

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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: Tap Rock Operating, LLC **OGRID Number:** 372043
Well Name: various Talco State Federal Com wells in the W/2 of Sections 16 and 21, T26S, R35E **API:** 30-025-48605, 30-025-48607, et al.
Pool: WC-025 G-09 S263527D; Bone Spring, WC-025 G-09 S263504N; Wolfcamp **Pool Code:** 98143, 98117

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 holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☒ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ 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.

Adam G. Rankin

Print or Type Name

Signature

8/3/2022

Date

505-954-7294

Phone Number

AGRankin@hollandhart.com

e-mail Address



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRRankin@hollandhart.com

August 3, 2022

VIA ONLINE FILING

Adrienne Sandoval
Director, Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: AMENDED application of Tap Rock Operating, LLC for administrative approval to surface commingle (pool commingle) oil and gas production from spacing units comprised of the W/2 of Sections 16 and 21, Township 26 South, Range 35 East, Lea County, New Mexico.

Dear Ms. Sandoval:

Tap Rock Operating, LLC (OGRID No. 372043), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool commingle) diversely owned oil and gas production at the **Talco W/2 Central Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 640-acre spacing unit comprised of the W/2 of Sections 16 and 21 in the WC-025 G-09 S263527D; Bone Spring; [98143]. The following wells are currently dedicated to this spacing unit: **Talco State Federal Com #111H well** (30-025-48605), **Talco State Federal Com #112H well** (30-025-48606), **Talco State Federal Com #127H well** (30-025-46811), **Talco State Federal Com #125H well** (30-025-48610), **Talco State Federal Com #101H well** (TBD), **Talco State Federal Com #102H well** (TBD); and

(b) The 640-acre spacing unit comprised of the W/2 of Sections 16 and 21 in the WC-025 G-09 S263504N; Wolfcamp; [98117]. The following wells are currently dedicated to this spacing unit: **Talco State Federal Com #201H well** (30-025-48607), **Talco State Federal Com #202H well** (30-025-46812), **Talco State Federal Com #205H well** (30-025-48608), **Talco State Federal Com #211H well** (30-025-48609), **Talco State Federal Com #221H well** (30-025-48611), **Talco State Federal Com #222H well** (30-025-48612).

(c) Pursuant to 19.15.12.10.C(4)(g), *future WC-025 G-09 S263527D; Bone Spring; [98143] and WC-025 G-09 S263504N; Wolfcamp; [98117] spacing units within the W/2 of Sections 16 and 21 connected to the Talco W/2 Central Tank Battery*, with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the *Talco W/2 Central Tank Battery*. Production will be separately metered at each wellhead with a Coriolis flow meter for oil and orifice meter for gas manufactured to AGA specifications.

Exhibit 1 hereto is a completed Application for Surface Commingling (Diverse Ownership) Form C-107B, that includes a statement from Jeff Trlica, Regulatory Analyst with Tap Rock, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities, and relevant gas samples.

Exhibit 2 consists of relevant federal and state communitization agreements.

Exhibit 3 is a list of wells and corresponding plat identifying leases, wellbore locations, and unit boundaries.

Ownership is diverse between the above-described spacing units. **Exhibit 4** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
TAP ROCK OPERATING, LLC

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: Tap Rock Operating
OPERATOR ADDRESS: 523 Park Point Dr. Suite 200. Golden, CO 80401
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 attached well list.					

- (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:  TITLE: Regulatory Analyst DATE: 8/2/2022

TYPE OR PRINT NAME Jeff Trlica TELEPHONE NO.: 720-772-5910

E-MAIL ADDRESS: jtrlica@taprk.com

TAP ROCK RESOURCES, LLC

523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401



August 2, 2022

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Tap Rock Operating, LLC for administrative approval for approval to surface commingle (pool commingle) oil and gas production from the spacing units comprised of W/2 Section 16 and W/2 Section 21, Township 26S, Range 35E Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests to commingle current oil and gas production from twelve (12) distinct wells located on the Lands and future production from the Lands as described herein. The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations.

The oil is measured via the coriolis flow meter in accordance with API Chapter 5.6 on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is comingled with each of the other well's metered gas. The gathering line is then metered by another orifice meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter is tested and calibrated in accordance with industry specifications and volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its

own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

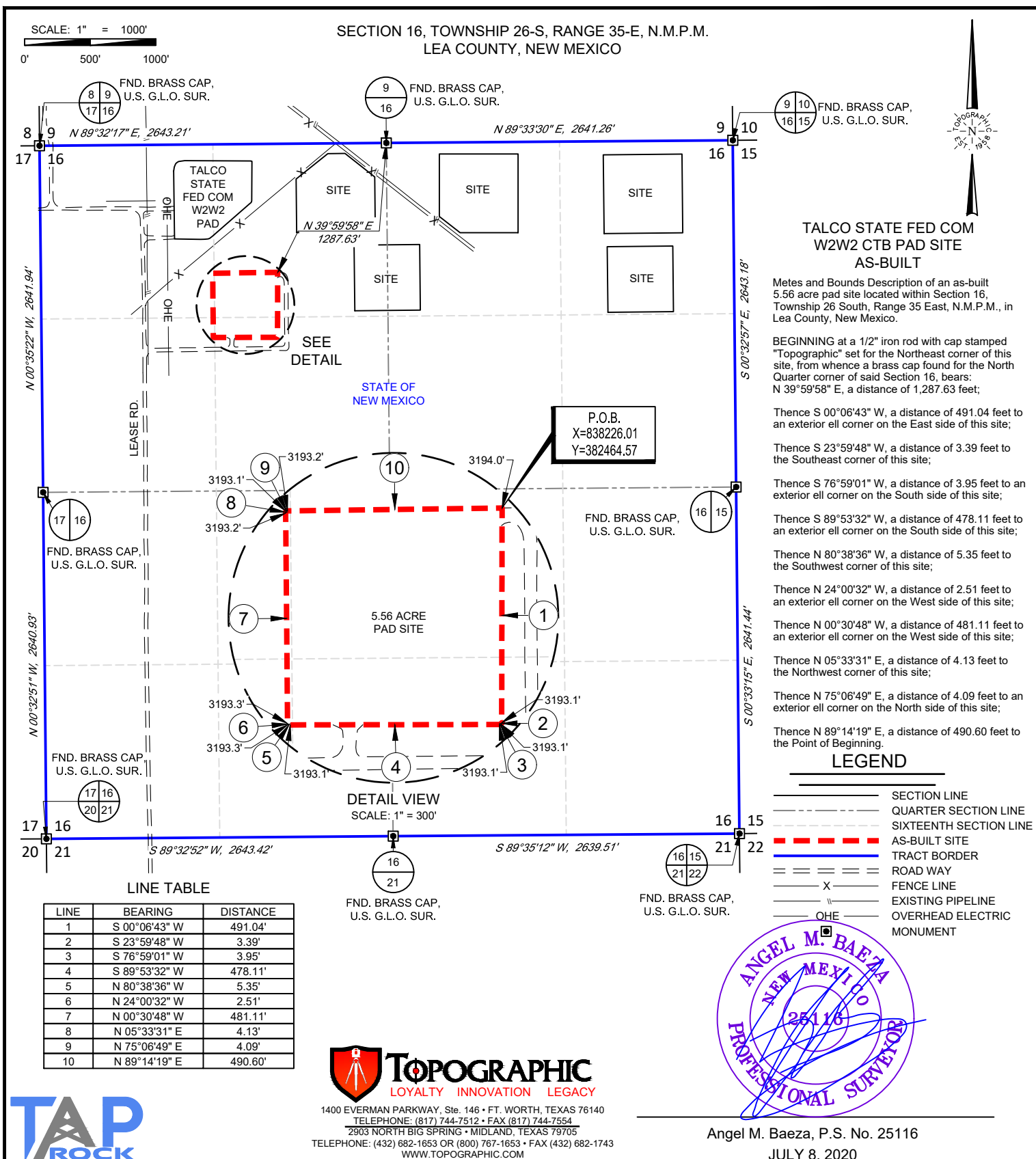
In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

Regards,

TAP ROCK OPERATING, LLC

A handwritten signature in blue ink, appearing to be 'J. Trlica', with a stylized, cursive-like script.

Jeff Trlica
Regulatory Analyst

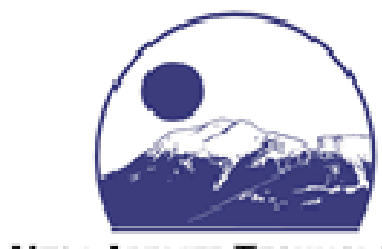


**TAP
ROCK**

TALCO STATE FED COM W2W2 CTB PAD SITE AS-BUILT	REVISION:		NOTES:
	INT	DATE	
DATE: 07/08/2020			1. ORIGINAL DOCUMENT SIZE: 8.5" X 11"
FILE: BO_TALCO_STATE_FED_COM_W2W2_CTAB_AB			2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.
DRAWN BY: IMU			3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY TAP ROCK OPERATING, LLC. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
SHEET: 1 OF 1			4. P.O.B. = POINT OF BEGINNING
			5. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.



NOTES:



DRAWN BY: NC 7/23/21	REVIEWED BY: EST 7/23/21	SCALE: 1"=30'-0"
CHECKED BY: JA 7/23/21	APPROVED BY: AK 7/23/21	DRAWING NUMBER TALCO-PP-1001

REVISIONS					
△					
△					
△					
△					
△					
△					
△	UPDATED ISSUED FOR REVIEW--RELO TANKS	9/24/2021	SM	EST	
△	ISSUED FOR REVIEW	07/23/2021	NC	JA	AK

January 11, 2021

FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: Tap Rock Operating LLC
523 Park Point Drive, Suite 200
Golden, Colorado 80401

Sample: Talco State Federal Com No. 202H
First Stage Separator
Spot Gas Sample @ 205 psig & 121 °F

Date Sampled: 12/30/2020

Job Number: 211004.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	1.505	
Carbon Dioxide	0.310	
Methane	73.557	
Ethane	14.370	3.934
Propane	7.242	2.043
Isobutane	0.665	0.223
n-Butane	1.685	0.544
2-2 Dimethylpropane	0.004	0.002
Isopentane	0.199	0.075
n-Pentane	0.179	0.066
Hexanes	0.137	0.058
Heptanes Plus	<u>0.147</u>	<u>0.061</u>
Totals	100.000	7.005

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.364 (Air=1)
Molecular Weight ----- 97.04
Gross Heating Value ----- 5136 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.755 (Air=1)
Compressibility (Z) ----- 0.9961
Molecular Weight ----- 21.77
Gross Heating Value
Dry Basis ----- 1319 BTU/CF
Saturated Basis ----- 1297 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: 0.126 Gr/100 CF, 2.0 PPMV or 0.0002 Mol%

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (14) LAT
Analyst: JRG
Processor: KV
Cylinder ID: T-1862

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

FESCO, Ltd.

Job Number: 211004.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.505		1.936
Carbon Dioxide	0.310		0.627
Methane	73.557		54.191
Ethane	14.370	3.934	19.844
Propane	7.242	2.043	14.666
Isobutane	0.665	0.223	1.775
n-Butane	1.685	0.544	4.498
2,2 Dimethylpropane	0.004	0.002	0.013
Isopentane	0.199	0.075	0.659
n-Pentane	0.179	0.066	0.593
2,2 Dimethylbutane	0.002	0.001	0.008
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.021	0.009	0.083
2 Methylpentane	0.044	0.019	0.174
3 Methylpentane	0.023	0.010	0.091
n-Hexane	0.047	0.020	0.186
Methylcyclopentane	0.024	0.008	0.093
Benzene	0.011	0.003	0.039
Cyclohexane	0.023	0.008	0.089
2-Methylhexane	0.004	0.002	0.018
3-Methylhexane	0.006	0.003	0.028
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.018	0.008	0.082
n-Heptane	0.010	0.005	0.046
Methylcyclohexane	0.016	0.007	0.072
Toluene	0.007	0.002	0.030
Other C8's	0.010	0.005	0.051
n-Octane	0.004	0.002	0.021
Ethylbenzene	0.001	0.000	0.005
M & P Xylenes	0.002	0.001	0.010
O-Xylene	0.000	0.000	0.000
Other C9's	0.003	0.002	0.017
n-Nonane	0.001	0.001	0.006
Other C10's	0.001	0.001	0.006
n-Decane	0.001	0.001	0.007
Undecanes (11)	<u>0.005</u>	<u>0.003</u>	<u>0.036</u>
Totals	100.000	7.005	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.755	(Air=1)
Compressibility (Z) -----	0.9961	
Molecular Weight -----	21.77	
Gross Heating Value		
Dry Basis -----	1319	BTU/CF
Saturated Basis -----	1297	BTU/CF

January 11, 2021

FESCO, Ltd.**1100 Fesco Ave. - Alice, Texas 78332****Sample:** Talco State Federal Com No. 202H

First Stage Separator

Spot Gas Sample @ 205 psig & 121 °F

Date Sampled: 12/30/2020

Job Number: 211004.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.310		0.627
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.505		1.936
Methane	73.557		54.191
Ethane	14.370	3.934	19.844
Propane	7.242	2.043	14.666
Isobutane	0.665	0.223	1.775
n-Butane	1.689	0.545	4.511
Isopentane	0.199	0.075	0.659
n-Pentane	0.179	0.066	0.593
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.047	0.020	0.186
Cyclohexane	0.023	0.008	0.089
Other C6's	0.090	0.038	0.356
Heptanes	0.062	0.026	0.267
Methylcyclohexane	0.016	0.007	0.072
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.011	0.003	0.039
Toluene	0.007	0.002	0.030
Ethylbenzene	0.001	0.000	0.005
Xylenes	0.002	0.001	0.010
Octanes Plus	<u>0.025</u>	<u>0.013</u>	<u>0.144</u>
Totals	100.000	7.005	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity ----- 4.335 (Air=1)
Molecular Weight ----- 125.07
Gross Heating Value ----- 6690 BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity ----- 0.755 (Air=1)
Compressibility (Z) ----- 0.9961
Molecular Weight ----- 21.77
Gross Heating Value
Dry Basis ----- 1319 BTU/CF
Saturated Basis ----- 1297 BTU/CF

January 13, 2021

FESCO, Ltd.
1100 FESCO Avenue - Alice, Texas 78332

For: Tap Rock Operating LLC
523 Park Point Drive, Suite 200
Golden, Colorado 80401

Sample: Talco State Federal Com No. 202H
First Stage Separator Hydrocarbon Liquid
Sampled @ 205 psig & 121 °F

Date Sampled: 12/30/2020

Job Number: 211004.002

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2186-M

COMPONENT	MOL %	LIQ VOL %	WT %
Nitrogen	0.060	0.011	0.011
Carbon Dioxide	0.032	0.009	0.009
Methane	4.272	1.206	0.463
Ethane	4.661	2.077	0.947
Propane	7.586	3.482	2.261
Isobutane	1.564	0.853	0.615
n-Butane	5.949	3.125	2.337
2,2 Dimethylpropane	0.053	0.034	0.026
Isopentane	2.480	1.511	1.209
n-Pentane	3.669	2.216	1.789
2,2 Dimethylbutane	0.011	0.007	0.006
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.182	0.125	0.106
2 Methylpentane	0.715	0.494	0.416
3 Methylpentane	0.487	0.331	0.284
n-Hexane	1.543	1.057	0.899
Heptanes Plus	<u>66.736</u>	<u>83.462</u>	<u>88.622</u>
Totals:	100.000	100.000	100.000

Characteristics of Heptanes Plus:

Specific Gravity -----	0.8295 (Water=1)
°API Gravity -----	39.09 @ 60°F
Molecular Weight -----	196.5
Vapor Volume -----	13.06 CF/Gal
Weight -----	6.91 Lbs/Gal

Characteristics of Total Sample:

Specific Gravity -----	0.7812 (Water=1)
°API Gravity -----	49.63 @ 60°F
Molecular Weight -----	148.0
Vapor Volume -----	16.34 CF/Gal
Weight -----	6.51 Lbs/Gal

Base Conditions: 15.025 PSI & 60 °F

Certified: FESCO, Ltd. - Alice, Texas

Sampled By: (14) L. Turner
Analyst: ANB
Processor: ANBdjv
Cylinder ID: W-1246

David Dannhaus 361-661-7015

FESCO, Ltd.

Job Number: 211004.002

TANKS DATA INPUT REPORT - GPA 2186-M

COMPONENT	Mol %	LiqVol %	Wt %
Carbon Dioxide	0.032	0.009	0.009
Nitrogen	0.060	0.011	0.011
Methane	4.272	1.206	0.463
Ethane	4.661	2.077	0.947
Propane	7.586	3.482	2.261
Isobutane	1.564	0.853	0.615
n-Butane	6.002	3.159	2.363
Isopentane	2.480	1.511	1.209
n-Pentane	3.669	2.216	1.789
Other C-6's	1.395	0.957	0.812
Heptanes	6.846	4.707	4.338
Octanes	9.393	7.163	6.812
Nonanes	5.624	5.020	4.819
Decanes Plus	41.143	64.224	70.142
Benzene	0.426	0.199	0.225
Toluene	1.227	0.685	0.764
E-Benzene	0.360	0.231	0.258
Xylenes	1.142	0.734	0.819
n-Hexane	1.543	1.057	0.899
2,2,4 Trimethylpentane	<u>0.575</u>	<u>0.498</u>	<u>0.444</u>
Totals:	100.000	100.000	100.000

Characteristics of Total Sample:

Specific Gravity -----	0.7812	(Water=1)
°API Gravity -----	49.63	@ 60°F
Molecular Weight-----	148.0	
Vapor Volume -----	16.34	CF/Gal
Weight -----	6.51	Lbs/Gal

Characteristics of Decanes (C10) Plus:

Specific Gravity -----	0.8532	(Water=1)
Molecular Weight-----	252.3	

Characteristics of Atmospheric Sample:

°API Gravity -----	44.04	@ 60°F
Reid Vapor Pressure Equivalent (D-6377)-----	10.61	psi

QUALITY CONTROL CHECK			
	Sampling Conditions	Test Samples	
Cylinder Number	-----	W-1246*	-----
Pressure, PSIG	205	206	-----
Temperature, °F	121	121	-----

* Sample used for analysis

FESCO, Ltd.

Job Number: 211004.002

TOTAL EXTENDED REPORT - GPA 2186-M

COMPONENT	Mol %	LiqVol %	Wt %
Nitrogen	0.060	0.011	0.011
Carbon Dioxide	0.032	0.009	0.009
Methane	4.272	1.206	0.463
Ethane	4.661	2.077	0.947
Propane	7.586	3.482	2.261
Isobutane	1.564	0.853	0.615
n-Butane	5.949	3.125	2.337
2,2 Dimethylpropane	0.053	0.034	0.026
Isopentane	2.480	1.511	1.209
n-Pentane	3.669	2.216	1.789
2,2 Dimethylbutane	0.011	0.007	0.006
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.182	0.125	0.106
2 Methylpentane	0.715	0.494	0.416
3 Methylpentane	0.487	0.331	0.284
n-Hexane	1.543	1.057	0.899
Methylcyclopentane	1.098	0.647	0.625
Benzene	0.426	0.199	0.225
Cyclohexane	1.587	0.900	0.903
2-Methylhexane	0.649	0.503	0.440
3-Methylhexane	0.649	0.496	0.439
2,2,4 Trimethylpentane	0.575	0.498	0.444
Other C-7's	1.008	0.734	0.676
n-Heptane	1.856	1.426	1.257
Methylcyclohexane	2.873	1.924	1.907
Toluene	1.227	0.685	0.764
Other C-8's	4.740	3.719	3.531
n-Octane	1.780	1.520	1.374
E-Benzene	0.360	0.231	0.258
M & P Xylenes	0.824	0.533	0.591
O-Xylene	0.318	0.201	0.228
Other C-9's	4.129	3.619	3.523
n-Nonane	1.495	1.402	1.296
Other C-10's	4.439	4.276	4.239
n-decane	1.105	1.130	1.062
Undecanes(11)	4.698	4.643	4.667
Dodecanes(12)	3.517	3.754	3.827
Tridecanes(13)	3.490	3.995	4.128
Tetradecanes(14)	2.923	3.584	3.753
Pentadecanes(15)	2.538	3.333	3.533
Hexadecanes(16)	1.907	2.677	2.862
Heptadecanes(17)	1.699	2.522	2.721
Octadecanes(18)	1.592	2.488	2.701
Nonadecanes(19)	1.426	2.321	2.534
Eicosanes(20)	1.115	1.887	2.072
Heneicosanes(21)	0.961	1.711	1.891
Docosanes(22)	0.861	1.598	1.775
Tricosanes(23)	0.751	1.445	1.614
Tetracosanes(24)	0.649	1.293	1.451
Pentacosanes(25)	0.573	1.185	1.336
Hexacosanes(26)	0.528	1.131	1.281
Heptacosanes(27)	0.496	1.103	1.255
Octacosanes(28)	0.433	0.995	1.136
Nonacosanes(29)	0.403	0.955	1.094
Triacontanes(30)	0.345	0.843	0.969
Hentriacontanes Plus(31+)	<u>4.694</u>	<u>15.358</u>	<u>18.240</u>
Total	100.000	100.000	100.000

January 13, 2021

FESCO, Ltd.
1100 Fesco Avenue - Alice, Texas 78332

For: Tap Rock Operating LLC
523 Park Point Drive, Suite 200
Golden, Colorado 80401

Date Sampled: 12/30/20

Date Analyzed: 01/06/21

Sample: Talco State Federal Com No. 202H

Job Number: J211004

FLASH LIBERATION OF HYDROCARBON LIQUID		
	Separator HC Liquid	Stock Tank
Pressure, psig	205	0
Temperature, °F	121	70
Gas Oil Ratio (1)	-----	123.2
Gas Specific Gravity (2)	-----	1.367
Separator Volume Factor (3)	1.1090	1.000

STOCK TANK FLUID PROPERTIES	
Shrinkage Recovery Factor (4)	0.9017
Oil API Gravity at 60 °F	44.04
Reid Vapor Pressure Equivalent (D-6377), psi (5)	10.61

Quality Control Check			
	Sampling Conditions	Test Samples	
Cylinder No.	-----	W-1246*	-----
Pressure, psig	205	206	-----
Temperature, °F	121	121	-----

(1) - Scf of flashed vapor per barrel of stock tank oil

(2) - Air = 1.000

(3) - Separator volume / Stock tank volume

(4) - Fraction of first stage separator liquid

(5) - Absolute pressure at 100 deg F

Analyst: R.E.

* Sample used for flash study

Base Conditions: 15.025 PSI & 60 °F

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

January 11, 2021

FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: Tap Rock Operating LLC
523 Park Point Drive, Suite 200
Golden, Colorado 80401

Sample: Talco State Federal Com No. 202H
Gas Evolved from Hydrocarbon Liquid Flashed
From 205 psig & 121 °F to 0 psig & 70 °F

Date Sampled: 12/30/2020

Job Number: 211004.011

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	0.236	
Carbon Dioxide	0.173	
Methane	23.442	
Ethane	24.002	6.643
Propane	28.865	8.230
Isobutane	3.937	1.333
n-Butane	11.591	3.782
2-2 Dimethylpropane	0.025	0.010
Isopentane	2.297	0.869
n-Pentane	2.533	0.950
Hexanes	1.334	0.568
Heptanes Plus	<u>1.565</u>	<u>0.647</u>
Totals	100.000	23.032

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.344 (Air=1)
Molecular Weight ----- 95.44
Gross Heating Value ----- 5048 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 1.367 (Air=1)
Compressibility (Z) ----- 0.9854
Molecular Weight ----- 39.02
Gross Heating Value
Dry Basis ----- 2313 BTU/CF
Saturated Basis ----- 2273 BTU/CF

*Hydrogen Sulfide tested in laboratory by: Stain Tube Method (GPA 2377)
Results: <0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (16) RE
Analyst: JRG
Processor: KV
Cylinder ID: FL-21S

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

FESCO, Ltd.

Job Number: 211004.011

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	0.236		0.169
Carbon Dioxide	0.173		0.195
Methane	23.442		9.641
Ethane	24.002	6.643	18.496
Propane	28.865	8.230	32.620
Isobutane	3.937	1.333	5.864
n-Butane	11.591	3.782	17.266
2,2 Dimethylpropane	0.025	0.010	0.046
Isopentane	2.297	0.869	4.247
n-Pentane	2.533	0.950	4.684
2,2 Dimethylbutane	0.012	0.005	0.027
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.160	0.068	0.353
2 Methylpentane	0.405	0.174	0.894
3 Methylpentane	0.229	0.097	0.506
n-Hexane	0.528	0.225	1.166
Methylcyclopentane	0.260	0.093	0.561
Benzene	0.104	0.030	0.208
Cyclohexane	0.254	0.089	0.548
2-Methylhexane	0.053	0.025	0.136
3-Methylhexane	0.066	0.031	0.169
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.202	0.091	0.514
n-Heptane	0.130	0.062	0.334
Methylcyclohexane	0.177	0.074	0.445
Toluene	0.058	0.020	0.137
Other C8's	0.140	0.067	0.395
n-Octane	0.035	0.019	0.102
Ethylbenzene	0.004	0.002	0.011
M & P Xylenes	0.011	0.004	0.030
O-Xylene	0.002	0.001	0.005
Other C9's	0.043	0.023	0.139
n-Nonane	0.007	0.004	0.023
Other C10's	0.012	0.007	0.043
n-Decane	0.003	0.002	0.011
Undecanes (11)	<u>0.004</u>	<u>0.003</u>	<u>0.015</u>
Totals	100.000	23.032	100.000

Computed Real Characteristics Of Total Sample:

Specific Gravity -----	1.367	(Air=1)
Compressibility (Z) -----	0.9854	
Molecular Weight -----	39.02	
Gross Heating Value		
Dry Basis -----	2313	BTU/CF
Saturated Basis -----	2273	BTU/CF

Natural Gas Analysis Report

GPA 2172-09/API 14.5 Report with GPA 2145-16 Physical Properties

Sample Information

	Sample Information
Sample Name	MEAN GREEN 23-35 CTB 3H (390491302)
Effective/Start Date	11-01-19 00:00
WELL NAME	0
Laboratory	T COLWELL
Analyzer Type	NAT. GAS ANALYZER
Analyzer Make & Model	AGILENT , 490
Last Calibration/Validation Date	10-7-19
Air Temperature	63
Heat Tracing	Heated Hose & Gasifier
Type of Sample	spot-portable GC
Sampling Method	fill and empty
Company Collecting Sample	AKM Measurement
Method Name	AKM C9.met
Injection Date	2019-10-17 10:07:44
Report Date	2019-10-17 10:10:00
EZReporter Configuration File	BLM Onshore.Extended.GPA 2145-16.FlowCal.cfgx
Source Data File	MEAN GREEN 23-35 CTB 3H (390491302)3656.dat
NGA Phys. Property Data Source	GPA Standard 2145-16 (FPS)
Data Source	Agilent EZChrom Connector

Component Results

Component Name	Peak Area	Raw Amount	Response Factor	Norm Mole%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
Nitrogen	1174033.0	1.4470	0.00000123	1.4591	0.0	0.01411	0.000
Methane	46301048.0	69.6170	0.00000150	70.1969	710.6	0.38882	0.000
CO2	9949120.0	10.5050	0.00000106	10.5925	0.0	0.16095	0.000
Ethane	8734118.0	8.5160	0.00000098	8.5869	152.3	0.08915	2.305
H2S	20904.0	0.0280	0.00000105	0.0282	0.2	0.00033	0.000
Propane	6692577.0	5.2710	0.00000079	5.3149	134.0	0.08092	1.470
iso-butane	1286549.0	0.7480	0.00000058	0.7542	24.6	0.01514	0.248
n-Butane	3223245.0	1.8160	0.00000056	1.8311	59.9	0.03675	0.579
iso-pentane	993656.0	0.5140	0.00000052	0.5183	20.8	0.01291	0.190
n-Pentane	995906.0	0.4840	0.00000049	0.4880	19.6	0.01216	0.178
hexanes	309632.0	0.1320	0.00000043	0.1331	6.3	0.00396	0.055
heptanes	194747.0	0.0720	0.00000037	0.0726	4.0	0.00251	0.034
octanes	66303.0	0.0220	0.00000033	0.0222	1.4	0.00088	0.011
nonanes+	8407.0	0.0020	0.00000024	0.0020	0.1	0.00009	0.001
Total:		99.1740		100.0000	1133.9	0.81867	5.070

Results Summary

Result	Dry	Sat.
Total Un-Normalized Mole%	99.1740	
Pressure Base (psia)	14.730	
Temperature Base	60.0	
Flowing Temperature (Deg. F)	112.0	
Flowing Pressure (psia)	148.0	
Gross Heating Value (BTU / Ideal cu.ft.)	1133.9	1114.2
Gross Heating Value (BTU / Real cu.ft.)	1138.3	1118.9
Relative Density (G), Real	0.8215	0.8184

Monitored Parameter Report

Parameter	Value	Lower Limit	Upper Limit	Status
Total un-normalized amount	99.1740	97.0000	103.0000	Pass



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>



In Reply Refer To:
NMNM143119
3105.2 (NM920)

FEB 17 2022

**RECEIVED
FEB 28 2022**

Reference:
Communitization Agreement
Talco State Fed Com #202H and #212H
Section 16: W2,
Section 21: W2.
T. 26 S., R. 35 E., N.M.P.M.
Lea County, NM

Tap Rock Operating, LLC
523 Park Point Drive, Suite 200
Golden, CO 80401

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM143119 involving 320.00 acres of Federal land in lease NMNM 0448921A and 320.00 acres of State land, Lea County, New Mexico, which comprise a 640.00 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2 of sec. 16 and the W2 of sec. 21, T. 26 S., R. 35 E., NMPM, Lea County, NM, and is effective September 1, 2020. 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.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

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.

2

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

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

Sincerely,

KYLE
PARADIS

Digitally signed by KYLE
PARADIS
Date: 2022.02.17 08:04:39
-07'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM.

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 W2 of sec. 16 and the W2 of sec. 21, T. 26 S., R. 35 E., NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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: **FEB 17 2022**

**KYLE
PARADIS**

Digitally signed by
KYLE PARADIS
Date: 2022.02.17
08:05:34 -07'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: September 1, 2020

Contract No.: Com. Agr. NMNM143119

MAR - 1 2021

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. NMNM 143119

THIS AGREEMENT entered into as of the 1st day of September 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 26 South, Range 35 East, N.M.P.M.

Section 16: W/2

Section 21: W/2

Lea County, New Mexico

Containing 640.00 acres, and this agreement shall include only the **Wolfcamp 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 Tap Rock Operating, LLC, 523 Park Point Drive Suite 200, Golden, Colorado 80401. 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 September 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 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.

<<Remainder of page intentionally left blank, signature page to follow>>

JAN 10 2022


**BLM, NMSO
SANTA FE**

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.

OPERATOR:

TAP ROCK OPERATING, LLC

Date: 1/5/2022

By: 
Name: Clayton Sporich

Title: Executive Vice President of Land & Legal


JAN 10 2022

BLM, NMSO
SANTA FE

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES, LLC

Date: 1/5/2022

By: 
Name: Clayton Sporich
Title: Executive Vice President of Land & Legal

DEVON ENERGY PRODUCTION COMPANY, LP

Date: _____

By: _____
Name: _____
Title: _____

ENRIQUETTA GARRETT

Date: _____

By: _____
Name: _____
Title: _____

RECEIVED

JAN 10 2022

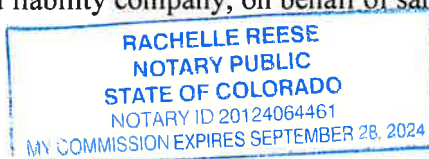
BLM, NMSO
SANTA FE

ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

This instrument was acknowledged before me on January 5, 2022,
by Clayton Sporich as Executive Vice President of Land & Legal of Tap Rock Operating,
LLC, a Delaware limited liability company, on behalf of same.

(SEAL)



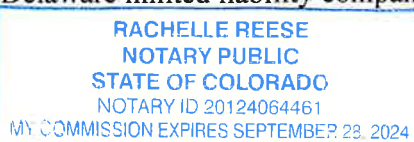
9/28/2024
My Commission Expires

Rachelle Reese
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

This instrument was acknowledged before me on January 5, 2022,
by Clayton Sporich as Executive Vice President of Land & Legal of Tap Rock
Resources, LLC, a Delaware limited liability company, on behalf of same.

(SEAL)



9/28/2024
My Commission Expires

Rachelle Reese
Notary Public

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.

OPERATOR:

TAP ROCK OPERATING, LLC

Date: 2/23/2021

By: 
Name: Clayton Sporich

Title: Executive Vice President of Land & Legal

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

This instrument was acknowledged before me on February 23, 2021,
by Clayton Sporich as Executive Vice President of Land & Legal of Tap Rock Operating,
LLC, a Delaware limited liability company, on behalf of same.

(SEAL)

RACHELLE REESE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124064461
MY COMMISSION EXPIRES SEPTEMBER 28, 2024

9/28/2024
My Commission Expires

Rachelle Reese
Notary Public

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

This instrument was acknowledged before me on February 23, 2021,
by Clayton Sporich as Executive Vice President of Land & Legal of Tap Rock Resources
II, LLC, a Delaware limited liability company, on behalf of same.

(SEAL)

RACHELLE REESE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124064461
MY COMMISSION EXPIRES SEPTEMBER 28, 2024

9/28/2024
My Commission Expires

Rachelle Reese
Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES II, LLC

Date: 4/23/2024

By: 
Name: Clayton Sporich
Title: Executive Vice President of Land & Legal

DEVON ENERGY PRODUCTION COMPANY, LP

Date: _____

By: _____
Name: _____
Title: _____

ENRIQUETTA GARRETT

Date: _____

By: _____
Name: _____
Title: _____

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES II, LLC

Date: _____

By: _____

Name: Aaron Byrd

Title: Executive Vice President of Operations

DEVON ENERGY PRODUCTION COMPANY, LP

Date: 11-9-2020

By: Catherine Lebsack

Name: Catherine Lebsack

Title: Vice President

KFH

ENRIQUETA GARRETT

Date: _____

By: _____

Name: _____

Title: _____

STATE OF Oklahoma)
) ss.
 COUNTY OF Oklahoma)

This instrument was acknowledged before me on 9th day of November, 2020,
 by Catherine Lebsack as vice president of
 Devon Energy Production Company, LP, an oklahoma limited partnership
 on behalf of same.

(SEAL)



5/7/23
 My Commission Expires

Clint Dake
 Notary Public

STATE OF _____)
) ss.
 COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
 by Enriqueta Garrett.

(SEAL)

 My Commission Expires

 Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST

COMMUNITIZATION AGREEMENT: nmnm 143119

I, the undersigned, hereby certify, on behalf of Tap Rock Operating, LLC, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: 

PRINTED: Clayton Sporich

TITLE: Executive Vice President of Land & Legal

PHONE: 720.772.5093

EMAIL: csporich@taprk.com

OVERRIDING ROYALTY INTEREST OWNERS:

Devon Energy Production Company, LP

Presidents and Fellows of Harvard University

Bruce Heafitz

Wolfcamp Title

White Gold Corporation

Tumbler Energy Partners

TD Minerals

Jules Russell Toraby

Sophia Augusta Toraby

Gabriel Joshua Heafitz

Samara Galit Heafitz

Tap Rock Resources

Dorchester Minerals

Jeanette Fisher McKillop

Carrie Bridget Fisher

Innerarity Family Minerals

Tap Rock Minerals II

EXHIBIT "A"

Plat of communitized area covering 640.00 acres in Township 26 South, Range 35 East,
N.M.P.M. Section 16: W/2 & Section 21: W/2, Lea County, New Mexico

Talco State Fed Com #202H, #212H Sections 16 and 21, Township 26 South, Range 35 East, Lea County, NM	
<u>Tract One</u> ST NM VB-2562	
<u>Tract Two</u> ST NM VB-2573	16
<u>Tract Three</u> USA NMNM 0448921A	21

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2020, embracing the following described land in Township 26 South, Range 35 East, N.M.P.M. Section 16: W/2 & Section 21: W/2, Lea County, New Mexico.

Operator of Communitized Area: Tap Rock Operating, LLC.

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

Lessor:	State of New Mexico VB-2562
Date:	August 1, 2015
Recording Information:	N/A
Legal Description:	Township 26 South, Range 35 East Section 16: NW/4
Number of Acres:	160 gross acres
Royalty Rate:	18.75%
Current Lessee of Record:	Devon Energy Production Company, LP
Overriding Royalty	Devon Energy Production Company, LP
Interest:	6.25%
Working Interest:	Tap Rock Resources II, LLC 100%

Tract No. 2

Lessor:	State of New Mexico VB-2573
Date:	August 1, 2015
Recording Information:	N/A
Legal Description:	Township 26 South, Range 35 East Section 16: SW/4
Number of Acres:	160 gross acres
Royalty Rate:	18.75%
Current Lessee of Record:	Devon Energy Production Company, LP
Overriding Royalty	Devon Energy Production Company, LP
Interest:	6.25%
Working Interest:	Tap Rock Resources II, LLC 100%

Tract No. 3

Federal Lease No.:	NMNM 0448921A
--------------------	---------------

Lessor:	United States of America
Date:	October 1, 1963
Recording Information:	N/A
Legal Description:	Township 26 South, Range 35 East Section 21: W/2
Number of Acres:	320 gross acres
Royalty Rate:	12.5%
Current Lessee of Record:	Tap Rock Resources, LLC
Overriding Royalty Interest:	Presidents and Fellows of Harvard University 0.5%, Bruce Heafitz 0.25%, Wolfcamp Title 0.125%, White Gold Corporation 0.125%, Tumbler Energy Partners 0.65%, TD Minerals 0.667%, Jules Russell Toraby 0.25%, Sophia Augusta Toraby 0.25%, Gabriel Joshua Heafitz 0.5%, Samara Galit Heafitz 0.5%, Tap Rock Resources 0.317%, Dorchester Minerals 3.95%, Jeanette Fisher McKillop 0.042%, Carrie Bridget Fisher 0.042%, Innerarity Family Minerals 0.333%, Tap Rock Minerals II 4.0%
Record Title:	Tap Rock Resources, LLC 100%
Working Interest:	Tap Rock Resources II, LLC 99.77%, Enriquetta Garrett 0.23%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	25.000000%
2	160.00	25.000000%
3	320.00	50.000000%
Total	640.00	100.0000%



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Rachelle Reese
Tap Rock Operating, LLC
523 Park Point Dr., Suite 200
Golden CO, 80401

January 18th, 2022

Re: Communitization Agreement Approval
Talco State Federal Com #202H
Vertical Extent: Wolfcamp
Township: 26 South, Range 35 East, NMPM
Section 16: W2
Section 21: W2

Lea County, New Mexico

Dear Ms. Reese,

The Commissioner of Public Lands has this date approved the Talco State Federal Com #202H Communitization Agreement for the Wolfcamp formation effective 09-01-2020. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Baylen Lamkin at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard/SS

Stephanie Garcia Richard
Commissioner of Public Lands

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Tap Rock Operating, LLC
Talco State Federal Com #202H
Wolfcamp
Township: 26 South, Range: 35 East, NMPM
Section 16: W2
Section 21: W2**

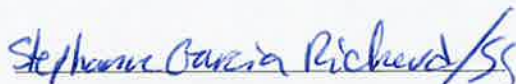
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 01, 2020**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th day of January, 2022**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Tap Rock Operating, LLC
Talco State Federal Com #202H
Wolfcamp**

Township: 26 South, Range: 35 East, NMPM

Section 16: W2

Section 21: W2

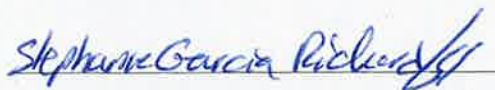
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 01, 2020**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 18th day of January, 2022.



COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Tap Rock Operating, LLC
Talco State Federal Com #202H
Wolfcamp**

Township: 26 South, Range: 35 East, NMPM

Section 16: W2

Section 21: W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 01, 2020**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **18th day of January, 2022**.



COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised Feb. 2013

**ONLINE Version
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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land 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 the 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:

Subdivisions W/2
Sect 16 & 21, T 26S, R 35E, NMPM Lea County NM
containing 640 acres, more or less, and this agreement shall include only the
Wolfcamp Formation
underlying said lands and the oil and gas (hereinafter
referred to as "communitized substances") producible from such formation.

ONLINE version
February 2013

State/Fed/Fee

1 0012 3/29/2021

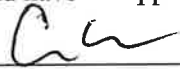
\$100.00
#0196 Fees
**

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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September 1 2020 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
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 interest 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 lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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.

Operator 
By Clayton Sporich
Print name of person
EVP - Land & Legal
Type of authority

Lessees of Record 
Clayton Sporich
EVP - Land & Legal of Tap Rock Resources II, LLC

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATEBy _____
Name(s) of Person(s)

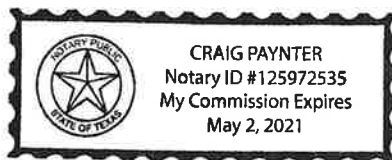
(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative CapacityState of Texas _____)County of Dallas _____) SS)This instrument was acknowledged before me on January 6, 2021
DATEBy Clayton Sporich _____
Name(s) of Person(s)as Executive Vice President of Tap Rock Operating, LLC
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed_____
Signature of Notarial Officer

Signature of Notarial Officer

My commission expires: May 2, 2021

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative CapacityState of Texas _____)County of Dallas _____) SS)This instrument was acknowledged before me on January 6, 2021

DATE

By Clayton Sporich _____

Name(s) of Person(s)

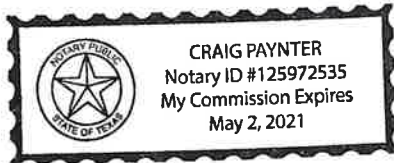
as Executive Vice President of Tap Rock Resources II, LLC

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: May 2, 2021

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.

Record Title Owner

Devon Energy Production Company, L.P.

3/12/2021
Date

By: Catherine Lebsack
Catherine Lebsack, Vice President

KFH

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on March 12, 2021, by Catherine Lebsack, as Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

(SEAL)



Cara Noltenmeyer
Notary Public

3-2-2025
My Commission Expires

EXHIBIT ATo Communitization Agreement dated **September 1**, 20**20**

Plat of communitized area covering the:

Subdivisions **W/2**of Sect. **16 & 21**, T **26S**, R **35E**, NMPM, **Lea** County, NM.

Talco State Fed Com #202H, #212H Sections 16 and 21, Township 26 South, Range 35 East, Lea County, NM	
Tract One ST NM VB-2562	
Tract Two ST NM VB-2573	16
Tract Three USA NMNM 0448921A	21

EXHIBIT BTo Communitization Agreement dated September 1, 2020, embracing theSubdivisions W/2
of Section s 16 & 21, T 26S, R 35E, N.M.P.M., Lea County, NMOperator of Communitized Area: Tap Rock Operating, LLC**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

Lease Serial No.: VB-2562
Lease Date: August 1, 2015
Lease Term: 5 years
Lessor: State of New Mexico
Original Lessee: Reagan Smith Energy Solutions, Inc.
Present Lessee: Devon Energy Production Company, LP
Description of Land Committed: Subdivisions NW/4,
Sect 16, Twp 26S, Rng 35E, NMPM, Lea County, NM
Number of Acres: 160
Royalty Rate: 3/16th
Name and Percent ORRI Owners: Devon Energy Production Company, LP 6.25%
Name and Percent WI Owners: Tap Rock Resources II, LLC 100%

TRACT NO. 2

Lease Serial No.: VB-2573
Lease Date: August 1, 2015
Lease Term: 5 years
Lessor: State of New Mexico
Original Lessee: Reagan Smith Energy Solutions, Inc.
Present Lessee: Devon Energy Production Company, LP
Description of Land Committed: Subdivisions SW/4,
Sect 16, Twp 26S, Rng 35E, NMPM, Lea County, NM
Number of Acres: 160
Royalty Rate: 3/16th
Name and Percent ORRI Owners: Devon Energy Production Company, LP 6.25%
Name and Percent WI Owners: Tap Rock Resources II, LLC 100%

TRACT NO. 3

Lease Serial No.: NMNM-0448921A
 Lease Date: October 1, 1963
 Lease Term: 10 years
 Lessor: United States
 Original Lessee: Skelly Oil Company
 Present Lessee: Tap Rock Resources II, LLC
 Description of Land Committed: Subdivisions W/2
 Sect 21, Twp 26S, Rng 35E, NMPM, Lea County, NM
 Number of Acres: 320
 Royalty Rate: 12.5%
 Name and Percent ORRI Owners: Presidents and Fellows of Harvard University 0.5%, Bruce Heafitz 0.25%,
Wolfcamp Title 0.125%, White Gold Corporation 0.125%, Tumbler Energy Partners 0.65%, TD Minerals 0.667%, Jules Russell Toraby 0.25%, Sophia
Augusta Toraby 0.25%, Gabriel Joshua Heafitz 0.5%, Samara Galit Heafitz 0.5%, Tap Rock Resources 0.317%, Dorchester Minerals 3.95%, Jeanette
Fisher McKillop 0.042%, Carrie Bridget Fisher 0.042%, Innerarity Family Minerals 0.333%, Tap Rock Minerals II 4.0%
 Name and Percent WI Owners: Tap Rock Resources II, LLC 99.77%, Enriquetta Garrett 0.23%

TRACT NO. 4

Lease Serial No.: _____
 Lease Date: _____
 Lease Term: _____
 Lessor: _____
 Original Lessee: _____
 Present Lessee: _____
 Description of Land Committed: Subdivisions _____
 Sect _____, Twp _____, Rng _____, NMPM, _____ County, NM
 Number of Acres: _____
 Royalty Rate: _____
 Name and Percent ORRI Owners: _____
 Name and Percent WI Owners: _____

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No.1	<u>160.00</u>	<u>25%</u>
Tract No.2	<u>160.00</u>	<u>25%</u>
Tract No.3	<u>320.00</u>	<u>50%</u>
Tract No.4	<u> </u>	<u> </u>

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **March, 2022**, 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 26 South, Range 35 East, N.M.P.M.

Section 16: W/2

Section 21: W/2

Lea County, New Mexico

Containing **640.00** 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 **Tap Rock Operating, LLC, 523 Park Point Drive, Suite 200, Golden, CO, 80401**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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, 2022**, 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.

Operator:
Tap Rock Operating, LLC

Date: 3/3/2022

By: [Signature]
Name: Clayton Sporich
Title: EVP – Land & Legal

ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

On this 3rd day of March, 2022, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)



10/29/2025
My Commission Expires:

Tiara Preston
Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of **Tap Rock Operating, LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date: 3/3/2022

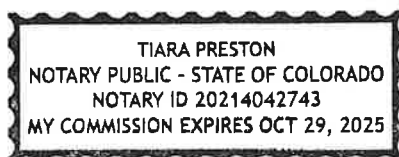
By: 
Name: Clayton Sporich
Title: EVP – Land & Legal

ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

On this 3rd day of March, 2022, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)



10/29/2025
My Commission Expires:


Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Tap Rock Resources II, LLC

Date: 3/3/2022

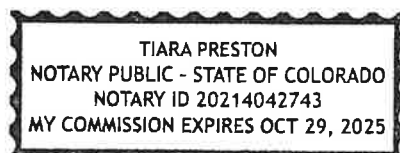
By: 
Name: Clayton Sporich
Title: EVP – Land & Legal

ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

On this 3rd day of March, 2022, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Resources II, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.


(SEAL)



10/29/2025
My Commission Expires:


Notary Public

Tap Rock Resources, LLC

By: 
Name: Clayton Sporich
Title: EVP – Land & Legal

[illegible]

On this 3rd day of March, 2022, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Resources, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)



10/29/2025
My Commission Expires:

Siona Preston
Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD****Devon Energy Production Company, LP**Date: 3-17-2022By: Name: Lindsey N. MilesTitle: Land Manager JAP**ACKNOWLEDGEMENT**STATE OF OKLAHOMA)
) ss.COUNTY OF OKLAHOMA)

On this 17th day of March, 2022, before me, a Notary Public for the State of Oklahoma, personally appeared Lindsey N. Miles, known to me to be the Land Manager of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

5/7/23
My Commission Expires:Clint Dake
Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

Enriquetta Garrett

Date: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.

COUNTY OF _____)

On this _____ day of _____, 2022, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the _____ of _____, the _____ that executed the foregoing instrument and acknowledged to me such _____ executed the same.

(SEAL)

My Commission Expires:

Notary Public

EXHIBIT "A"

Plat of communitized area covering 640.00 acres in W/2 of Section 16 and W/2 of Section 21, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Well Name/No.
Talco State Federal Com #125H

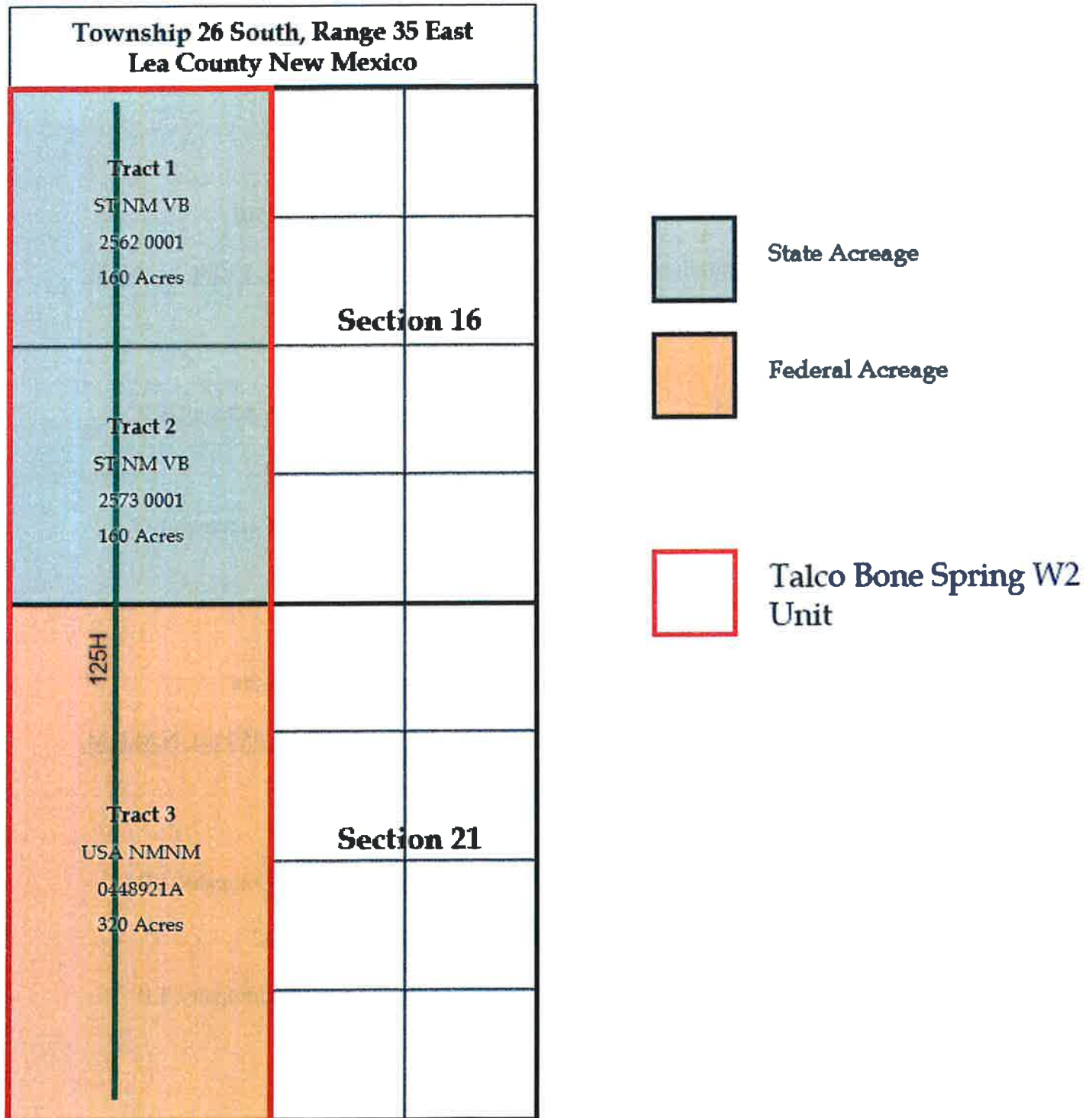


EXHIBIT "B"

To Communitization Agreement dated **March 1, 2022**, embracing the following described land
in W/2 of Section 16 and W/2 of Section 21, Township 26 South, Range 35 East, N.M.P.M.,
Lea County, New Mexico

Operator of Communitized Area: **Tap Rock Operating, LLC**

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

Lease Serial Number:	State of New Mexico VB-2562
Description of Land Committed:	<u>Township 26 South, Range 35 East, N.M.P.M.</u> Section 16: NW/4
Number of Acres:	160.00
Current Lessee of Record:	Devon Energy Production Company, LP
Name of Working Interest Owners:	Tap Rock Resources II, LLC
ORRI Owners:	Devon Energy Production Company, LP

Tract No. 2

Lease Serial Number:	State of New Mexico VB-2573
Description of Land Committed:	<u>Township 26 South, Range 35 East, N.M.P.M.</u> Section 16: SW/4
Number of Acres:	160.00
Current Lessee of Record:	Devon Energy Production Company, LP
Name of Working Interest Owners:	Tap Rock Resources II, LLC
ORRI Owners:	Devon Energy Production Company, LP

Tract No. 3

Lease Serial Number: NMNM 0448921A

Description of Land Committed: Township 26 South, Range 35 East, N.M.P.M.
Section 21: W/2

Number of Acres: 320.00

Current Lessee of Record: Tap Rock Resources, LLC

Name of Working Interest Owners: Tap Rock Resources, LLC, Tap Rock Resources, II
LLC, Enriquetta Garrett

ORRI Owners: Presidents and Fellows of Harvard University;
Bruce Heafitz, Wolfcamp Title, White Gold
Corporation, Tumbler Energy Partners, TD
Minerals, Jules Russell Toraby, Sophia Augusta
Toraby, Gabriel Joshua Heafitz, Samara Galit
Heafitz, Tap Rock Resources, Dorchester Minerals,
Jeanette Fisher McKillop, Carrie Bridget Fisher,
Innerarity Family Minerals, Tap Rock Minerals II

RECAPITULATION

<u>No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest Tract in Communitized Area</u>
1	160.00	25.0000%
2	160.00	25.0000%
3	320.00	50.0000%
Total	640.00	100.0000%

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised Feb. 2013

ONLINE Version
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,"

W I T N E S S E T H:

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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land 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 the 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:

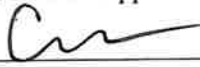
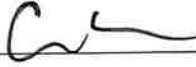
Subdivisions W/2, Sect 16; and W/2,
Sect 21, T 26S, R 35E, NMPM Lea County NM
containing 640.00 acres, more or less, and this agreement shall include only the
Bone Spring Formation
underlying said lands and the oil and gas (hereinafter
referred to as "communitized substances") producible from such formation.

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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2022 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
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 interest 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 lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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.

Operator 	Lessees of Record 
By <u>Clayton Sporich</u>	<u>Clayton Sporich</u>
<small>Print name of person</small>	
<small>EVP - Land and Legal of Tap Rock Operating, LLC</small>	<small>EVP - Land & Legal of Tap Rock Resources II, LLC</small>
<small>Type of authority</small>	

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATEBy _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative CapacityState of Colorado _____)County of Jefferson _____) SS)This instrument was acknowledged before me on 3/3/2022
DATEBy Clayton Sporch _____
Name(s) of Person(s)as EVP of land & legal of Tap Rock Operating, LLC
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Seal)

Tiara Preston
Signature of Notarial OfficerMy commission expires: 10/29/2025

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATEBy _____
Name(s) of Person(s)

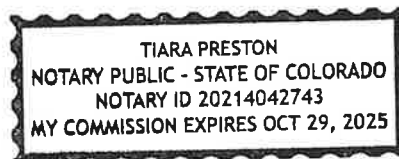
(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative CapacityState of Colorado _____)County of Jefferson _____) SS)This instrument was acknowledged before me on 3/3/2022
DATEBy Clayton Spornich _____
Name(s) of Person(s)as Exp of Land & Legal of Tap Rock Resources II, LLC
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Seal)

Tiana Preston
Signature of Notarial OfficerMy commission expires: 10/29/2025

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.

RECORD TITLE OWNER

Devon Energy Production Company, LP

Date: 3-17-2022

By: _____
 Name: Lindsey N. Miles
 Title: Land Manager

JSP

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
 COUNTY OF OKLAHOMA)

On this 17th day of March, 2022, before me, a Notary Public for the State of Oklahoma, personally appeared Lindsey N. Miles, known to me to be the Land Manager of Devon Energy Production Company, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/7/23
 My Commission Expires:

Clint Dake
 Notary Public

EXHIBIT A

To Communitization Agreement dated March 1, 2022

Plat of communitized area covering the:

Subdivisions W/2 of Sect 16; and W/2

of Sect. 21, T 26S, R 35E, NMPM, Lea County, NM.

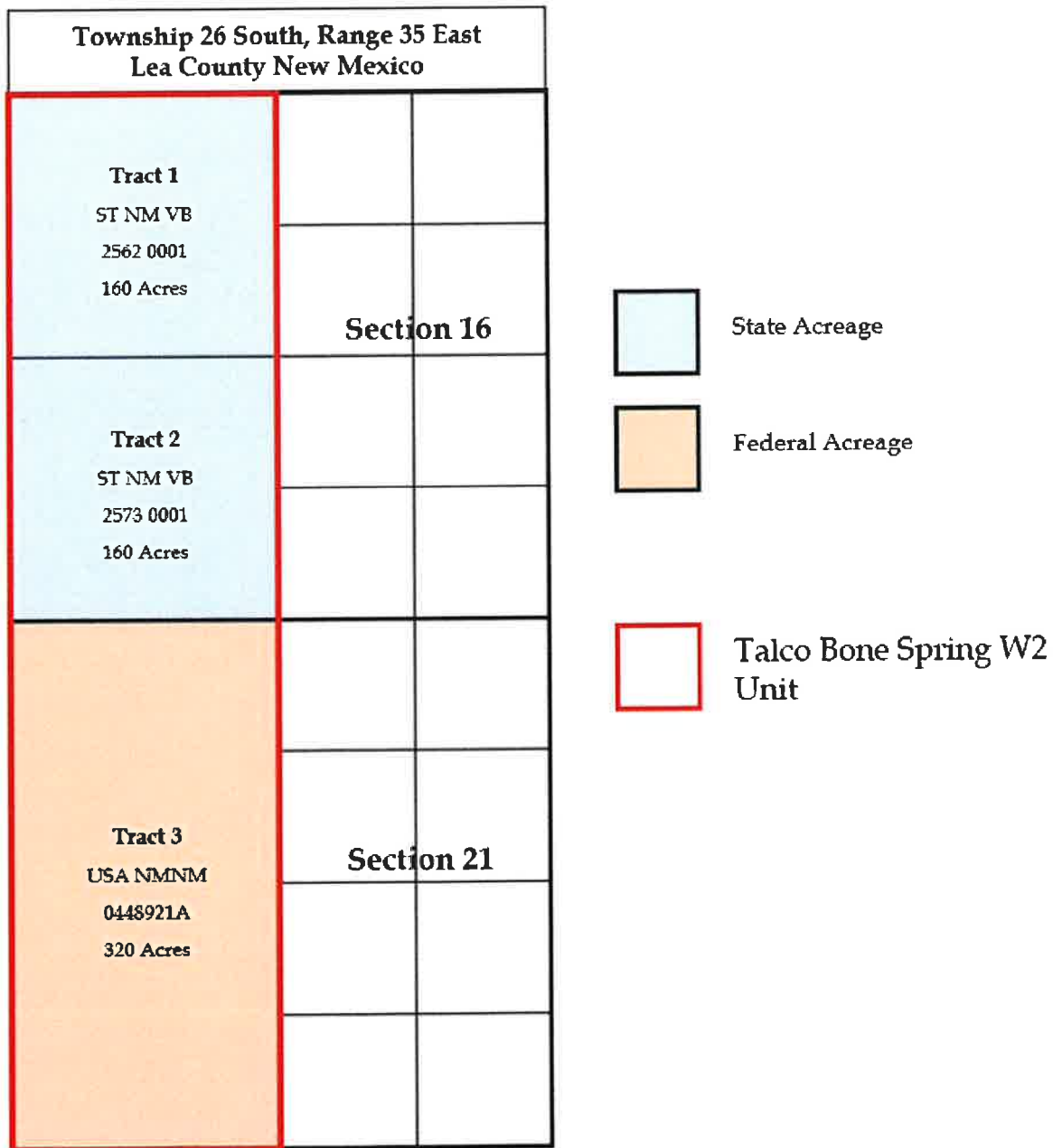


EXHIBIT B

To Communitization Agreement dated March 1, 2022, embracing the
 Subdivisions W/2 of Section 16; and W/2
 of Section 21, T 26S, R 35E, N.M.P.M., Lea County, NM

Operator of Communitized Area: Tap Rock Operating, LLC

DESCRIPTION OF LEASES COMMITTED**TRACT NO. 1**

Lease Serial No.: VB-2562
 Lease Date: August 1, 2015
 Lease Term: 5 Years
 Lessor: State of New Mexico
 Original Lessee: Reagan Smith Energy Solutions, Inc.
 Present Lessee: Devon Energy Production Company, LP
 Description of Land Committed: Subdivisions NW/4,
 Sect 16, Twp 26S, Rng 35E, NMPM, Lea County, NM
 Number of Acres: 160
 Royalty Rate: 3/16th
 Name and Percent ORRI Owners: Devon Energy Production Company, LP
 Name and Percent WI Owners: Tap Rock Resources II, LLC 100%

TRACT NO. 2

Lease Serial No.: VB-2573
 Lease Date: August 1, 2015
 Lease Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Reagan Smith Energy Solutions, LP
 Present Lessee: Devon Energy Production Company, LP
 Description of Land Committed: Subdivisions SW/4,
 Sect 16, Twp 26S, Rng 35E, NMPM, Lea County, NM
 Number of Acres: 160
 Royalty Rate: 3/16th
 Name and Percent ORRI Owners: Devon Energy Production Company, LP
 Name and Percent WI Owners: Tap Rock Resources II, LLC 100%

TRACT NO. 3

Lease Serial No.: NMNM-0448921A
 Lease Date: October 1, 1963
 Lease Term: 10 years
 Lessor: Unites States
 Original Lessee: Skelly Oil Company
 Present Lessee: Tap Rock Resources II, LLC
 Description of Land Committed: Subdivisions W/2,
 Sect 21, Twp 26S, Rng 35E, NMPM, Lea County, NM
 Number of Acres: 320
 Royalty Rate: 12.5%
 Name and Percent ORRI Owners: Presidents and Fellows of Harvard University 0.5%, Bruce Heafitz 0.25%, Wolfcamp Title 0.125%,
White Gold Corporation 0.125%, Tumbler Energy Partners 0.65%, TD Minerals 0.667%, Jules Russell Toraby 0.25%, Sophia Augusta Toraby 0.25%, Gabriel Joshua Heafitz 0.5%, Samara Galit Heafitz 0.5%,
Tap Rock Resources 0.317%, Dorchester Minerals 3.95%, Jeanette Fisher McKillop 0.042%, Carrie Bridget Fisher 0.042%, Innerarity Family Minerals 0.333%, Tap Rock Minerals II 4.0%
 Name and Percent WI Owners: Tap Rock Resources II, LLC 99.77%, Enriqueta Garrett 0.23%

TRACT NO. 4

Lease Serial No.: _____
 Lease Date: _____
 Lease Term: _____
 Lessor: _____
 Original Lessee: _____
 Present Lessee: _____
 Description of Land Committed: Subdivisions _____,
 Sect _____, Twp _____, Rng _____, NMPM, _____ County, NM
 Number of Acres: _____
 Royalty Rate: _____
 Name and Percent ORRI Owners: _____
 Name and Percent WI Owners: _____

RECAPITULATION

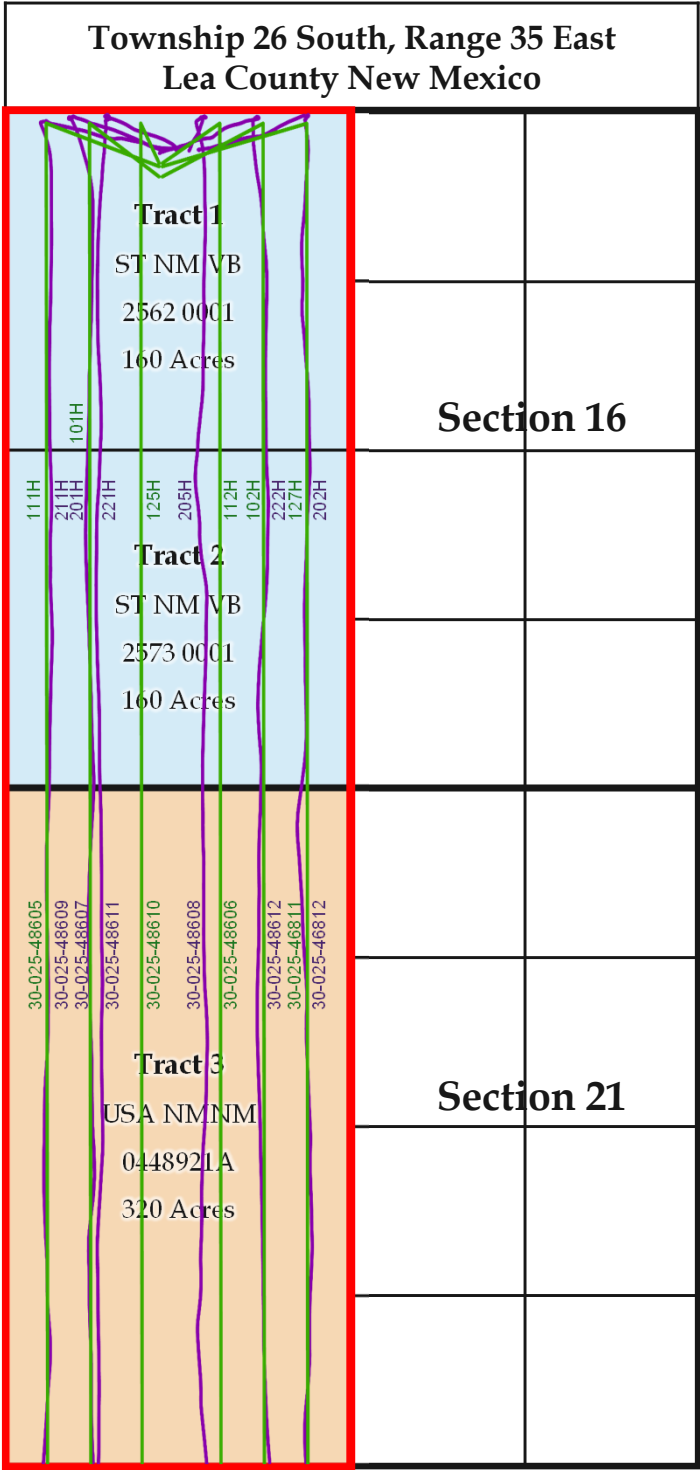
Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No.1	<u>160.00</u>	<u>25.00%</u>
Tract No.2	<u>160.00</u>	<u>25.00%</u>
Tract No.3	<u>320.00</u>	<u>50.00%</u>
Tract No.4	<u> </u>	<u> </u>

EXHIBIT 3

APPLICATION TO POOL COMMINGLE, STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT TALCO CTB

API	Well Name	Well Number	Unit Letter	Section	Township	Range	Date Online	Anticipated Production Type	Oil (MBOD)	GAS (MCF)	Gravity	BTU/cf
30-025-48607	TALCO STATE FEDERAL COM	#201H	C	16	26S	35E	1/7/2022	Oil, Gas, Produced Water	900	1415	50	1300
30-025-46812	TALCO STATE FEDERAL COM	#202H	C	16	26S	35E	12/17/2020	Oil, Gas, Produced Water	350	500	50	1200
30-025-48608	TALCO STATE FEDERAL COM	#205H	C	16	26S	35E	1/7/2022	Oil, Gas, Produced Water	1100	1600	49	1250
30-025-48609	TALCO STATE FEDERAL COM	#211H	D	16	26S	35E	2/4/2022	Oil, Gas, Produced Water	910	1450	51	1350
30-025-48611	TALCO STATE FEDERAL COM	#221H	D	16	26S	35E	2/6/2022	Oil, Gas, Produced Water	770	1050	48	1320
30-025-48612	TALCO STATE FEDERAL COM	#222H	D	16	26S	35E	1/12/2022	Oil, Gas, Produced Water	822	1250	50	1280
30-025-48605	TALCO STATE FEDERAL COM	#111H	D	16	26S	35E	Est. 10/4/2022	Oil, Gas, Produced Water	1500	2250	50	1155
30-025-48606	TALCO STATE FEDERAL COM	#112H	D	16	26S	35E	Est. 10/4/2022	Oil, Gas, Produced Water	1500	2250	50	1155
30-025-46811	TALCO STATE FEDERAL COM	#127H	D	16	26S	35E	Est. 10/4/2022	Oil, Gas, Produced Water	1644	3684	50	1155
30-025-48610	TALCO STATE FEDERAL COM	#125H	C	16	26S	35E	Est. 10/4/2022	Oil, Gas, Produced Water	1644	3684	50	1155
TBD - Pending APD Approval	TALCO STATE FEDERAL COM	#101H	M	16	26S	35E	Est. 12/31/2022	Oil, Gas, Produced Water	1700	4600	50	1109
TBD - Pending APD Approval	TALCO STATE FEDERAL COM	#102H	N	16	26S	35E	Est. 12/31/2022	Oil, Gas, Produced Water	1700	4600	50	1109

Talco W2 Unit



State Acreage



Federal Acreage



Talco W2 Unit



[98117] WC-025 G-09
S263504N;WOLFCAMP



[98143] WC-025 G-09
S263527D/BONE SPRING

EXHIBIT 4

OWNER NAME	ADDRESS	CITY	STATE_ID	ZIP
Tap Rock Resources LLC	523 Park Point Drive, SUITE 200	Golden	CO	80401
Tap Rock Minerals LP	523 Park Point Dr Ste 200	Golden	CO	80401
Office Of Natural Resources Revenue	PO BOX 25627	Denver	CO	80225-0627
Commissioner Of Public Lands, New Mexico				
State Land Office	PO BOX 1148	Santa Fe	NM	87504-1148
Chevron USA Inc.	P.O. BOX 1635	Houston	TX	77251
Randall S. Cate	PO BOX 8329	Horseshoe Bay	TX	78657
Patrick J. Tower	1904 Western Drive	Midland	TX	79705
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220
Chevron U.S.A. Inc. Attn: Land Manager	6301 Deauville Blvd.	Midland	TX	79706



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

August 3, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: AMENDED application of Tap Rock Operating, LLC for administrative approval to surface commingle (pool commingle) oil and gas production from spacing units comprised of the W/2 of Sections 16 and 21, Township 26 South, Range 35 East, Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Jeff Trlica
Regulatory Analyst
Tap Rock Operating, LLC
(720) 772-5910

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Rankin", with a long horizontal flourish extending to the right.

Adam G. Rankin
ATTORNEY FOR
TAP ROCK OPERATING, LLC



\$7.20 +

Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

**Tap Rock - Talco W_2 Commingling
AMENDED
CM# 93477.0001**

Shipment Date: 08/03/2022

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	10
Total	10

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

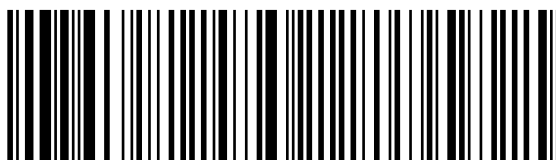
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0038 4149 39



Firm Mailing Book For Accountable Mail

Name and Address of Sender HOLLAND & HART LLP (1) 110 N GUADALUPE ST # 1 SANTA FE NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Affix Stamp Here <i>(for additional copies of this receipt).</i> Postmark with Date of Receipt.												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
1. 9214 8901 9403 8385 0118 84	Tap Rock Resources LLC 523 Park Point Drive SUITE 200 Golden CO 80401	1.20	4.00	Handling Charge - if Registered and over \$50,000 in value							2.00					
2. 9214 8901 9403 8385 0118 91	Tap Rock Minerals LP 523 Park Point Dr Ste 200 Golden CO 80401	1.20	4.00								2.00					
3. 9214 8901 9403 8385 0119 07	Office Of Natural Resources Revenue PO BOX 25627 Denver CO 80225-0627	1.20	4.00								2.00					
4. 9214 8901 9403 8385 0119 14	Commissioner Of Public Lands New Mexico State Land Office PO BOX 1148 Santa Fe NM 87504-1148	1.20	4.00								2.00					
5. 9214 8901 9403 8385 0119 21	Chevron USA Inc PO BOX 1635 Houston TX 77251	1.20	4.00								2.00					
6. 9214 8901 9403 8385 0119 38	Randall S Cate PO BOX 8329 Horseshoe Bay TX 78657	1.20	4.00								2.00					
7. 9214 8901 9403 8385 0119 45	Patrick J Tower 1904 Western Drive Midland TX 79705	1.20	4.00								2.00					
8. 9214 8901 9403 8385 0119 52	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	1.20	4.00								2.00					
Total Number of Pieces Listed by Sender 10	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)														



Firm Mailing Book For Accountable Mail

Name and Address of Sender HOLLAND & HART LLP (1) 110 N GUADALUPE ST # 1 SANTA FE NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Affix Stamp Here <i>(for additional copies of this receipt).</i> Postmark with Date of Receipt.												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
9. 9214 8901 9403 8385 0119 69	Bureau of Land Management 620 E Greene St Carlsbad NM 88220	1.20	4.00	Handling Charge - if Registered and over \$50,000 in value							2.00					
10. 9214 8901 9403 8385 0119 76	Chevron U S A Inc Attn: Land Manager 6301 Deauville Blvd Midland TX 79706	1.20	4.00								2.00					
Total Number of Pieces Listed by Sender 10	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)														

From: [Engineer, OCD, EMNRD](#)
To: [Adam Rankin](#); [Paula M. Vance](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Dawson, Scott](#)
Subject: Approved Administrative Order PLC-845
Date: Monday, August 29, 2022 1:05:08 PM
Attachments: [PLC845 Order.pdf](#)

NMOCD has issued Administrative Order PLC-845 which authorizes Tap Rock Operating, LLC (372043) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48605	Talco State Federal Com #111H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-48606	Talco State Federal Com #112H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-46811	Talco State Federal Com #127H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-48610	Talco State Federal Com #125H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-48607	Talco State Federal Com #201H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-46812	Talco State Federal Com #202H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48608	Talco State Federal Com #205H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48609	Talco State Federal Com #211H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48611	Talco State Federal Com #221H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48612	Talco State Federal Com #222H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY TAP ROCK OPERATING, LLC**

ORDER NO. PLC-845

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Tap Rock Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
9. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying

the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

CONCLUSIONS OF LAW

10. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
12. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
13. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
14. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
15. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
16. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If

Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.

8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 8/29/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-845

Operator: Tap Rock Operating, LLC (372043)

Central Tank Battery: Talco W/2 Central Tank Battery

Central Tank Battery Location: UL C F, Section 16, Township 26 South, Range 35 East

Gas Title Transfer Meter Location: UL C F, Section 16, Township 26 South, Range 35 East

Pools

Pool Name	Pool Code
WC-025 G-09 S263504N; WOLFCAMP	98117
WC-025 G-09 S263527D; BONE SPRING	98143

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 143119	W/2	16-26S-35E
	W/2	21-26S-35E
VB 25620001	NW/4	16-26S-35E
VB 25730001	SW/4	16-26S-35E
NMNM 0448921A	W/2	21-26S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48605	Talco State Federal Com #111H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-48606	Talco State Federal Com #112H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-46811	Talco State Federal Com #127H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-48610	Talco State Federal Com #125H	W/2	16-26S-35E	98143
		W/2	21-26S-35E	
30-025-48607	Talco State Federal Com #201H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-46812	Talco State Federal Com #202H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48608	Talco State Federal Com #205H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48609	Talco State Federal Com #211H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48611	Talco State Federal Com #221H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	
30-025-48612	Talco State Federal Com #222H	W/2	16-26S-35E	98117
		W/2	21-26S-35E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-845**
Operator: **Tap Rock Operating, LLC (372043)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring BLM	W/2	16-26S-35E	640	A
	W/2	21-26S-35E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VB 25620001	NW/4	16-26S-35E	160	A
VB 25730001	SW/4	16-26S-35E	160	A
NMNM 0448921A	W/2	21-26S-35E	320	A

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 131285

CONDITIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 131285
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/29/2022