

From: [Harms, Jenny](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXT] RE: [EXTERNAL] Surface commingle for Tomb Raider 12-1 CTB 1
Date: Tuesday, June 9, 2020 8:59:13 AM

Good morning Dean,

I had the land department provide the reason why they are not identical, please see the notes below. Please let me know if you have any questions.

For the Tomb Raider 12-1 CTB 1:

Devon owns 100% WI/ 75% NRI and both sections are all 1 federal lease (identical royalty). However, a few of the ORRI owners % ownership varies slightly, but the same people own in all the wells. The 213H and 516H are identical to each other and the 611H and 701H are identical to each other. Five Talents owns a slightly higher interest (0.000625) in the 611H/701H than they do in the 213H/516H and, inversely, Russell Royalty & Halbert Royalties collectively own 0.000625 more in the 213H/516H than they do in the 611H/701H.

For the Tomb Raider 1 CTB 1:

The ORRI variance is similar in the Tomb Raider 1 CTB 1 since it involves the same two sections as the other CTB.

Devon owns 100% WI/ 75% NRI in all the wells tied to the Tomb Raider 1 CTB 1. All the wells are on 1 federal lease (NMNM 22080), so the royalty rate is the same.

The ORRI owners are the same throughout the section, however, a few of the parties own a slightly different decimal depending on where the well is located. Below is a breakdown of ORRI ownership. I highlighted the parties whose interest varies.

Tomb Raider 1-12 Fed 525H, Tomb Raider 1-12 Fed 514H, Tomb Raider 1-12 Fed 524H:

CDA FAMILY PARTNERSHIP LTD	0.03250000
CHARLES R WIGGINS	0.04000000
CROW REYNOLDS LTD	0.00250000
FIVE TALENTS LTD ATTN MARK DOERING	0.01500000
HALBERT ROYALTIES LTD	0.00500000
NURAY K PACE	0.02500000
RUSSELL ROYALTY COMPANY	0.00500000

Tomb Raider 1-12 Fed 612H, Tomb Raider 1-12 Fed 702H, Tomb Raider 1-12 Fed 732H:

CDA FAMILY PARTNERSHIP LTD	0.03250000
CHARLES R WIGGINS	0.04000000
CROW REYNOLDS LTD	0.00250000
FIVE TALENTS LTD ATTN MARK DOERING	0.01562500
HALBERT ROYALTIES LTD	0.00468750
NURAY K PACE	0.02500000
RUSSELL ROYALTY COMPANY	0.00468750

Thank you,

Jenny Harms

Regulatory Compliance Professional
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Devon Energy Center-Tower
333 West Sheridan Avenue Oklahoma City OK 73102-5015

Devon - Internal

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, June 2, 2020 4:07 PM
To: Harms, Jenny <Jenny.Harms@devn.com>
Subject: RE: [EXTERNAL] Surface commingle for Tomb Raider 12-1 CTB 1

Hello Jenny,

A breakdown per well would work, but may be a bit overkill. Essentially, I am trying to figure out the tracts contained within each "lease". Based off this conversation, I am assuming either each spacing unit is diverse to the others or else maybe 2 spacing units are identical and the other is diverse.

A statement from you clarifying the situation will suffice, but if it is more convenient feel free to submit a breakdown for each well.

Please extend this discussion to also include the Tomb Raider 1 CTB 1.

Dean McClure
Petroleum Specialist A, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 476-3471

From: Harms, Jenny <Jenny.Harms@devn.com>
Sent: Tuesday, June 2, 2020 2:21 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: [EXTERNAL] Surface commingle for Tomb Raider 12-1 CTB 1

Hi Dean,

I appreciate your correspondence on the below submitted commingle application. I was informed by our land department that there are overriding royalty interest in the wells, making the application diverse ownership. Would you like me to provide a breakdown per well?

Thank you,

Jenny Harms

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Devon - Internal

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, June 1, 2020 3:30 PM
To: Harms, Jenny <Jenny.Harms@dvn.com>
Subject: [EXTERNAL] Surface commingle for Tomb Raider 12-1 CTB 1

Hello Ms. Harms,

I am reviewing the surface commingle application (PLC-678) for the Tomb Raider 12-1 CTB 1 operated by Devon Energy Production Company, LP.

It looks like all the wells are within the same lease, but for surface commingling a "lease" is defined by 19.15.12.7(C) NMAC which requires the tract of land to have identical ownership. Within the application, you indicate that ownership is not identical between the wells; is there different ownership between the two pools or between some of the sections? If some of the sections have different ownership, which sections are those? Are there pooling agreements in place or is ownership across the different well spacing units identical?

Dean McClure
Petroleum Specialist A, Oil Conservation Division
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