5 Years

Lessor: United States of America

Original Lessee: Santa Fe Energy Operating Partners, L.P.

Present Lessee: Devon Energy Production Company, L.P. - 100.00%

Description of Land Committed: Township 23 South, Range 31 East, N.M.P.M.  
Section 10: Insofar and only insofar as said lease covers  
NESE

Number of Acres: 40.0

Royalty Rate: 1/8

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

Name and Percent ORRI Owners: Of Record

Tract No. 3

Lease Serial No.: NMNM 121955

Lease Date: May 1, 2009

Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Yates Petroleum Corporation

Present Lessee: Devon Energy Production Company, L.P. – 100.00%

Description of Land Committed: Township 23 South, Range 31 East, N.M.P.M.  
Section 10: Insofar and only insofar as said lease covers  
E2NE

Number of Acres: 80.0

Royalty Rate: 1/8

Name and Percent WI Owners: Devon Energy Production Company, L.P. – 100.00%

Name and Percent ORRI Owners: Of Record

Tract No. 4

Lease Serial No.: NMNM - 81953

Lease Date: September 1, 1989

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Yates Petroleum Corporation

Present Lessee: EOG Resources, Inc. – 50.00%  
Devon Energy Production Co., LP – 43.75%  
Camterra Resources Partners, Ltd. – 6.25%

Description of Land Committed: Township 23 South, Range 31 East, N.M.P.M.  
Section 3: Insofar and only insofar as said lease covers  
Lot 1, SENE, & E2SE

Number of Acres: 159.45

Royalty Rate: 1/8th

Name and Percent WI Owners: Devon Energy Production Co., LP – 93.75%

Camterra Resources Partners, Ltd. – 6.25%

Name and Percent ORRI Owners: Of Record

## RECAPITULATION

	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Tract No. 1	40.00	12.5215%
Tract No. 2	40.00	12.5215%
Tract No. 3	80.00	25.0431%
<u>Tract No. 4</u>	<u>159.45</u>	<u>49.9139%</u>
	319.45	100.0000%



## EXHIBIT "B"

To Communitization Agreement dated February 1, 2019 embracing E2E2 of Section 10 and Lot 1, SENE, & E2SE of Section 3, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

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

3	NMNM - 81953  159.45 acres
10	NMNM- 121955 80.0 acres
	NMNM- 77046 40.0 acres
	NMNM- 0405444 40.0 acres

Communitized well:

Aleutian 10-3 Fed Com 214H

SHL: 315' FSL & 850' FEL  
Section 10-23S-31E, Eddy County, NM  
BHL: 300' FNL & 900' FEL  
Section 3-23S-31E, Eddy County, NM

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of March 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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

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

Township 23S, Range 31E  
W2E2 of Section 11  
Lot 2, SWNE, & W2SE of Section 2  
Eddy County, New Mexico

Containing **319.78** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK, 73102. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

- such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
  8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
  9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
  10. The date of this agreement is March 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
  11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

- conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
  13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
  14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
  15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P.  
Operator

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Operator/Attorney-in-Fact

## ACKNOWLEDGEMENT

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF OKLAHOMA )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack \_\_\_\_\_, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

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

\_\_\_\_\_  
Notary Public

**EXHIBIT “A”**

Plat of communitized area covering **319.78** acres in W2E2 Section 11 & Lot 2, SWNE, & W2SE Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

Belloq 11-2 Fed State Com 223H

		<b>Tract 2</b>  <b>State Lease</b> <b>V-302</b> <b>159.78 acres</b>	
		<b>Tract 1</b>  <b>Federal Lease</b> <b>NMNM 404441</b> <b>160.00 acres</b>	

**EXHIBIT "B"**

To Communitization Agreement dated March 1, 2019 embracing the following described land in W2E2 Section 11 & Lot 2, SWNE, & W2SE Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED****Tract No. 1**

Lease Serial Number:	NMNM 404441
Description of Land Committed:	Township 23 South, Range 31 East, I.M., Section 11: W2E2
Number of Acres:	160.00
Record Title Owner – Lessee:	Devon Energy Production Company, L.P.
Name of Working Interest Owners:	Devon Energy Production Company, L.P. TEK Properties LTD Joe N Gifford Northern Bank & Trust, Trustee of the Mary Patricia Dougherty Trust Otto E Schroeder Jr Catherine M Grace Mary Margaret Olson Trust The Nancy Stallworth Thomas Marital Trust Nancy S Thomas P A Allman Trust George M Allman III Trust Marilyn M Allman Trust Jill Allman Mancuso Trust Donald C Allman Trust George Allman Jr Trust Mary Elizabeth Schram Trust Margaret Sue Schroeder Trust Michelle Allman Grantor Trust Theresa Allman Smith Grantor Trust



Tract No. 2

Lease Serial Number:	State Lease Number V-302
Description of Land Committed:	Township 23 South, Range 31 East, I.M., Section 2: Lot 2, SWNE, & W2SE
Number of Acres:	159.78
Record Title Owner – Lessee:	Pogo Resources, LLC
Name of Working Interest Owners:	Devon Energy Production Co., LP

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	50.0034%
2	<u>159.78</u>	<u>49.9966%</u>
Total	319.78	100.0000%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of March 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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

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

Township 23S, Range 31E  
E2E2 of Section 11  
Lot 1, SENE, and E2SE of Section 2  
Eddy County, New Mexico

Containing **319.93** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK, 73102. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

- such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
  8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
  9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
  10. The date of this agreement is March 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
  11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

- conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
  13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
  14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
  15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P.  
Operator

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Operator/Attorney-in-Fact

## ACKNOWLEDGEMENT

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF OKLAHOMA )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack \_\_\_\_\_, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

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

\_\_\_\_\_  
Notary Public

**EXHIBIT “A”**

Plat of communitized area covering **319.93** acres in E2E2 of Section 11, & Lot 1, SENE, and E2SE of Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

Belloq 11-2 Fed State Com 234H

		<b>Tract 2</b>  <b>State Lease</b> <b>V-302</b> <b>159.93 acres</b>
		<b>Tract 1</b>  <b>Federal Lease</b> <b>NMNM 404441</b> <b>160.00 acres</b>

**EXHIBIT "B"**

To Communitization Agreement Dated March 1, 2019 embracing the following described land in E2E2 of Section 11, & Lot 1, SENE, and E2SE of Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED****Tract No. 1**

Lease Serial Number:	Federal Lease Number 404441
Description of Land Committed:	Township 23 South, Range 31 East, I.M., Section 11: E2E2
Number of Acres:	160.00
Record Title Owner – Lessee:	Devon Energy Production Company, L.P.
Name of Working Interest Owners:	Devon Energy Production Co., LP TEK Properties LTD Joe N Gifford Northern Bank & Trust, Trustee of the Mary Patricia Dougherty Trust Otto E Schroeder Jr Catherine M Grace Mary Margaret Olson Trust The Nancy Stallworth Thomas Marital Trust Nancy S Thomas P A Allman Trust George M Allman III Trust Marilyn M Allman Trust Jill Allman Mancuso Trust Donald C Allman Trust George Allman Jr Trust Mary Elizabeth Schram Trust Margaret Sue Schroeder Trust Michelle Allman Grantor Trust Theresa Allman Smith Grantor Trust



Tract No. 2

Lease Serial Number:	State Lease Number V-302
Description of Land Committed:	Township 23 South, Range 31 East, I.M., Section 2: Lot 1, SENE, and E2SE
Number of Acres:	159.93
Record Title Owner – Lessee:	Pogo Resources, LLC
Name of Working Interest Owners:	Devon Energy Production Co., LP

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	50.0109%
2	<u>159.93</u>	<u>49.9891%</u>
Total	319.93	100.0000%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of January 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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

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

Township 23S, Range 31E  
W2W2 of Section 11  
W2SW, SWNW, & Lot 4 of Section 2  
Eddy County, New Mexico

Containing **319.49** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Devon Energy Production Company, L.P., 333 W. Sheridan Ave., Oklahoma City, OK, 73102. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

- such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
  8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
  9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
  10. The date of this agreement is January 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
  11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

- conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
  13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
  14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
  15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Devon Energy Production Company, L.P.  
Operator

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Operator/Attorney-in-Fact

## ACKNOWLEDGEMENT

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF OKLAHOMA )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2019, before me, a Notary Public for the State of OKLAHOMA, personally appeared Catherine Lebsack \_\_\_\_\_, known to me to be the Vice President of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

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

\_\_\_\_\_  
Notary Public

**EXHIBIT “A”**

Plat of communitized area covering **319.49** acres in W2W2 Section 11 & Lot 4, SWNW,  
W2SW Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New  
Mexico.

Belloq 11-2 Fed State Com 231H

<b>Tract 1</b>  <b>State Lease</b> <b>V-302</b> <b>159.49 acres</b>	
<b>Tract 2</b>  <b>Federal Lease</b> <b>NMNM 404441</b> <b>160.00 acres</b>	

**EXHIBIT “B”**

To Communitization Agreement Dated January 1, 2019 embracing the following described land in W2W2 Section 11 & Lot 4, SWNW, W2SW Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED****Tract No. 1**

Lease Serial Number:	State Lease Number V-302
Description of Land Committed:	Township 23 South, Range 31 East, I.M., Section 2: Lot 4, SWNW, W2SW
Number of Acres:	159.49
Record Title Owner – Lessee:	Pogo Resources, LLC
Name of Working Interest Owners:	Devon Energy Production Co., LP

**Tract No. 2**

Lease Serial Number:	Federal Lease Number 404441
Description of Land Committed:	Township 23 South, Range 31 East, I.M., Section 11: W2W2
Number of Acres:	160.00
Record Title Owner – Lessee:	Devon Energy Production Company, L.P.
Name of Working Interest Owners:	Devon Energy Production Company, L.P. TEK Properties LTD Joe N Gifford Northern Bank & Trust, Trustee of the Mary Patricia Dougherty Trust Otto E Schroeder Jr Catherine M Grace Mary Margaret Olson Trust



The Nancy Stallworth Thomas Marital Trust  
Nancy S Thomas  
P A Allman Trust  
George M Allman III Trust  
Marilyn M Allman Trust  
Jill Allman Mancuso Trust  
Donald C Allman Trust  
George Allman Jr Trust  
Mary Elizabeth Schram Trust  
Margaret Sue Schroeder Trust  
Michelle Allman Grantor Trust  
Theresa Allman Smith Grantor Trust

### **RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	159.49	49.9202%
2	<u>160.00</u>	<u>50.0798%</u>
Total	319.49	100.0000%