

United States Department of the Interior



BUREAU OF LAND MANAGEMENT New Mexico State Office 301 Dinosaur Trail Santa Fe, New Mexico 87508 https://www.blm.gov/new-mexico

JUN 0 2 2021

In Reply Refer To: NMNM142908 3105.2 (NM9250)

Reference:

Communitization Agreement Maldives 15-27 Fed Com 234H Maldives 15-27 Fed Com 235H Maldives 15-27 Fed Com 236H

Section 15: E/2 Section 22: E/2 Section 27: E/2 T. 23 S., R. 31 E., N.M.P.M.

Eddy County, NM

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 73102

Gentlemen:

The submitted Communitization Agreement is being returned unapproved for the following reasons:

Communization Agreement NMNM 142908 requires the signature of XTO Holding LLC the current Lessee of Record for Tract No. 1.

If you have any questions regarding this letter, please contact Edward G Fernandez at efernand@blm.gov; or Elizabeth Rivera at (505) 954-2162 or email lrivera@blm.gov.

Sincerely,

KYLE

Digitally signed by KYLE PARADIS

PARADIS

Date: 2021.06.02 07:46:37

-06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Mineral

1 Enclosure:

1 - Communitization Agreement



BLM-NMSO SEP:23:2020 12:05:28 RECEIVED

September 22, 2020

NMNM 142908

Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508

RE:

Federal Communitization Agreement

Section 15-23S-31E: E2 Section 22-23S-31E: E2 Section 27-23S-31E: E2 Eddy County, New Mexico

To Whom It May Concern:

Please find enclosed two (2) originals and one copy of the Federal Communitization Agreements covering the lands described above and the following wells:

Maldives 15-27 Fed Com 234H – API 30-015-47061 Maldives 15-27 Fed Com 235H – API 30-015-47084 Maldives 15-27 Fed Com 236H – API 30-015-47062

Several owners did not sign the Communitization Agreement but were non-consented under Pooling Order R-21318. A copy of said Pooling Order in enclosed.

Once approved, please forward the Agreement to the undersigned at the letterhead address. If you have any questions regarding this matter, please contact the undersigned by phone at (405) 552-3623 or by e-mail at peggy.buller@dvn.com.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Peggy Buller

Land Analysis Professional

Enclosures

Federal Communitization Agreement

Contract No. NMNM 142908

THIS AGREEMENT entered into as of the 1st day of February 2020, 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

E/2 of Section 15
E/2 of Section 22
E/2 of Section 27
Eddy County, New Mexico

Containing 960.00 acres, and this agreement shall include only the <u>Bone Spring Formation</u> underlying said lands and the oil and gas hereafter 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 "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 Company, L.P., 333 W Sheridan Avenue, 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 lands included within the CA area are to be paid into the appropriate Unleased Lands 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, 2020, 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 2year 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. <u>Nondiscrimination.</u> 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, 1	<u>L.P.</u>
	Operator	
	By: Cotherine Cebsock	N
Date	Operator/Vice President	Ko

ACKNOWLEDGEMENT

STATE OF OKLAHOMA	
COUNTY OF OKLAHOMA) ss.)
On this 2 day of Sevents 20 OKLAHOMA, personally appeared	20, before me, a Notary Public for the State of d Catherine Lebsack, known to me to be the
	Production Company, L.P., the corporation that
	and acknowledged to me such corporation executed
the same.	•
(SEAL)	CARROL (ALCOHOL)
My Commission Expires	Marie Jenni Notary Public

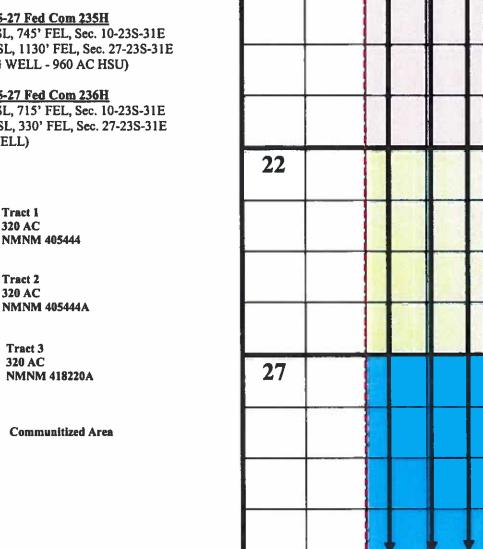
EXHIBIT "A"

To Communitization Agreement dated February 1, 2020 embracing the following described land in E/2 of Section 15, E/2 of Section 22 and E/2 of Section 27, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

PLAT

15

Maldives 15-27 Fed Com 234H SHL: 640' FSL, 1897' FEL, Sec. 10-23S-31E BHL: 20' FSL, 1920' FEL, Sec. 27-23S-31E (INFILL WELL) Maldives 15-27 Fed Com 235H SHL: 15' FSL, 745' FEL, Sec. 10-23S-31E BHL: 20' FSL, 1130' FEL, Sec. 27-23S-31E (DEFINING WELL - 960 AC HSU) Maldives 15-27 Fed Com 236H SHL: 15' FSL, 715' FEL, Sec. 10-23S-31E BHL: 20' FSL, 330' FEL, Sec. 27-23S-31E (INFILL WELL)



234H 235H 236H

EXHIBIT "B"

To Communitization Agreement dated February 1, 2020 embracing the following described land in E/2 of Section 15, E/2 of Section 22 and E/2 of Section 27, 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 Number:

NMNM 405444

Description of Land Committed:

E/2 of Section 15, Township 23 South, Range 31

East, N.M.P.M., Eddy County, New Mexico

Number of Acres:

320.00

Current Lessee of Record:

XTO Holding LLC

Name of ORRI Owners:

L E OPPERMANN

DOUGLAS ABELL DENTON
BALONEY FEATHERS LTD
FIGURE 4 INVESTMENT TRUST
SOURCE ROCK MINERALS LP

LORRAINE L JOHNSON FAMILY TRUST INNERARITY FAMILY MINERALS LLC

TD MINERALS LLC

LISA GAIL KARABATSOS DEVON ENERGY PROD CO LP

JADT MINERALS LTD

JOE N GIFFORD GEORGIA B BASS

PATRICIA BOYLE YOUNG

KIMBELL ROYALTY HOLDINGS LLC

RICHARD DONALD JONES JR PONY OIL OPERATING LLC

MOMENTUM MINERALS OPERATING LP

MERPEL LLC

PATRICIA B YOUNG MGMT TR PEGASUS RESOURCES LLC MCMULLEN MINERALS LLC Name of Working Interest Owners:

Devon Energy Production Company, L.P.

TEK Properties LTD Joe N Gifford Otto E Schroeder Jr Catherine M Grace

Mary Margaret Olson Trust

The Nancy Stallworth Thomas Marital Trust

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
Titus Oil & Gas Production, LLC

Non-Consenting parties under Pooling Order No R-21318: Nancy Thomas

Alfred F Schram Senior Estate Schram Family Living Revoc Trust Northern Bank & Trust, Trustee of the Mary Patricia Dougherty Trust

Tract No. 2

Lease Serial Number:

NMNM 405444A

Description of Land Committed:

E/2 of Section 22, Township 23 South, Range 31

East, N.M.P.M., Eddy County, New Mexico

Number of Acres:

320.00

Current Lessee of Record:

Devon Energy Production Company, L.P.

Name of ORRI Owners:

L E OPPERMANN

DOUGLAS ABELL DENTON
BALONEY FEATHERS LTD
FIGURE 4 INVESTMENT TRUST
SOURCE ROCK MINERALS LP

LORRAINE L JOHNSON FAMILY TRUST INNERARITY FAMILY MINERALS LLC

TD MINERALS LLC

LISA GAIL KARABATSOS DEVON ENERGY PROD CO LP

JADT MINERALS LTD

JOE N GIFFORD GEORGIA B BASS

PATRICIA BOYLE YOUNG

KIMBELL ROYALTY HOLDINGS LLC

RICHARD DONALD JONES JR PONY OIL OPERATING LLC

MOMENTUM MINERALS OPERATING LP

MERPEL LLC

PATRICIA B YOUNG MGMT TR PEGASUS RESOURCES LLC MCMULLEN MINERALS LLC

Name of Working Interest Owners:

Devon Energy Production Company, L.P.

Occidental Permian LTD TEK Properties LTD

Joe N Gifford Otto E Schroeder Jr Catherine M Grace

Mary Margaret Olson Trust

The Nancy Stallworth Thomas Marital Trust

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
Titus Oil & Gas Production, LLC

Non-Consenting parties under Pooling Order No R-21318: Nancy Thomas

Alfred F Schram Senior Estate Schram Family Living Revoc Trust Northern Bank & Trust, Trustee of the Mary Patricia Dougherty Trust

Tract No. 3

Lease Serial Number:

NMNM 418220A

Description of Land Committed:

E/2 of Section 27, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

Number of Acres:

320.00

Current Lessee of Record:

Devon Energy Production Company, L.P.

Name of ORRI Owners:

RICHARD C GIBSON L E OPPERMANN

DOUGLAS ABELL DENTON

REGENT OIL & GAS COMPANY LP

MARY LOU CASSIDY

BALONEY FEATHERS LTD FIGURE 4 INVESTMENT TRUST

HILL INVESTMENTS LTD

MICKEY GIBSON

CHRISTENSEN RESOURCE PROPERTIES LP

CHRISTENSEN HOLDINGS LP

INNERARITY FAMILY MINERALS LLC

TD MINERALS LLC

LISA GAIL KARABATSOS

DEVON ENERGY PROD CO LP

GEOMAR RESOURCES INC

JADT MINERALS LTD

JOE N GIFFORD

GEORGIA B BASS

DOROTHY J KEENOM INDIV

H-S MINERALS & REALTY LTD

PERRY RESOURCES LLC

HOUSTON & EMMA HILL TRUST ESTATE

JAMES R HILL FAMILY LTD PTNRSP

GLENN LATTIMORE FAMILY LP

RICHARD DONALD JONES JR

NANCY PUFF JONES TRUST

PONY OIL OPERATING LLC

MOMENTUM MINERALS OPERATING LP

MERPEL LLC

WEST BEND ENERGY PARTNERS LLC

PATRICIA B YOUNG MGMT TR

PEGASUS RESOURCES LLC

MCMULLEN MINERALS LLC

Name of Working Interest Owners:

Devon Energy Production Company, L.P.

OXY USA INC TEK Properties LTD Joe N Gifford Otto E Schroeder Jr Catherine M Grace

Mary Margaret Olson Trust

The Nancy Stallworth Thomas Marital Trust

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
Titus Oil & Gas Production, LLC

Non-Consenting parties under Pooling Order No R-21318: Nancy Thomas

Alfred F Schram Senior Estate Schram Family Living Revoc Trust Northern Bank & Trust, Trustee of the Mary Patricia Dougherty Trust

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	33.3333%
2	320.00	33.3333%
3	<u>320.00</u>	<u>33.3333%</u>
Total	960.00	100.0000%

	By: Catherine Cabsack
Date	
	Name: Catherine Lebsack
	Title: Vice President
Com	pany: Devon Energy Production Company, L.P.
ACKNOWL	EDGEMENT
STATE OF OKLAHOMA) ss.	
COUNTY OF OKLAHOMA)	
On this ZNO day of Salvarbal	, 2020, before me, a Notary Public
for the State of <u>Oklahoma</u> , personally appeared <u>Vice President</u> of <u>Devon Energy Production C</u> foregoing instrument and acknowledged to me s	Company, L.P., the corporation that executed the
(SEAL) 8/7/22 My Commission Expires	Notary Public

July 2, 2020 Date

Name: Thomas E. Ke
Title: TEK Properties LTD

ACKNOWLEDGEMENT

STATE OF TEXAS	
COUNTY OF BYALOS) ss.	
On this 2nd day of July	, 2020, before me, a Notary Public
for the State of TEXAS , personally	
appeared Thomas E. Kelly	, known to me to be the
Ceneral Partner of TEK Pr	operties LTD.
ANDREA J KELLY Notary Public, State of Texas JD# 12874127-2 My Commission Expires SEPTEMBER 16, 2023	0 . 4
My Commission Expires	Notary Public

Date By: Name: Title: Joe N Gifford
ACKNOWLEDGEMENT
STATE OF TEXAS
COUNTY OF Midland) ss.
On this 29th day of UND, 2020, before me, a Notary Public
for the State of TIXOS, personally
appeared Ool N Gifford , known to me to be the
of Joe N Gifford.
(SEAL) CRYSTAL LEYVA Notary Public, State of Texas Comm. Expires 11-20-2023 Notary ID 130441921
My Commission Expires Notary Public

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

By: Otto E. Schroeder, III

Title: Independent Executor for Otto Eugene

Schroeder, Jr.

ACKNOWLEDGEMENT

INCIRIO WE	EDGEMENT
STATE OF TOXAL)	
COUNTY OF DAILACE) ss.	
On this 2 nday of VU/Y	, 2020, before me, a Notary Public
for the State of Ova , pers	onally appeared Otto E. Schroeder, III, er, Jr.
(SEAL) HYUNG S. HAN Notary Public, State of Texas Comm. Expires 12-13-2021 Notary ID 125523227	
My Commission Expires/	Motary Public

7-7-2826 Date	By: Catherine M Grace Name: Catherine M Grace
ACKNOW	LEDGEMENT
STATE OF 18XM5	
COUNTY OF Jallant) ss.	
On this day of July	, 2020, before me, a Notary Public
for the State of 14 MAS, per	rsonally appeared <u>Catherine M Grace</u> .
SUSAN C SERNA My Notary ID # 3491974 Expires May 17, 2024	
5-17-2029 My Commission Expires	Notary Public

9-4-2020 Date	By: Manue: UM Olson, Trustee Title: Mary Margaret Olson Trust
ACKNOW	LEDGEMENT
STATE OF lexas	
COUNTY OF Jalvant) ss.	
On this day of August	, 2020, before me, a Notary Public
for the State of 10 445, per	sonally
appeared LM 0/5cm	, known to me to be
the Trustee of	the Mary Margaret Olson Trust.
SUSAN C SERNA (SEAL) My Notary ID # 3491974 Expires May 17, 2024	
5-17-2024 My Commission Expires	Notary Public

7/1/2020 Date ///2020	By:
	Title: Nancy Stallworth Thomas Marital Trus JPMorgan Chase Bank, N.A. Co-Trustee Alicia M. Surratt, Executive Director
ACKNOWI	LEDGEMENT
STATE OF [TEXAS]) ss. COUNTY OF [DALLAS])	
Alicia M. Surratt, know to me to be the pe	
GIVEN UNDER MY HAND AND SE	AL OF OFFICE this ST day of

Notary Public in and for the State of Texas

My Commission expires : 522-203

7/1/2020 Date		By:
		Title: P A Allman Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas]	§	
	§	
COUNTY OF [Dallas]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of _July____, 2020.

Notary Public in and for the State of [Texas

My Commission expires:520201

		By: Name: Alicia M. Surratt
		Title: George M Allman III Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas_]	§	
	§	
COUNTY OF [_Dallas_]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of _July____, 2020.

Notary Public in and for the State of [Texas]

My Commission expires:

7/1/2020		By:
Date		Name: Alicia M. Surratt
		Title: Marilyn M Allman Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas]	§	
	§	
COUNTY OF Dallas	ş	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of _July____, 2020.

Notary Public in and for the State of [Texas]

My Commission expires 2020

		By: Alicia M. Surratt
		Title: Jill Allman Mancuso Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas]	§	
	§	
COUNTY OF [Dallas]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of July , 2020.

Notary Public in and for the State of Texas

My Commission expires 532 2001

7/1/2020 Date		By: Name: Alicia M. Surratt
		Title: Donald C Allman Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas]	§	
	§	
COUNTY OF [_Dallas_]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of _July____, 2020.

Notary Public in and for the State of [Texas]

My Commission expires:

		By: Alicia M. Surratt
		Title: George Allman Jr Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas]	§	
	§	
COUNTY OF [_Dallas_]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of July _____, 2020.

Notary Public in and for the State of Texas

My Commission expires 532311

7/1/2020 Date			By:
			Title: Mary Elizabeth Schram Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas]	24	§	
		§	
COUNTY OF [Dallas]		§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of _July____, 2020.

Notary Public in and for the State of [Texas]

My Commission expires 5-23-2021

7/1/2020 Date		By:
		Name: Alicia M. Surratt
		Title: Margaret Sue Schroeder Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
120		
STATE OF [Texas]	§	
	§	
COUNTY OF [_Dallas_]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of _July____, 2020.

Notary Public in and for the State of Texas

My Commission expires: 523201

		By: Alicia M. Surratt
		Title: Michelle Allman Grantor Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
STATE OF [Texas]	§	
8	§	
COUNTY OF [Dallas]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Alicia M. Surratt, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Alicia M. Surratt for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this __1st_day of _July____, 2020.

Notary Public in and for the State of [Texas]

My Commission expires

7/1/2020		By:
		Name: Alicia M. Surratt
		Title: Theresa Allman Smith Grantor Trust JPMorgan Chase Bank, N.A, Trustee Alicia M. Surratt, Executive Director
7		
STATE OF [Texas]	§	
	§	
COUNTY OF [_Dallas_]	§	

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared <u>Alicia M. Surratt</u>, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said <u>Alicia M. Surratt</u> for JPMorgan Chase Bank, N.A., a national banking association and that she has executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 1st day of July , 2020.

Notary Public in and for the State of [Texas]

My Commission expires:

Name: Walter P. Jones
Titus Oil & Gas Production, LLC

ACKNOWLEDGEMENT

STATE OF TEXAS	
COUNTY OF TARRANT) ss.	
On this 25 TH day of JUNE	, 2020, before me, a Notary Public
for the State of TEXAS , person	onally
appeared WALTER P. JONES	_, known to me to be
the VICE PRESIDENT - LAND	of Titus Oil & Gas
<u>Production, LLC.</u> , the corporation that executed me such corporation executed the same.	the foregoing instrument and acknowledged to
(SEAL) REED BRUNETTE Notary Public, State of Texas Comm. Expires 11-15-2022 Notary ID 131798223	
11/15/2022	Flott
My Commission Expires	Notary Public

7/9/2020 Date

Name: John V. Schneider

Title: Occidental Permian Limited Partnership

ACKNOWLEDGEMENT

STATE OF TEXAS	
COUNTY OF HAVE 5	
On this que day of Toles	, 2020, before me, a Notary Public
for the State of Texas, person	nally
appeared John V. Solmeider	, known to me to be
the Attorney-In-Tact the corporation that executed the foregoing instru executed the same.	of Occidental Permian, Ltd., ment and acknowledged to me such corporation
DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978	1 July 7 00
My Commission Expires	Notary Public

7/9/2020 Date	Name: John V Sun erder Title: OXY USA INC
ACKNOWI	LEDGEMENT
STATE OF LEXOS	
COUNTY OF KAYES) ss.	
On this quantum day of John	, 2020, before me, a Notary Public
for the State of, per	sonally
appeared John V. Schneider	, known to me to be
the Attorney 14-Tack corporation that executed the foregoing instrumexecuted the same.	of OXY USA INC., the nent and acknowledged to me such corporation
OELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978	.008

My Commission Expires

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF APPLICATION FOR

COMPULSORY POOLING SUBMITTED BY

DEVON ENERGY PRODUCTION COMPANY, L.P.

CASE NO. 21181

ORDER NO. R-21318

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on April 30, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Devon Energy Production Company, L.P. ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a

- Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 5/07/2020

Exhibit A

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21181	APPLICANT'S RESPONSE
Date: April 28, 2020	
Applicant	Devon Energy
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Michael H. Feldewert
Case Title:	Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Maldives 15-27 Fed Com wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire formation
Pool Name and Pool Code:	James Ranch; Bone Spring (33840)
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	960-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	960-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E/2 of Sections 15, 22, and 27, 23S, 31E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	W/2 E/2
Proximity Defining Well: if yes, description	Maldives 15-27 Fed Com #235H Well
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Exhibit A-1 (Form C-102 plats)

Well #1	Maldives 15-27 Fed Com 234H Well (API pending) SHL: 640' FSL & 1897' FEL (Unit O) of Section 10, 235, 31E
	BHL: 20' FSL & 1920 FEL (Unit O) of Section 27, 235, 31E
	Completion Target: Bone Spring Formation
	Well Orientation: North to South
	Completion Location: Standard
Well #2	Maldives 15-27 Fed Corn 235H Well (API pending) SHL: 15' FSL & 745' FEL (Unit P) of Section 10, 235, 31E
	BHL: 20' FSL & 1130' FEL (Unit P) of Section 27, 235, 31E
	Completion Target: Bone Spring Formation
	Well Orientation: North to South
	Completion Location: Standard
Well #3	Maldives 15-27 Fed Com 236H Well (API pending)
	SHL: 15' FSL & 715' FEL (Unit P) of Section 10, 235, 31E
	BHL: 20' FSL & 330' FEL (Unit P) of Section 27, 23S, 31E Completion Target: Bone Spring Formation
	Well Orientation: North to South
	Completion Location: Standard
Horizontal Well First and Last Take Points	Exhibit A-1 (Form C-102 plats)
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	20078
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3 and Exhibit C
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	

Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates in Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit 8
Spacing Unit Schematic	Exhibit A-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	Exhibit B (n/a)
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit 8-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pr	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	, as the tollegar
Date:	28-Apr-20