

IN REPLY REFER TO: NM132796

3105.2 (P0220)

## United States Department of the Interior

BUREAU OF LAND MANAGEMENT Pecos District Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



## HOBBS OCD

JUL 07 2014

Reference: RATTLESNAKE 13-12 FED COM 1H Communitization agreement Section 12: E/2 E/2 Section 13: E/2 E/2 Township 26 South, Range 34 E, N.M.P.M. Lea County, NM

DEVON ENERGY 333 W. Sheridan Ave. Oklahoma City, OK 73102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM132796 involving 160 acres of Federal land in lease NMNM100567, and 160 acres of Federal land in lease NMNM100568, Lea County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Delaware formation beneath the E/2 E/2 Sec. 12-26S-34E, and the E/2 E/2 Sec. 13-26S-34E, NMPM, Lea County, NM, and is effective February 1, 2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward Fernandez, Petroleum Engineer at (575) 234-2220.

AUG 0 1 2014

RECEIVED

June 30, 2014

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Duph Steve Caffey

Assistant Field Manager, Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreraz, Stacey Kaiser) NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room)

## Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the N2S2 of sec. 34, T. 24 S., R. 28 E., NMPM, as to all producible hydrocarbons from the Delaware formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

mzCol

Stephen Caffey, Asst. Field Mgr. Authorized Officer

Effective: February 1, 2013

Contract No.: Com. Agr. NM132796