

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: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease 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

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
Date

  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
e-mail Address



**Paula M. Vance**  
**Associate**  
**Phone** (505) 988-4421  
**Fax** (505) 819-5579  
pmvance@hollandhart.com

July 31, 2023

**VIA ONLINE FILING**

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

**Re: Application of Advance Energy Partners Hat Mesa, LLC for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the S/2 N/2 and S/2 of Section 13, all of Section 24, and the N/2 of Section 25, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the “Lands”)**

Dear Mr. Fuge:

Advance Energy Partners Hat Mesa, LLC (OGRID No. 372417) (“Advance”)<sup>1</sup>, pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the **Margarita Tank Battery** *insofar as all existing and future wells drilled in the following spacing units:*

(a) The 360-acre spacing unit comprised of the SW/4 NW/4 and W/2 SW/4 of Section 13, W/2 W/2 of Section 24, and the W/2 NW/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the **Margarita Federal Com 13 1H** (API. No. 30-025-47195), **Margarita Federal Com 13 2H** (API. No. 30-025-47196), **Margarita Federal Com 13 9H** (API. No. 30-025-48008), and **Margarita Federal Com 13 13H** (API. No. 30-025-48009);

(b) The 360-acre spacing unit comprised of the SE/4 NW/4 and E/2 SW/4 of Section 13, E/2 W/2 of Section 24, and the E/2 NW/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the **Margarita Federal Com 13 3H** (API. No. 30-025-47197), **Margarita Federal Com 13 4H** (API. No. 30-025-47198), **Margarita Federal Com 13 10H** (API. No. 30-025-49183), **Margarita Federal Com 13 14H** (API. No. 30-025-49186), and **Margarita Federal Com 13 22H** (API. No. 30-025-49250);

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<sup>1</sup> Advance was recently acquired by an affiliate of Matador Production Company (OGRID No. 228937) (“Matador”). Matador plans to transfer operatorship of the referenced Margarita wells to itself by administratively filing a Form C-145 (Change of Operatorship) with the Division and similar filings with the BLM in the near future.



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 pmvance@hollandhart.com

(c) The 360-acre spacing unit comprised of the SW/4 NE/4 and W/2 SE/4 of Section 13, W/2 E/2 of Section 24, and the W/2 NE/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the **Margarita Federal Com 13 5H** (API. No. 30-025-47199), **Margarita Federal Com 13 6H** (API. No. 30-025-47200), **Margarita Federal Com 13 11H** (API. No. 30-025-49184), and **Margarita Federal Com 13 15H** (API. No. 30-025-49187);

(d) The 360-acre spacing unit comprised of the SE/4 NE/4 and E/2 SE/4 of Section 13, E/2 E/2 of Section 24, and the E/2 NE/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the **Margarita Federal Com 13 7H** (API. No. 30-025-47201), **Margarita Federal Com 13 8H** (API. No. 30-025-47202), **Margarita Federal Com 13 12H** (API. No. 30-025-49185), and **Margarita Federal Com 13 16H** (API. No. 30-025-49188);

(e) The 360-acre spacing unit comprised of the SW/4 NW/4 and W/2 SW/4 of Section 13, W/2 W/2 of Section 24, and the W/2 NW/4 of Section 25, in the WC-025 G-10 S213328O; Wolfcamp (98033) – currently dedicated to the **Margarita Federal Com 13 17H** (API. No. 30-025-48247);

(f) The 360-acre spacing unit comprised of the SW/4 NE/4 and W/2 SE/4 of Section 13, W/2 E/2 of Section 24, and the W/2 NE/4 of Section 25, in the WC-025 G-10 S213328O; Wolfcamp (98033) – currently dedicated to the **Margarita Federal Com 13 23H** (API. No. 30-025-49497);

(g) The 360-acre spacing unit comprised of the SE/4 NE/4 and E/2 SE/4 of Section 13, E/2 E/2 of Section 24, and the E/2 NE/4 of Section 25, in the WC-025 G-10 S213328O; Wolfcamp (98033) – currently dedicated to the **Margarita Federal Com 13 24H** (API. No. 30-025-49498);

(h) The 360-acre spacing unit comprised of the SW/4 NE/4 and W/2 SE/4 of Section 13, W/2 E/2 of Section 24, and the W/2 NE/4 of Section 25, in the Salt Lake; Bone Spring (53560) – currently dedicated to the **Margarita Federal Com 13 20H** (API. No. 30-025-50128); and

(i) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools to the Margarita 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 **Margarita Tank Battery** (“CTB”) located on the quarter-quarter line between the SW/4 NE/4 and SE/4 NW/4 of Section 18, Township 21 South, Range 32 East. Each well is equipped with a three-phase separator and metered on lease before production is transferred to the CTB. Gas production from



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pmvance@hollandhart.com

the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

**Exhibit 1** is a land plat showing Matador’s current development plan, flow lines, well pads, the central tank battery (“Facility Pad”) in the subject area, and common gathering line. The plat also identifies the wellbores and lease/spacing unit boundaries.

**Exhibit 2** is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Ryan Hernandez, Senior Facilities Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Exhibit A to the statement) and an example gas analysis (Exhibit B to the statement).

**Exhibit 3** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units.

**Exhibit 4** includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered “leases” as defined by 19.15.12.7(C) NMAC. **Exhibit 5** 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. A copy of this application has been provided to the Bureau of Land Management since federal lands are involved.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Paula M. Vance".

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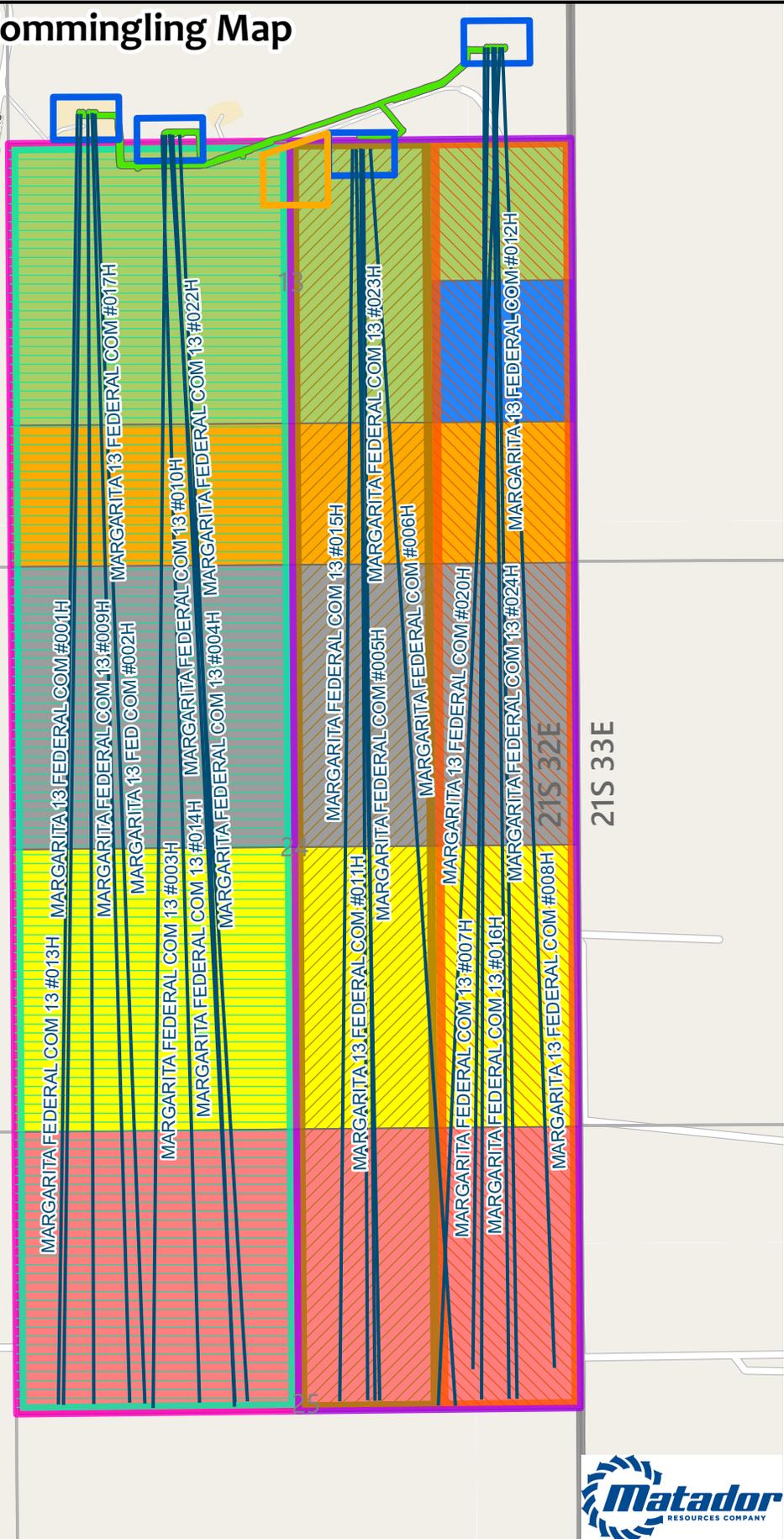
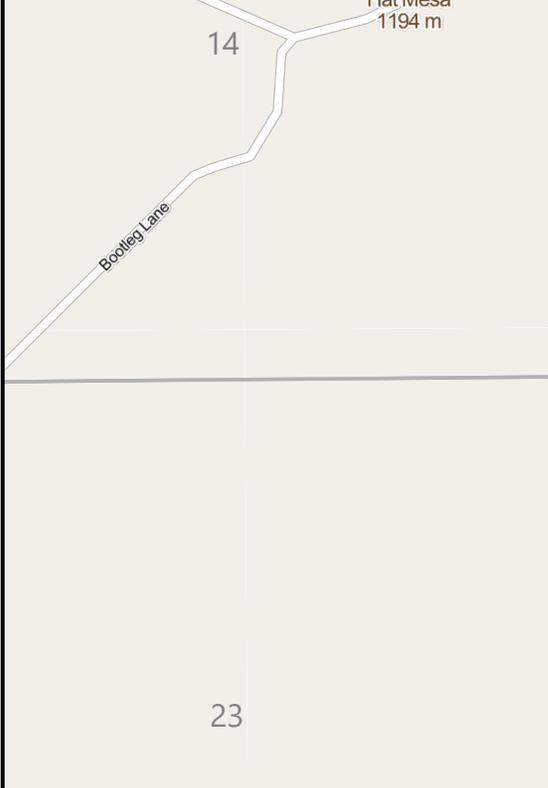
Paula M. Vance  
ATTORNEY FOR ADVANCE ENERGY PARTNERS  
HAT MESA, LLC & MATADOR PRODUCTION  
COMPANY

# Margarita Commingling Map

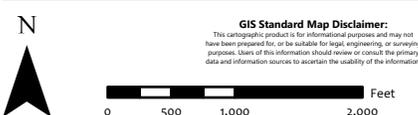
Date Published:  
7/5/2023



Hat Mesa  
1194 m



- NMNM 014155
- NMNM 135246
- NMNM 0202296
- NMNM 0556868
- NMNM 094848
- NMNM 112934
- W2 Comm (Wolfcamp) - 720 acres
- W2 Comm (Bone Spring) - 720 acres
- E2 Comm (Bone Spring) - 720 acres
- W2E2 Comm (Wolfcamp) - 360 acres
- E2E2 Comm (Wolfcamp) - 360 acres
- Wellbores
- Flowline
- Well Pad
- Facility Pad



**GIS Standard Map Disclaimer:**  
 This cartographic product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

## 1:18,000

1 inch equals 1,500 feet

Project: \\gis\UserData\agamarra\temp\20230623 Margarita Commingling  
 Spatial Reference: NAD 1983  
 Sources: IHS; ESR; US DOI BLM  
 Texas Cooperative

Map Prepared by: americo.gamarra  
 Date: July 5, 2023



EXHIBIT  
1

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: Matador Production Company  
OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240

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
[53560] SALT LAKE;BONE SPRING	46.4 °	46.6° oil 1,442 BTU/CF	\$69.26/bbl oil Deemed 40%/Sweet (Mar '23 realized price)  \$2.40/mcf (Mar '23 realized price)	500 bopd
[53560] SALT LAKE;BONE SPRING	1469 BTU/CF			1,000 mcfd
[97895] WC-025 G-08 S213304D; BONE SPRING	46.4 °			16,500 bopd
[97895] WC-025 G-08 S213304D; BONE SPRING	1469 BTU/CF			24,000 mcfd
[98033] WC-025 G-10 S213328O; WOLFCAMP	47.1 °			3,000 bopd
[98033] WC-025 G-10 S213328O; WOLFCAMP	1307 BTU/CF			5,000 mcfd

- (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: Sr. Facilities Engineer DATE: 7-26-23

TYPE OR PRINT NAME Ryan Hernandez TELEPHONE NO.: (972) 619-1276

E-MAIL ADDRESS: rhernandez@matadorresources.com

**EXHIBIT**  
**2**

# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5427 • Fax 972.371.5201

[rhernandez@matadorresources.com](mailto:rhernandez@matadorresources.com)

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**Ryan Hernandez**  
Sr. Facilities Engineer

July 26, 2023

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

**Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) gas and oil production from the spacing units comprised of the S/2N/2 and S/2 of Section 13, All of Section 24, and the N/2 of Section 25, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the “Lands”).**

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current oil and gas production from twenty-one (21) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. 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 Longwood Midstream Delaware, LLC gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with 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.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from FESCO attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled

with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Longwood Midstream Delaware, LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read 'Ryan Hernandez', is written over the company name.

Ryan Hernandez  
Sr. Facilities Engineer







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

For: Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Sample: Horshoe Federal COM No. 601H
First Stage Separator
Spot Gas Sample @ 175 psig & 106 °F

Date Sampled: 11/29/2022

Job Number: 222603.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

Table with 3 columns: COMPONENT, MOL%, GPM. Rows include Hydrogen Sulfide\*, Nitrogen, Carbon Dioxide, Methane, Ethane, Propane, Isobutane, n-Butane, 2-2 Dimethylpropane, Isopentane, n-Pentane, Hexanes, Heptanes Plus, and Totals.

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.553 (Air=1)
Molecular Weight ----- 102.37
Gross Heating Value ----- 5529 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.853 (Air=1)
Compressibility (Z) ----- 0.9948
Molecular Weight ----- 24.58
Gross Heating Value
Dry Basis ----- 1469 BTU/CF
Saturated Basis ----- 1444 BTU/CF

\*Hydrogen Sulfide tested on location 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: (14) D. Turner
Analyst: KV
Processor: RG
Cylinder ID: T-5197

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

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

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.982		2.259
Carbon Dioxide	0.139		0.249
Methane	68.063		44.424
Ethane	14.962	4.102	18.304
Propane	7.932	2.240	14.230
Isobutane	0.945	0.317	2.235
n-Butane	2.520	0.814	5.959
2,2 Dimethylpropane	0.001	0.000	0.003
Isopentane	0.575	0.216	1.688
n-Pentane	0.718	0.267	2.108
2,2 Dimethylbutane	0.009	0.004	0.032
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.070	0.029	0.245
2 Methylpentane	0.207	0.088	0.726
3 Methylpentane	0.118	0.049	0.414
n-Hexane	0.306	0.129	1.073
Methylcyclopentane	0.155	0.056	0.531
Benzene	0.051	0.015	0.162
Cyclohexane	0.180	0.063	0.616
2-Methylhexane	0.045	0.021	0.183
3-Methylhexane	0.053	0.025	0.216
2,2,4 Trimethylpentane	0.037	0.020	0.172
Other C7's	0.109	0.049	0.440
n-Heptane	0.120	0.057	0.489
Methylcyclohexane	0.174	0.072	0.695
Toluene	0.046	0.016	0.172
Other C8's	0.165	0.079	0.740
n-Octane	0.060	0.032	0.279
Ethylbenzene	0.007	0.003	0.030
M & P Xylenes	0.023	0.009	0.099
O-Xylene	0.006	0.002	0.026
Other C9's	0.105	0.055	0.539
n-Nonane	0.035	0.020	0.183
Other C10's	0.061	0.036	0.351
n-Decane	0.010	0.006	0.058
Undecanes (11)	<u>0.011</u>	<u>0.008</u>	<u>0.070</u>
Totals	100.000	8.898	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.853	(Air=1)
Compressibility (Z) -----	0.9948	
Molecular Weight -----	24.58	
Gross Heating Value		
Dry Basis -----	1469	BTU/CF
Saturated Basis -----	1444	BTU/CF

**FESCO, Ltd.**

**1100 Fesco Ave. - Alice, Texas 78332**

**Sample:** Horseshoe Federal COM No. 601H  
 First Stage Separator  
 Spot Gas Sample @ 175 psig & 106 °F

Date Sampled: 11/29/2022

Job Number: 222603.001

**GLYCALC FORMAT**

<b>COMPONENT</b>	<b>MOL%</b>	<b>GPM</b>	<b>Wt %</b>
Carbon Dioxide	0.139		0.249
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.982		2.259
Methane	68.063		44.424
Ethane	14.962	4.102	18.304
Propane	7.932	2.240	14.230
Isobutane	0.945	0.317	2.235
n-Butane	2.521	0.815	5.962
Isopentane	0.575	0.216	1.688
n-Pentane	0.718	0.267	2.108
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.306	0.129	1.073
Cyclohexane	0.180	0.063	0.616
Other C6's	0.404	0.171	1.417
Heptanes	0.482	0.208	1.859
Methylcyclohexane	0.174	0.072	0.695
2,2,4 Trimethylpentane	0.037	0.020	0.172
Benzene	0.051	0.015	0.162
Toluene	0.046	0.016	0.172
Ethylbenzene	0.007	0.003	0.030
Xylenes	0.029	0.011	0.125
Octanes Plus	<u>0.447</u>	<u>0.235</u>	<u>2.220</u>
Totals	100.000	8.898	100.000

**Real Characteristics Of Octanes Plus:**

Specific Gravity -----	4.235	(Air=1)
Molecular Weight -----	122.02	
Gross Heating Value -----	6499	BTU/CF

**Real Characteristics Of Total Sample:**

Specific Gravity -----	0.853	(Air=1)
Compressibility (Z) -----	0.9948	
Molecular Weight -----	24.58	
Gross Heating Value		
Dry Basis -----	1469	BTU/CF
Saturated Basis -----	1444	BTU/CF

**DISTRICT I**  
 1825 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) 746-1263 Fax: (575) 746-0720  
**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone (505) 334-6176 Fax: (505) 334-6176  
**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised August 4, 2011

Submit one copy to appropriate  
 District Office

**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87505

**OCD - HOBBS**  
**11/18/2020**  
**RECEIVED**

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-47195</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D;BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>1H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	Elevation <b>3916'</b>

**Surface Location**

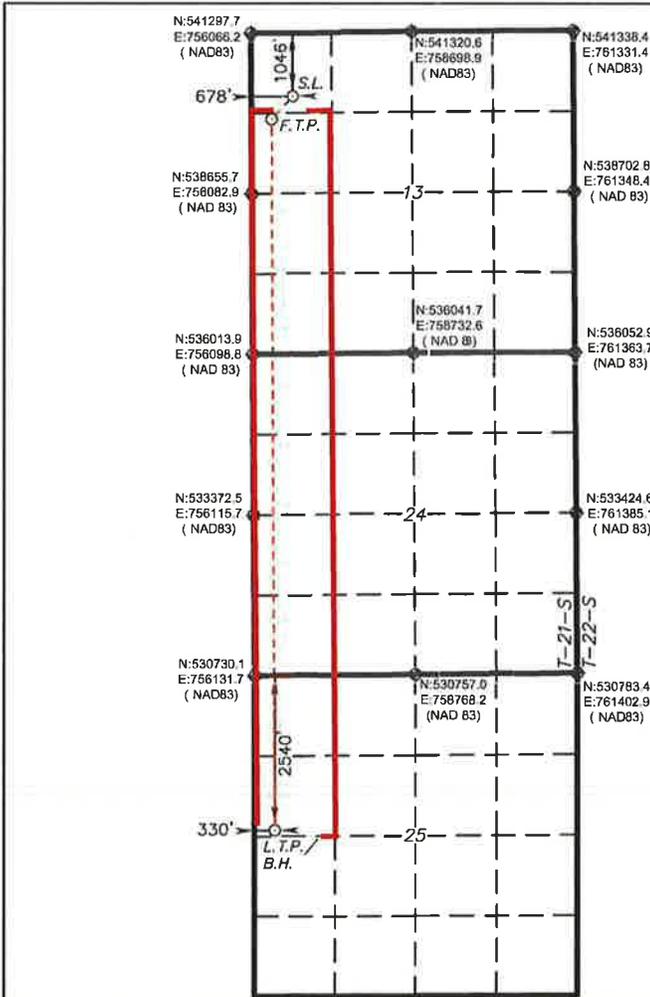
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	13	21 S	32 E		1046	NORTH	678	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
E	25	21 S	32 E		2540	NORTH	330	WEST	LEA

Dedicated Acres <b>360.00</b>	Joint or Infill	Consolidation Code <b>C</b>	Order No.
----------------------------------	-----------------	--------------------------------	-----------

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**SURFACE LOCATION**  
 Lat - N 32.483291°  
 Long - W 103.634744°  
 NMPSPCE - N 540257.6  
 E 756750.5  
 (NAD-83)

**FIRST TAKE POINT**  
**1420 FNL & 330 FWL**  
 Lat - N 32.482262°  
 Long - W 103.635873°  
 NMPSPCE - N 539880.6  
 E 756404.8  
 (NAD-83)

**LAST TAKE POINT/  
 BOTTOM HOLE**  
 Lat - N 32.450137°  
 Long - W 103.635934°  
 NMPSPCE - N 528193.4  
 E 756462.4  
 (NAD-83)

**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unLAsed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* **11-18-20**  
 Signature Date  
**Cory Walk**  
 Printed Name  
**cory@permitswest.com**  
 Email Address **505 466-8120**

**SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 5, 2020  
 Date Surveyed  
 Signature & Seal of Professional Surveyor  
 7977  
 Certificate of Cory L. Jones 7977  
 Basis of Survey

0' 1500' 3000' 4500' 6000'  
 SCALE: 1" = 1500'  
 W.O. Num

**EXHIBIT**  
**3**

**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) 748-1289 Fax: (575) 748-0720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-5178 Fax: (505) 334-6170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3482

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
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Submit one copy to appropriate District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**OCD - HOBBS**  
**11/18/2020**  
**RECEIVED**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-47196</b>		Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D;BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>		Well Number <b>2H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>		Elevation <b>3917'</b>

**Surface Location**

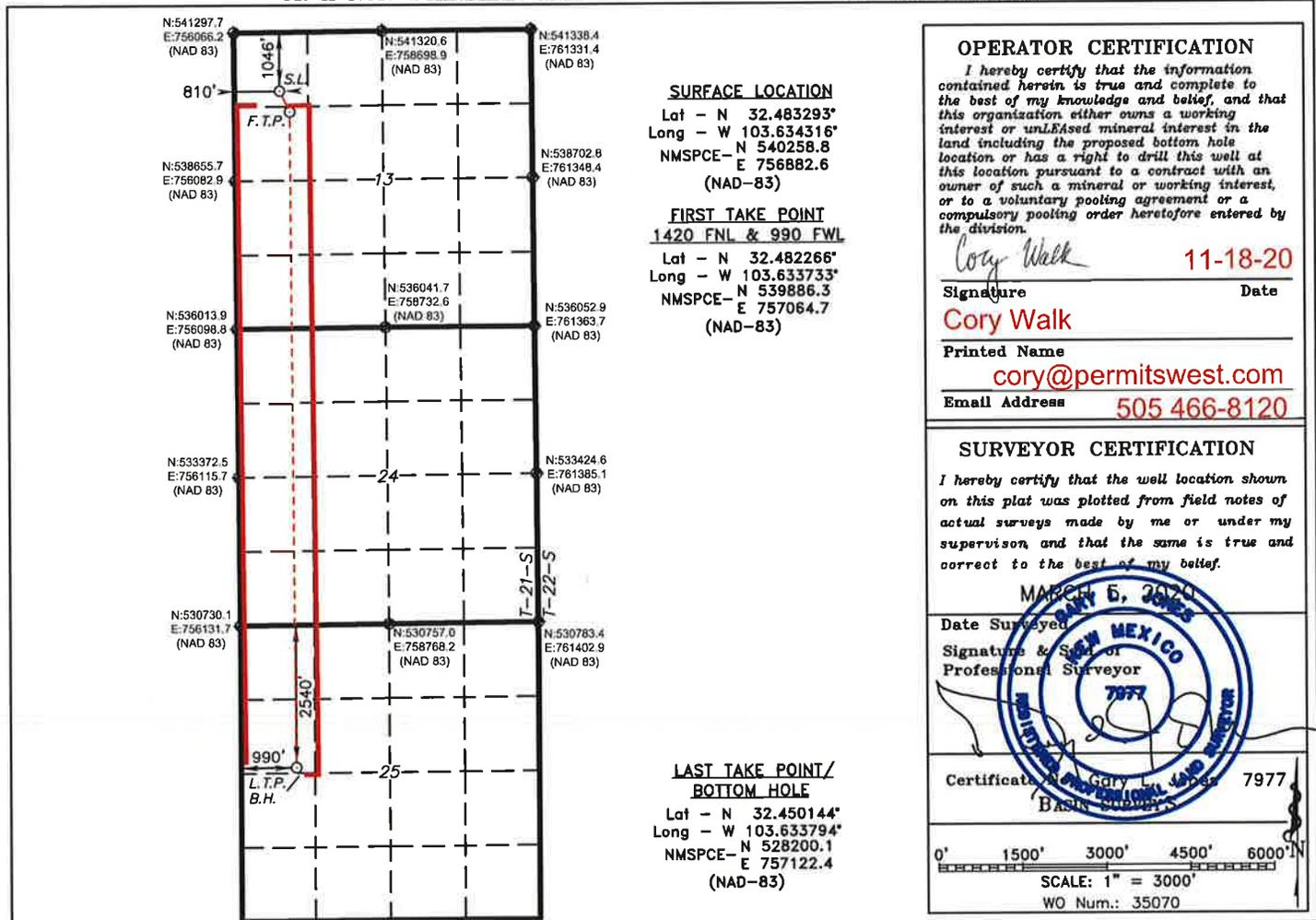
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	13	21 S	32 E		1046	NORTH	810	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
E	25	21 S	32 E		2540	NORTH	990	WEST	LEA

Dedicated Acres <b>360.00</b>	Joint or Infill	Consolidation Code <b>C</b>	Order No.
----------------------------------	-----------------	--------------------------------	-----------

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-8161 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) 354-8176 Fax: (505) 354-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**OCD - HOBBS**  
**11/18/2020**  
**RECEIVED**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**  AMENDED REPORT

API Number <b>30-025-48008</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D;BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>9H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	Elevation <b>3917'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	13	21 S	32 E		1046	NORTH	744	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
E	25	21 S	32 E		2540	NORTH	660	WEST	LEA

Dedicated Acres <b>360.00</b>	Joint or Infill	Consolidation Code <b>C</b>	Order No.
----------------------------------	-----------------	--------------------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

The diagram shows a survey plat with a grid. A well location is marked with a red dot. The surface location is at the intersection of Section 13, Township 21 S, Range 32 E, 1046 feet from the north line. The bottom hole location is at the intersection of Section 25, Township 21 S, Range 32 E, 2540 feet from the north line. The well is oriented north-south. Labels include 'S.L.' for surface location, 'F.T.P.' for first take point, 'L.T.P.' for last take point, and 'B.H.' for bottom hole. Various coordinate points are listed around the grid.

**SURFACE LOCATION**  
Lat - N 32.483292°  
Long - W 103.634530°  
NMSPC E - N 540258.2  
E 756816.5  
(NAD-83)

**FIRST TAKE POINT**  
1420 FNL & 660 FWL  
Lat - N 32.482264°  
Long - W 103.634803°  
NMSPC E - N 539883.5  
E 756734.7  
(NAD-83)

**LAST TAKE POINT/  
BOTTOM HOLE**  
Lat - N 32.450140°  
Long - W 103.634864°  
NMSPC E - N 528196.8  
E 756792.4  
(NAD-83)

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Brian Wood* **6-13-20**  
Signature Date

Printed Name **Brian Wood**  
Email Address **brian@permitswest.com**  
**505 466-8120**

---

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

MARCH 5, 2020  
Date Surveyed  
Signature & Seal of Professional Surveyor  
7977  
Certificate No. Gary L. Jansen 7977  
BASIN SURVEYORS

0' 1500' 3000' 4500' 6000' N  
SCALE: 1" = 3000'  
WO Num.: 35070

DISTRICT I  
1026 N. French Dr., Hobbs, NM 88240  
Phone (575) 398-8181 Fax: (575) 398-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1289 Fax: (575) 748-8720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (606) 394-8176 Fax: (606) 394-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (606) 478-3480 Fax: (505) 478-3482

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

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**11/18/2020**  
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WELL LOCATION AND ACREAGE DEDICATION  **PLAT**  AMENDED REPORT

API Number <b>30-025-48009</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D;BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>13H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	Elevation <b>3916'</b>

Surface Location

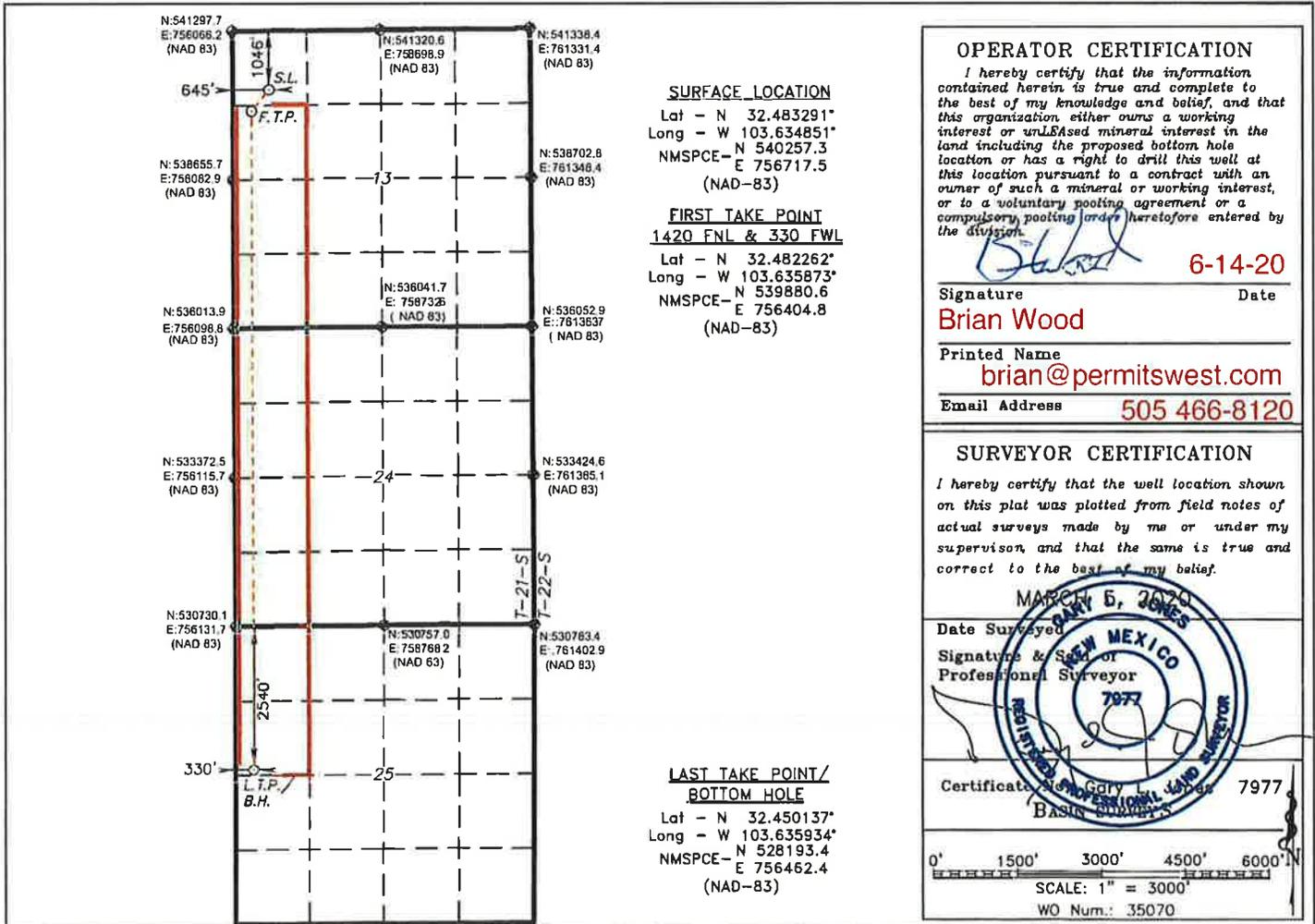
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	13	21 S	32 E		1046	NORTH	645	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
E	25	21 S	32 E		2540	NORTH	330	WEST	LEA

Dedicated Acres <b>360.00</b>	Joint or Infill	Consolidation Code <b>C</b>	Order No.
----------------------------------	-----------------	--------------------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-8161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1289 Fax: (505) 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) 476-3460 Fax: (505) 476-3488

State of New Mexico  
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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-47197</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	
Well Number <b>3H</b>	Elevation <b>3912'</b>	
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
C	13	21 S	32 E		1250	NORTH	1468	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
F	25	21 S	32 E		2540	NORTH	1650	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
360			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**SURFACE LOCATION**  
Lat - N 32.482735°  
Long - W 103.632182°  
NMSPC- N 540060.4  
E 757541.9  
(NAD-83)

**FIRST TAKE POINT**  
1420 FNL & 1650 FWL  
Lat - N 32.482269°  
Long - W 103.631593°  
NMSPC- N 539892.1  
E 757724.7  
(NAD-83)

**LAST TAKE POINT/  
BOTTOM HOLE**  
Lat - N 32.450150°  
Long - W 103.631655°  
NMSPC- N 528206.8  
E 757782.4  
(NAD-83)

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unLEASED mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* 12-5-21  
Signature Date

**Cory Walk**  
Printed Name

**cory@permitswest.com**  
Email Address

---

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APPROVED  
DATE SURVEYED: **MAY 16, 2011**  
Signature & Seal of Professional Surveyor  
*[Signature]*  
7977

Certificate No. **7977**

0' 1500' 3000' 4500' 6000'  
SCALE: 1" = 3000'  
WO Num.: 35095

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 398-6161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax: (575) 748-0720

**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) 476-3460 Fax: (505) 476-3468

State of New Mexico  
Energy, Minerals and Natural Resources Department

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District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-47198</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>4H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3913'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
C	13	21 S	32 E		1250	NORTH	1600	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
F	25	21 S	32 E		2540	NORTH	2310	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or UNLEASED mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* 12-5-21  
Signature Date

**Cory Walk**  
Printed Name

**cory@permitswest.com**  
Email Address

---

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APR 16 2024  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor

Certificate No. **Gary L. Jones** 7977  
Basic Number

0' 1500' 3000' 4500' 6000'  
SCALE: 1" = 3000'  
WO Num.: 35095

**LAST TAKE POINT/ BOTTOM HOLE**  
Lat - N 32.450157°  
Long - W 103.629515°  
NMSPC - N 528213.6  
E 758442.4  
(NAD-83)

**DISTRICT I**  
1626 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) 748-0720

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

**DISTRICT IV**  
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Phone (505) 478-3460 Fax: (505) 478-3462

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Revised August 4, 2011

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District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-49183</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	
	Well Number <b>10H</b>	Elevation <b>3913'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
C	13	21 S	32 E		1250	NORTH	1534	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
F	25	21 S	32 E		2540	NORTH	1980	WEST	LEA
Dedicated Acres <b>360</b>	Joint or Infill	Consolidation Code	Order No.						

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**SURFACE LOCATION**  
Lat - N 32.482736°  
Long - W 103.631969°  
NMSPCE- N 540051.0  
E 757607.7  
(NAD-83)

**FIRST TAKE POINT**  
1420 FNL & 1980 FWL  
Lat - N 32.482271°  
Long - W 103.630523°  
NMSPCE- N 539895.0  
E 758054.7  
(NAD-83)

**LAST TAKE POINT/ BOTTOM HOLE**  
Lat - N 32.450154°  
Long - W 103.630585°  
NMSPCE- N 528210.2  
E 758112.4  
(NAD-83)

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Cory Walk Date: 10-16-20

Printed Name: Cory Walk

Email Address: cory@permitswest.com

---

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed: APR 16, 2021

Signature & Seal of Professional Surveyor: [Signature]

Certificate No. 7977

Scale: 1" = 3000'

Scale bar: 0' 1500' 3000' 4500' 6000'

Scale: 1" = 3000'

WO Num.: 35095

**DISTRICT I**  
1825 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) 746-1583 Fax: (575) 746-9720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (506) 334-8176 Fax: (506) 334-8170

**DISTRICT IV**  
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Phone (506) 476-3480 Fax: (506) 476-3482

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-49186</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	
		Well Number <b>14H</b>
		Elevation <b>3913'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
C	13	21 S	32 E		1250	NORTH	1435	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
F	25	21 S	32 E		2540	NORTH	1650	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or UNLEASed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk*      **10-16-20**  
Signature      Date

**Cory Walk**  
Printed Name  
**cory@permitswest.com**  
Email Address

---

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

APPROVED  
**JANUARY 16, 2020**  
Date Surveyed  
Signature & Seal of  
Professional Surveyor  
*[Signature]*  
Certificate No. **Gary L. Jones 7977**  
BASIC SURVEYOR

**LAST TAKE POINT/ BOTTOM HOLE**  
Lat - N 32.450150°  
Long - W 103.631655°  
NMSPC - N 528206.8  
E 757782.4  
(NAD-83)

0' 1500' 3000' 4500' 6000'  
SCALE: 1" = 3000'  
WO Num.: 35095

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 303-6161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1263 Fax: (575) 748-0720

**DISTRICT III**  
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**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (506) 478-3460 Fax: (506) 478-3462

State of New Mexico  
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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-49250</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	
		Well Number <b>22H</b>
		Elevation <b>3913'</b>

**Surface Location**

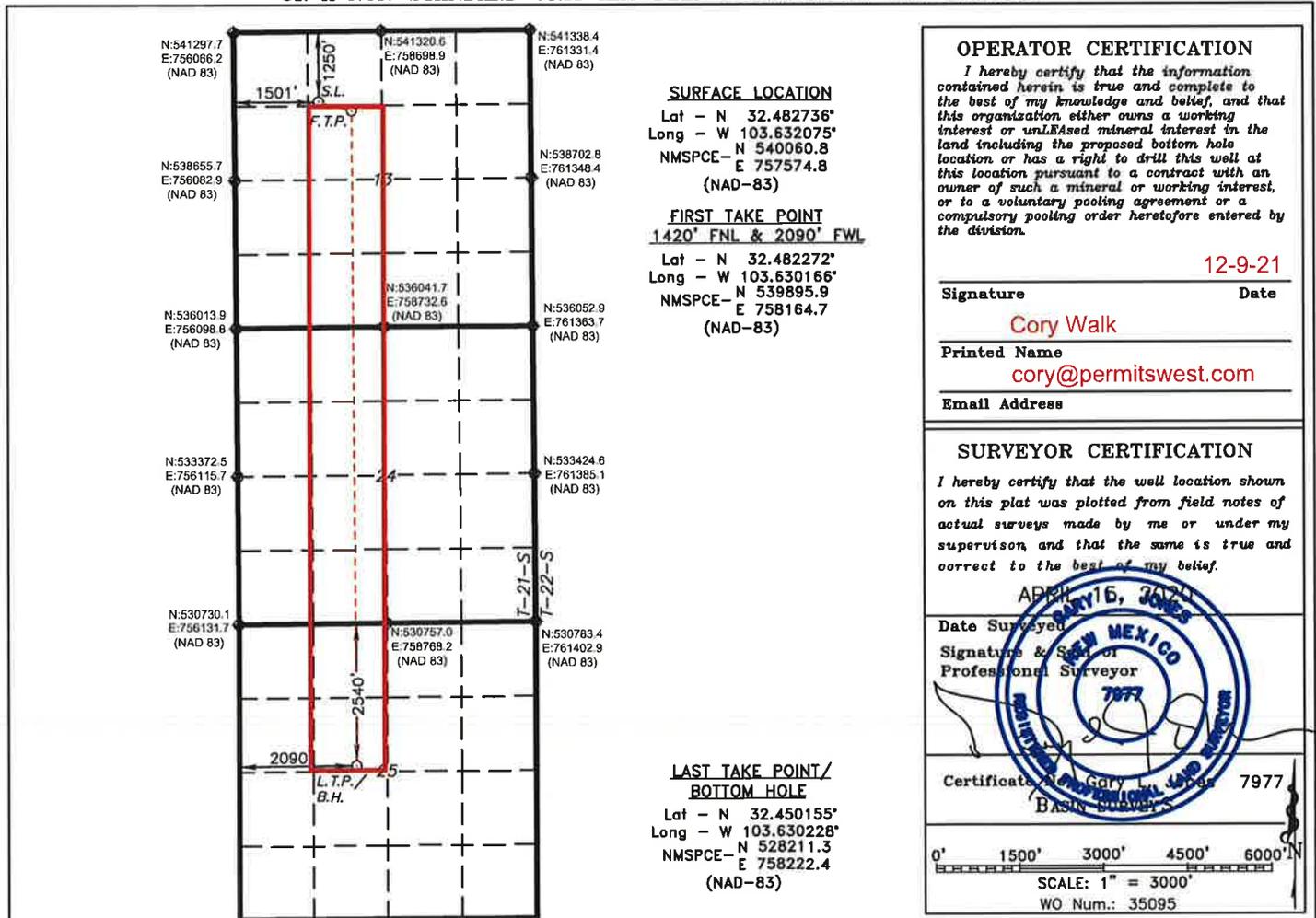
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
C	13	21 S	32 E		1250	NORTH	1501	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
F	25	21 S	32 E		2540	NORTH	2090	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**DISTRICT I**  
1626 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-8161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax: (575) 748-0720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8170 Fax: (505) 334-8170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
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1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-47199</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM</b>	
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Well Number <b>5H</b>
		Elevation <b>3911'</b>

**Surface Location**

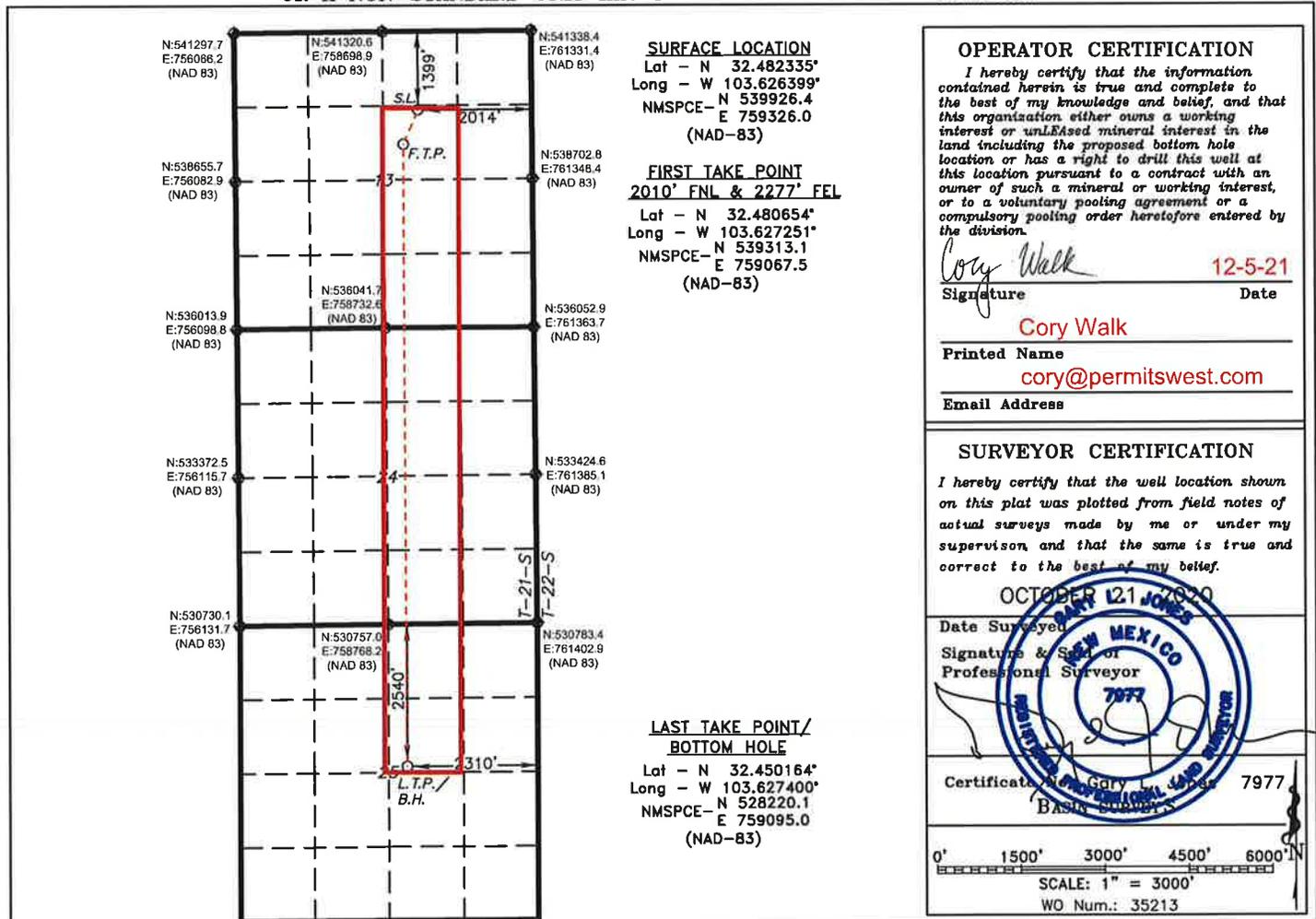
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	13	21 S	32 E		1399	NORTH	2014	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	25	21 S	32 E		2540	NORTH	2310	EAST	LEA

Dedicated Acres <b>360</b>	Joint or Infill	Consolidation Code	Order No.
-------------------------------	-----------------	--------------------	-----------

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**SURFACE LOCATION**  
Lat - N 32.482335°  
Long - W 103.626399°  
NMSPC - E 759326.0 (NAD-83)

**FIRST TAKE POINT**  
2010' FNL & 2277' FEL  
Lat - N 32.480654°  
Long - W 103.627251°  
NMSPC - N 539313.1 E 759067.5 (NAD-83)

**LAST TAKE POINT/ BOTTOM HOLE**  
Lat - N 32.450164°  
Long - W 103.627400°  
NMSPC - N 528220.1 E 759095.0 (NAD-83)

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* **12-5-21**  
Signature Date

**Cory Walk**  
Printed Name

**cory@permitswest.com**  
Email Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

**OCTOBER 12 2020**  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor

**7977**  
Certificate No. Gary L. Jones

**7977**  
Basin Surveyors

0' 1500' 3000' 4500' 6000' IN  
SCALE: 1" = 3000'  
WO Num.: 35213

**DISTRICT I**  
1825 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-8161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax: (575) 748-0720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (606) 354-8178 Fax: (606) 354-8170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-47200</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM</b>	Well Number <b>6H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3910'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	13	21 S	32 E		1399	NORTH	1882	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	25	21 S	32 E		2540	NORTH	1650	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**SURFACE LOCATION**  
Lat - N 32.482334°  
Long - W 103.625971°  
NMSPC - N 539927.2  
E 759458.1  
(NAD-83)

**FIRST TAKE POINT**  
**1995' FNL & 1650' FEL**  
Lat - N 32.480695°  
Long - W 103.625218°  
NMSPC - N 539332.3  
E 759694.3  
(NAD-83)

**LAST TAKE POINT/  
BOTTOM HOLE**  
Lat - N 32.450169°  
Long - W 103.625261°  
NMSPC - N 528226.7  
E 759755.0  
(NAD-83)

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unLAsed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* 12-5-21  
Signature Date

**Cory Walk**  
Printed Name

**cory@permitswest.com**  
Email Address

---

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

OCTOBER 12 2021  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor

Certificate No. **7977**  
Basic Information

0' 1500' 3000' 4500' 6000' IN  
SCALE: 1" = 3000'  
WO Num.: 35213

**DISTRICT I**  
1626 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) 746-1269 Fax: (575) 746-0720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-6176 Fax: (505) 334-6170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3462

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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-49184</b>		Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>		Well Number <b>11H</b>
OGRD No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>		Elevation <b>3910'</b>

**Surface Location**

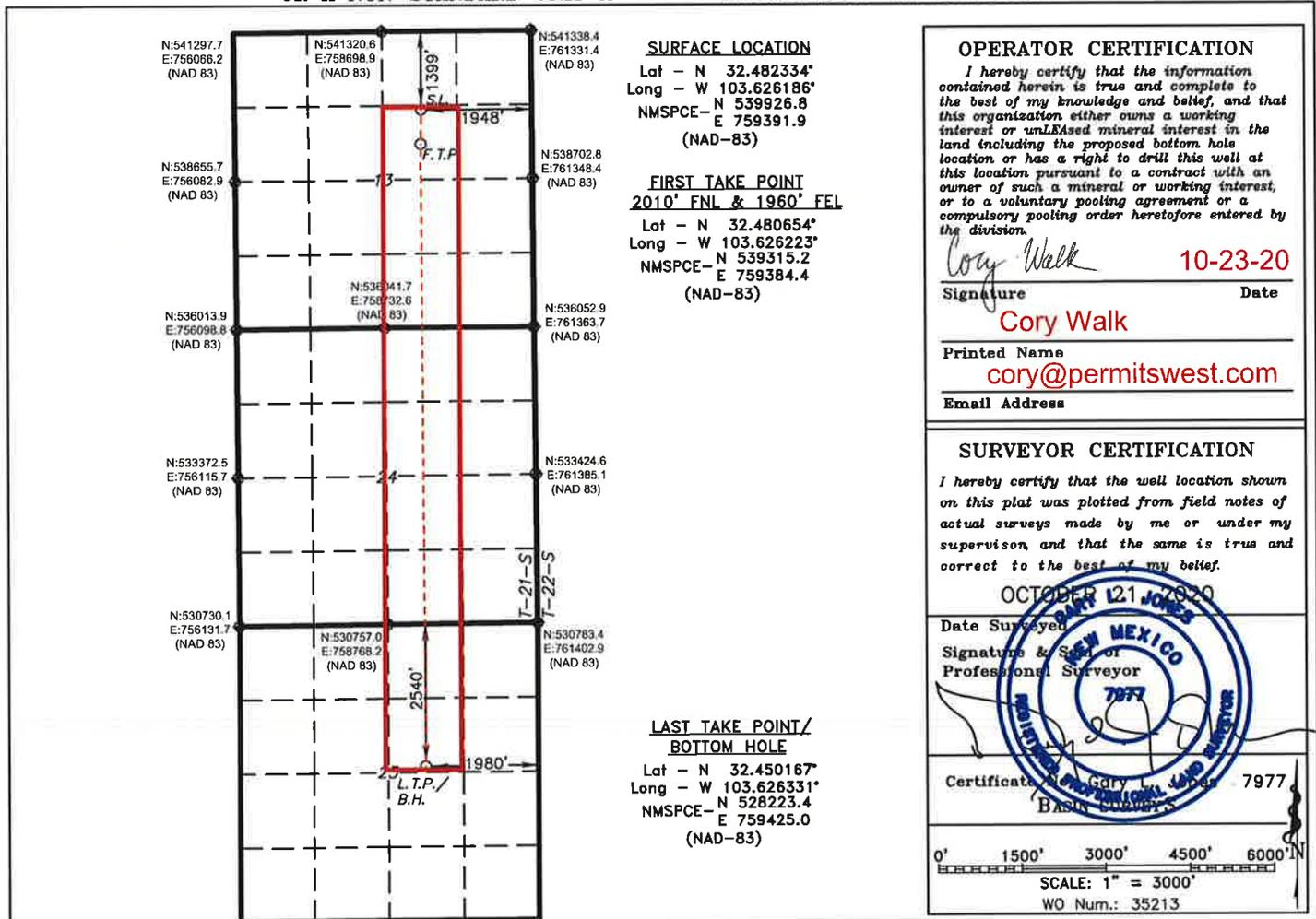
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	13	21 S	32 E		1399	NORTH	1948	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	25	21 S	32 E		2540	NORTH	1980	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

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**SURFACE LOCATION**  
Lat - N 32.482334'  
Long - W 103.626186'  
NMSPC E - N 539926.8  
E 759391.9  
(NAD-83)

**FIRST TAKE POINT**  
2010' FNL & 1960' FEL  
Lat - N 32.480654'  
Long - W 103.626223'  
NMSPC E - N 539315.2  
E 759384.4  
(NAD-83)

**LAST TAKE POINT/  
BOTTOM HOLE**  
Lat - N 32.450167'  
Long - W 103.626331'  
NMSPC E - N 528223.4  
E 759425.0  
(NAD-83)

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.  
*Cory Walk* **10-23-20**  
Signature Date  
**Cory Walk**  
Printed Name  
**cory@permitswest.com**  
Email Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.  
**OCTOBER 21 2020**  
Date Surveyed  
*[Signature]*  
Signature & Seal of Professional Surveyor  
7977  
Certificate of Professional Surveyor 7977  
BASIN SURVEYORS  
0' 1500' 3000' 4500' 6000' IN  
SCALE: 1" = 3000'  
WO Num.: 35213

**DISTRICT I**  
1825 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) 745-1253 Fax: (575) 745-0720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-5175 Fax: (505) 334-5170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3480 Fax: (505) 476-3482

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-49187</b>		Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>		Well Number <b>15H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>		Elevation <b>3911'</b>

**Surface Location**

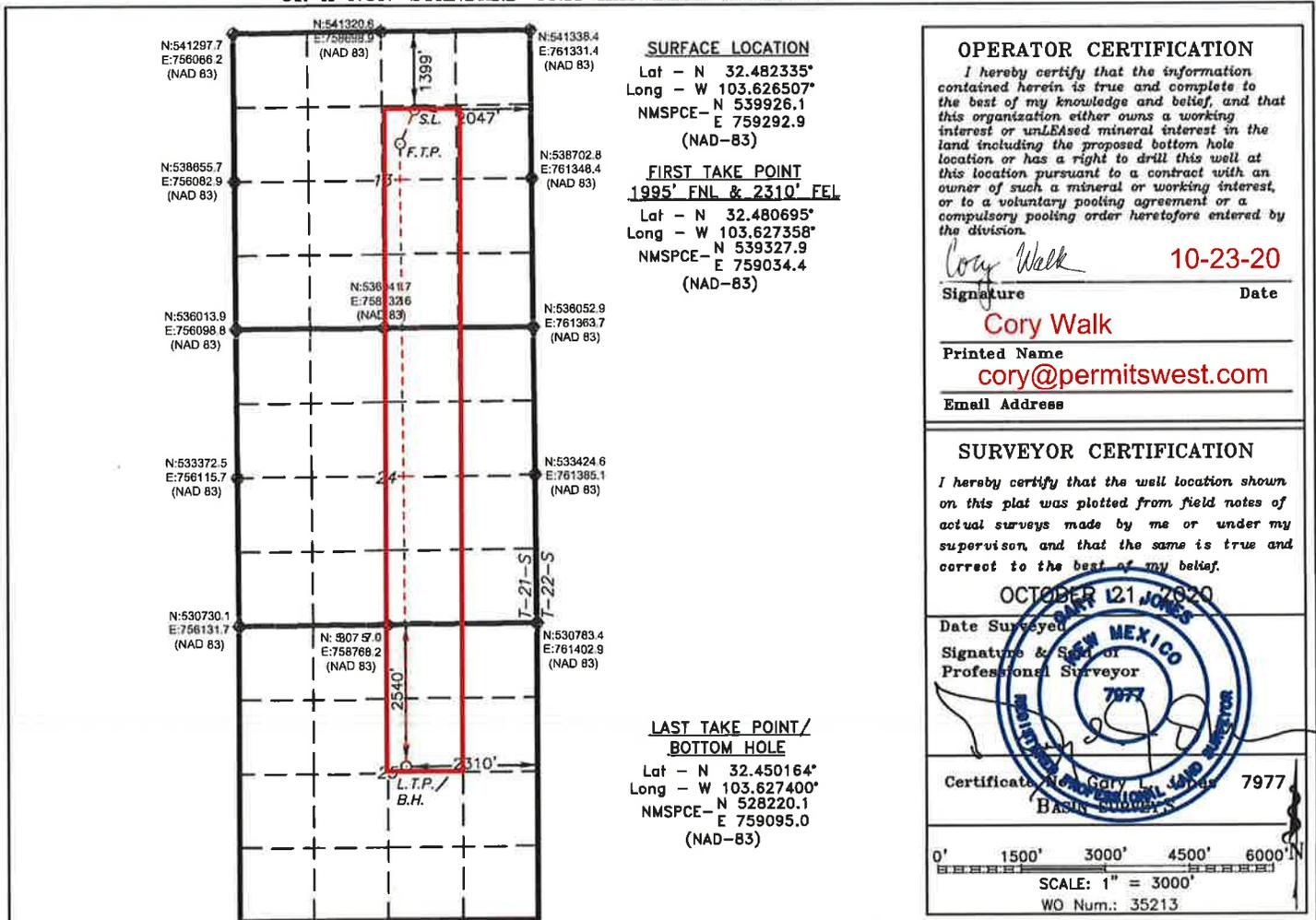
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	13	21 S	32 E		1399	NORTH	2047	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	25	21 S	32 E		2540	NORTH	2310	EAST	LEA

Dedicated Acres <b>360</b>	Joint or Infill	Consolidation Code	Order No.
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**DISTRICT I**  
1626 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax: (575) 593-0720

**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**  
1820 S. St. Francis Dr., Santa Fe, NM 87505  
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1220 South St. Francis Dr.  
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WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-47201</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>7H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3907'</b>

Surface Location

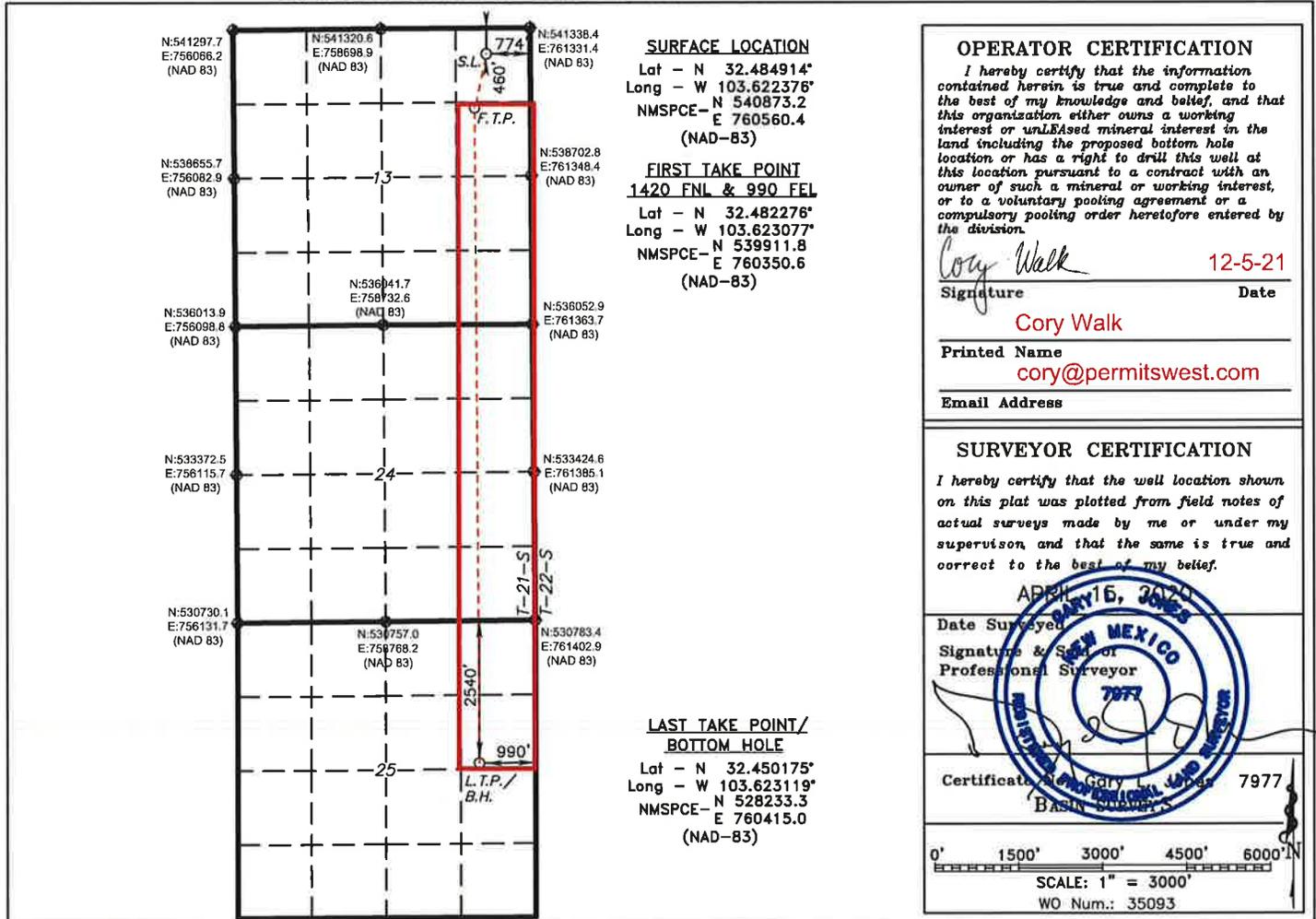
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
A	13	21 S	32 E		460	NORTH	774	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	25	21 S	32 E		2540	NORTH	990	EAST	LEA

Dedicated Acres <b>360</b>	Joint or Infill	Consolidation Code	Order No.
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**DISTRICT I**  
1626 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6181 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1253 Fax: (575) 748-0720

**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) 476-3460 Fax: (505) 476-3462

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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-47202</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>8H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3906'</b>

**Surface Location**

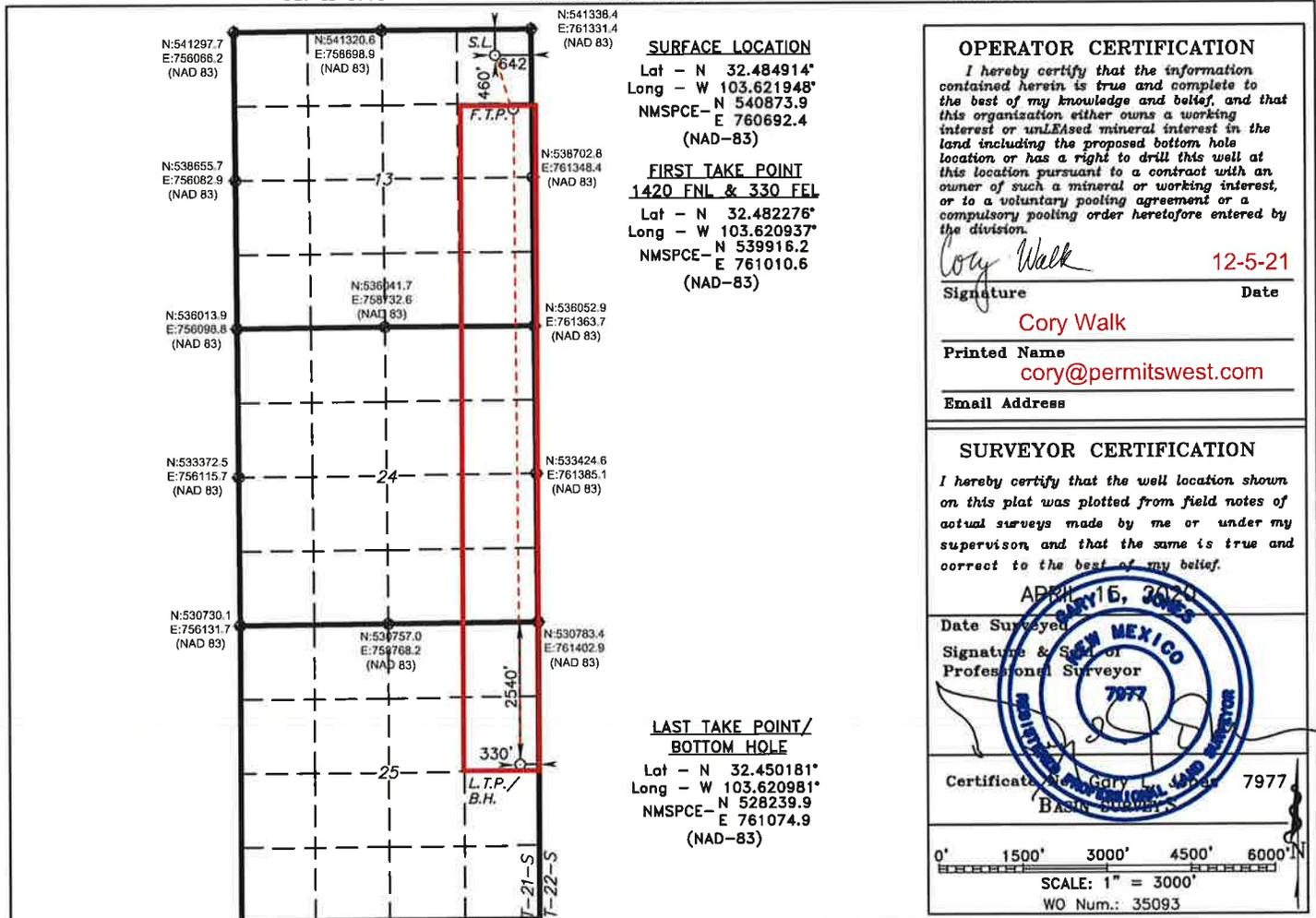
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
A	13	21 S	32 E		460	NORTH	642	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	25	21 S	32 E		2540	NORTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**DISTRICT I**  
1825 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) 746-1263 Fax: (575) 746-9723

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8170 Fax: (505) 334-8170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-49185</b>	Pool Code <b>97895</b>	Pool Name <b>WC-025 G-08 S213304D; BONE SPRING</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	Well Number <b>12H</b>
		Elevation <b>3907'</b>

**Surface Location**

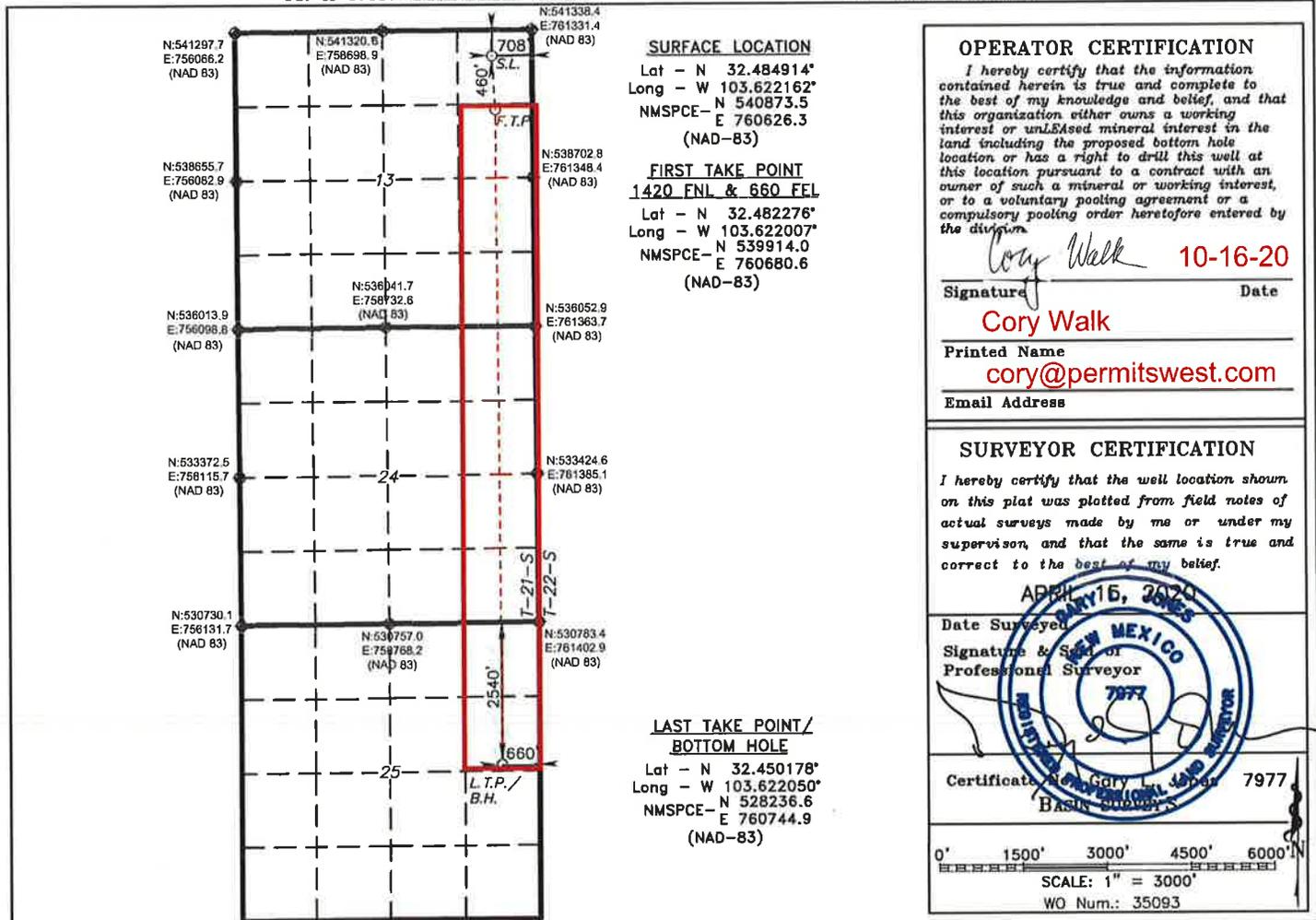
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
A	13	21 S	32 E		460	NORTH	708	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	25	21 S	32 E		2540	NORTH	660	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* **10-16-20**  
Signature Date

**Cory Walk**  
Printed Name

**cory@permitswest.com**  
Email Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APR 15, 2021  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor

**7977**  
Certificate No. Gary L. Jordan

Basic 3000'S

0' 1500' 3000' 4500' 6000'  
SCALE: 1" = 3000'  
WO Num.: 35093



**DISTRICT I**  
1825 N. French Dr., Hobbs, NM 88240  
Phone (505) 393-8161 Fax: (505) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1283 Fax: (505) 748-9720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8178 Fax: (505) 334-5170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
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District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-30-025-48247</b>	Pool Code <b>98033</b>	Pool Name <b>WC-025 G-10 S2133280; WOLFCAMP</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA 13 FEDERAL COM</b>	Well Number <b>17H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	Elevation <b>3917'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	13	21 S	32 E		1046	NORTH	777	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
E	25	21 S	32 E		2540	NORTH	990	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360.00</b>		<b>C</b>	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unLEASED mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* 10-2-20  
Signature Date

**Cory Walk**  
Printed Name

**cory@permitswest.com**  
Email Address **505 466-8120**

---

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 5, 2020  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor

Certificate No. **7977**  
Basis **7977**

0' 1500' 3000' 4500' 6000' N  
SCALE: 1" = 3000'  
WO Num.: 35070

**SURFACE LOCATION**  
Lat - N 32.483292°  
Long - W 103.634423°  
NMPSPCE - N 540258.5  
E 756849.5  
(NAD-83)

**FIRST TAKE POINT**  
1420 FNL & 990 FWL  
Lat - N 32.482266°  
Long - W 103.633733°  
NMPSPCE - N 539886.3  
E 757064.7  
(NAD-83)

**LAST TAKE POINT / BOTTOM HOLE**  
Lat - N 32.450144°  
Long - W 103.633794°  
NMPSPCE - N 528200.1  
E 757122.4  
(NAD-83)

**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) 354-5175 Fax: (505) 354-5170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 478-3460 Fax: (505) 478-3462

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 4, 2011

Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-49497</b>	Pool Code <b>98033</b>	Pool Name <b>WC-025 G-10 S2133280; WOLFCAMP</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>23H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	Elevation <b>3910'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	13	21 S	32 E		1399	NORTH	1981	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	25	21 S	32 E		2540	NORTH	1980	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>360</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**SURFACE LOCATION**  
Lat - N 32.482334°  
Long - W 103.626292°  
NMSPC E - N 539926.5  
E 759359.0  
(NAD-83)

**FIRST TAKE POINT**  
**1995' FNL & 1980' FEL**  
Lat - N 32.480695°  
Long - W 103.626288°  
NMSPC E - N 539330.1  
E 759364.4  
(NAD-83)

**LAST TAKE POINT/  
BOTTOM HOLE**  
Lat - N 32.450167°  
Long - W 103.626331°  
NMSPC E - N 528223.4  
E 759425.0  
(NAD-83)

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* 10-23-20  
Signature Date

**Cory Walk**  
Printed Name

**cory@permitswest.com**  
Email Address

---

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 12 2020  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor

Certification Number: **7977**  
BASIN: **7977**

0' 1500' 3000' 4500' 6000' IN  
SCALE: 1" = 3000'  
WO Num.: 35213

**DISTRICT I**  
1626 N. French Dr., Hobbs, NM 88240  
Phone (876) 393-8161 Fax: (876) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (876) 748-1283 Fax: (876) 748-0720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8178 Fax: (505) 334-8170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3468

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 4, 2011  
Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-49498</b>	Pool Code <b>98033</b>	Pool Name <b>WC-025 G-10 S2133280; WOLFCAMP</b>
Property Code <b>328246</b>	Property Name <b>MARGARITA FEDERAL COM 13</b>	Well Number <b>24H</b>
OGRID No. <b>372417</b>	Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>	Elevation <b>3907'</b>

Surface Location

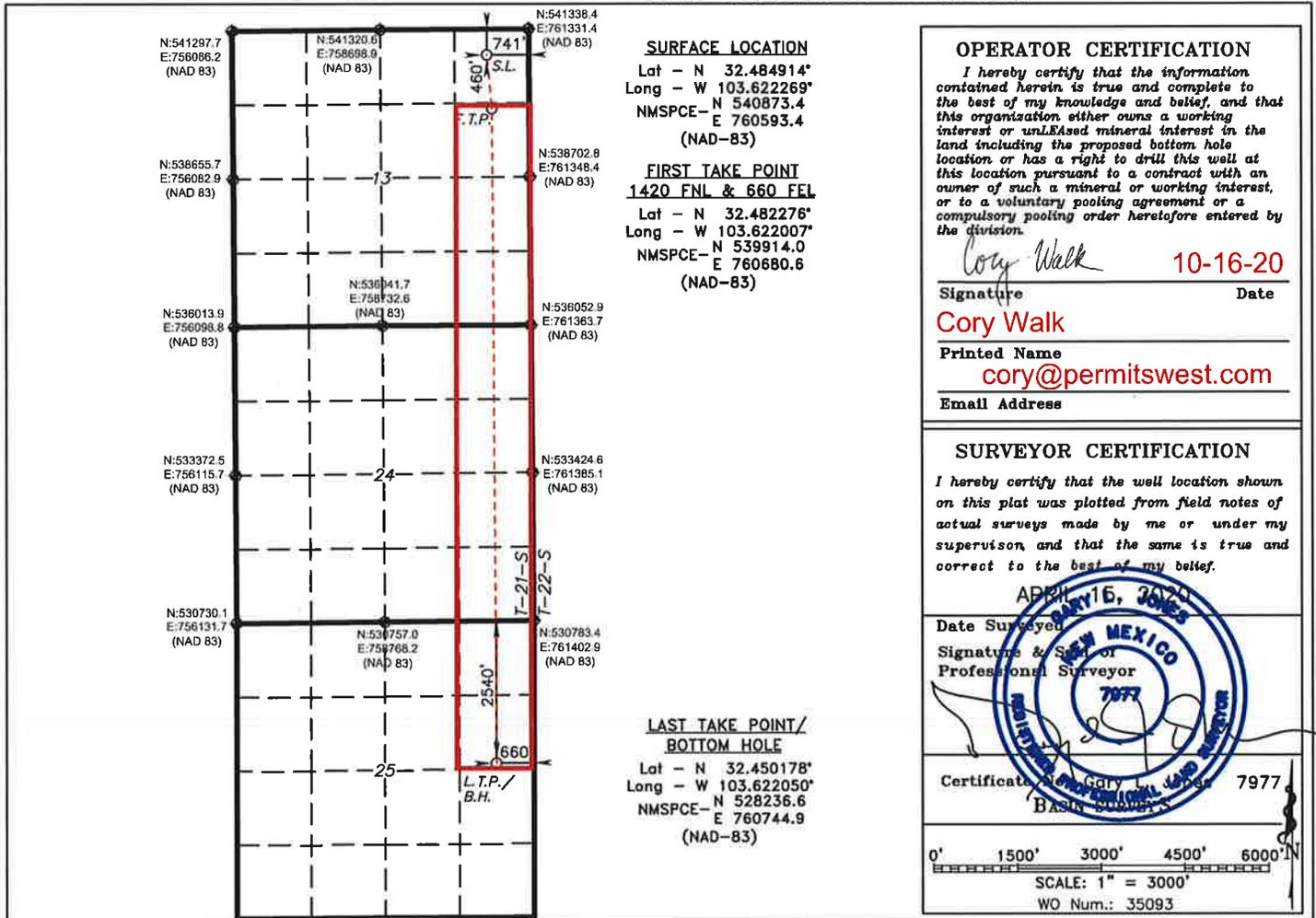
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
A	13	21 S	32 E		460	NORTH	741	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	25	21 S	32 E		2540	NORTH	660	EAST	LEA

Dedicated Acres <b>360</b>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cory Walk* **10-16-20**  
Signature Date  
**Cory Walk**  
Printed Name  
**cory@permitswest.com**  
Email Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APPROVED  
JAN 16, 2021  
Date Surveyed  
Signature & Seal of Professional Surveyor  
7977  
Certificate No. GARY L. JONES 7977  
BASIC SURVEYING

0' 1500' 3000' 4500' 6000'  
SCALE: 1" = 3000'  
WO Num.: 35093

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  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-50128</b>		<sup>2</sup> Pool Code <b>53560</b>		<sup>3</sup> Pool Name <b>SALT LAKE;BONE SPRING</b>	
<sup>4</sup> Property Code <b>328246</b>		<sup>5</sup> Property Name <b>MARGARITA 13 FED COM</b>			<sup>6</sup> Well Number <b>20H</b>
<sup>7</sup> GRID No. <b>372417</b>		<sup>8</sup> Operator Name <b>Advance Energy Partners Hat Mesa, LLC</b>			<sup>9</sup> Elevation <b>3911'</b>

<sup>10</sup>Surface Location

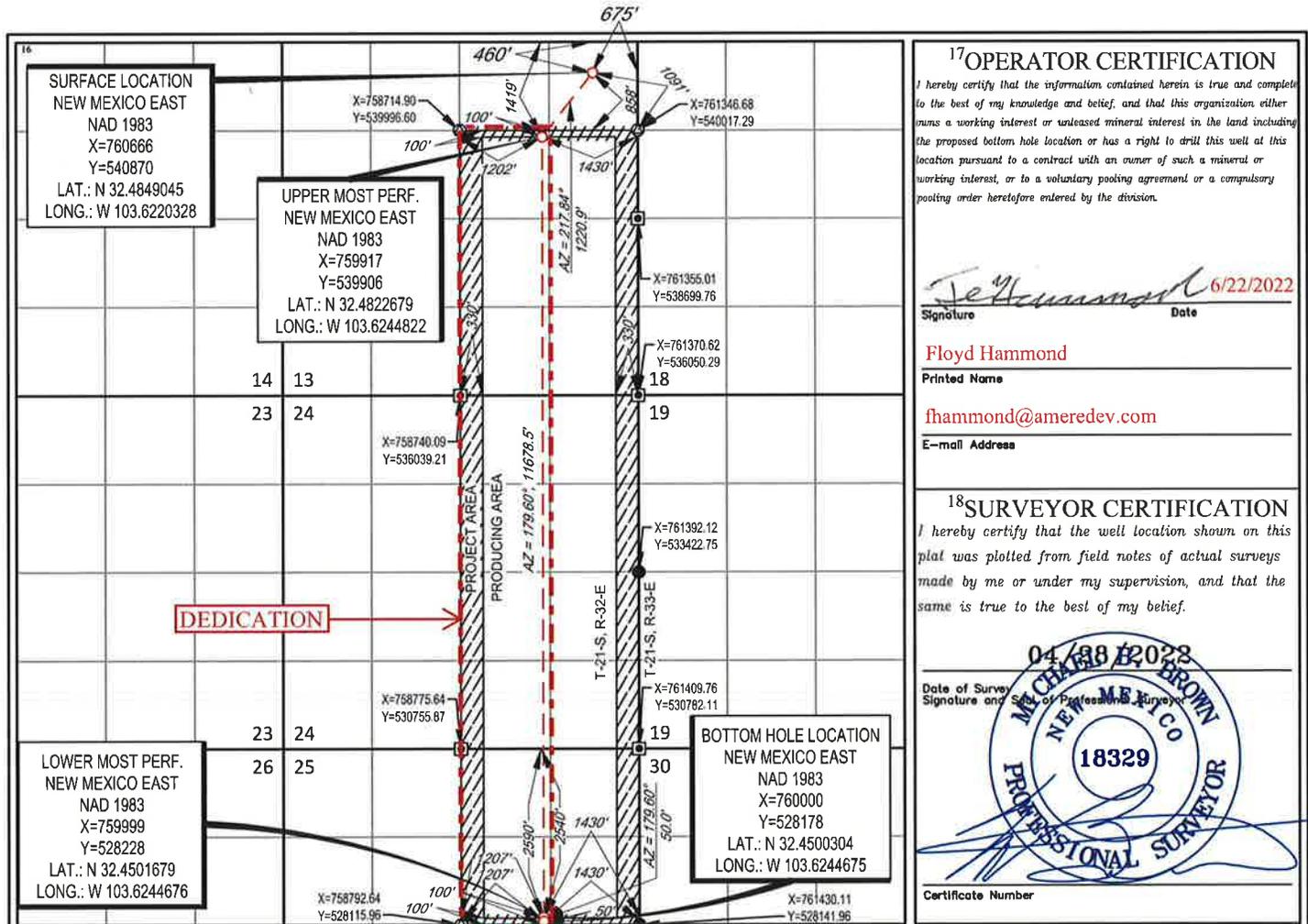
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	21-S	32-E	-	460'	NORTH	675'	EAST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	25	21-S	32-E	-	2590'	NORTH	1430'	EAST	LEA

<sup>12</sup> Dedicated Acres <b>360</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---------------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<sup>17</sup>OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Floyd Hammond* 6/22/2022  
Signature Date

Floyd Hammond  
Printed Name

fhammond@amerdev.com  
E-mail Address

<sup>18</sup>SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

04/28/2022  
MICHAEL BROWN  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR

Date of Survey  
Signature and Seal of Professional Surveyor

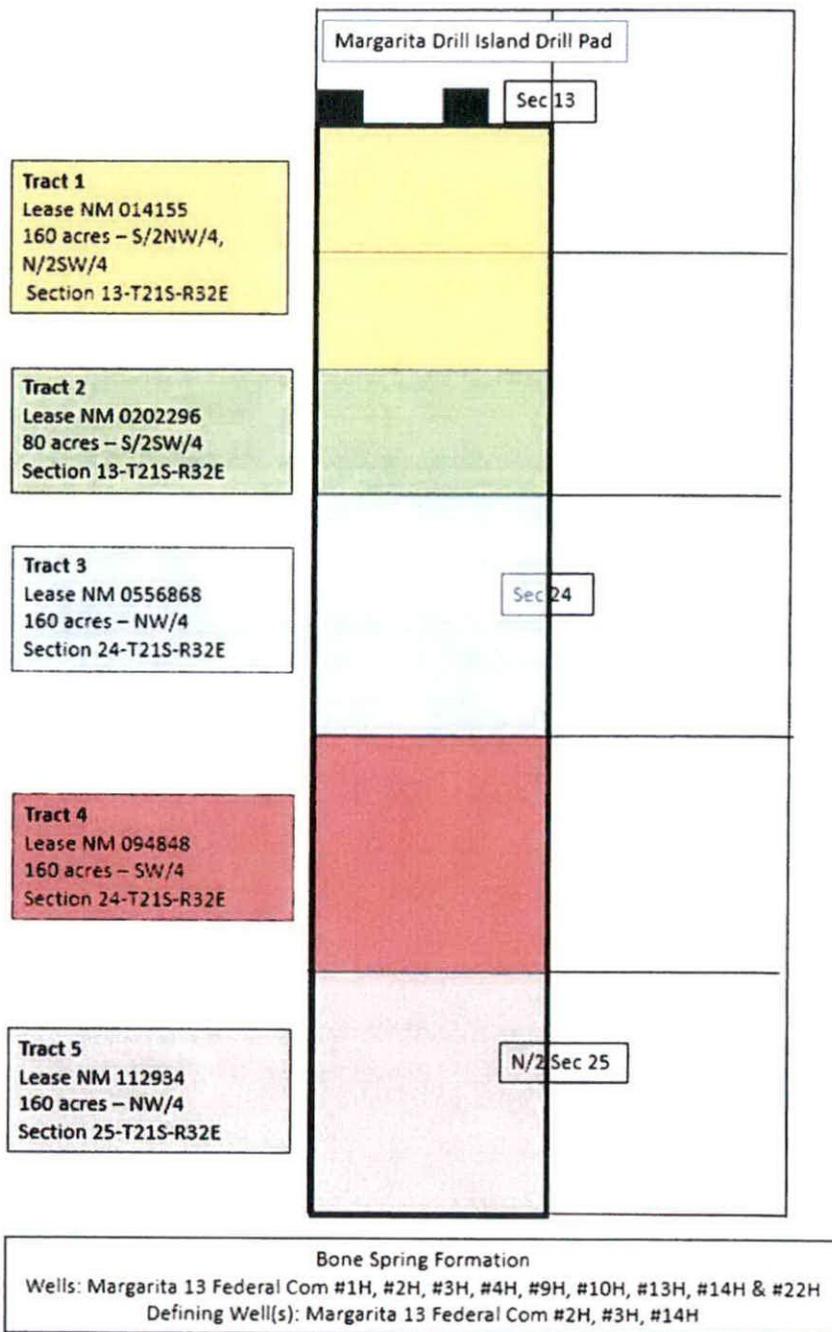
Certificate Number

N-BLR-CON-265

### EXHIBIT "A"

Plat of communitized area covering 720.00 acres in the S/2NW/4, SW/4 Section 13, W/2 Section 24 and NW/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Bone Spring Formation.



**EXHIBIT "B"**

To Communitization Agreement Dated July 1, 2022 the S/2NW/4, SW/4 Section 13, W/2 Section 24 and NW/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 14155

Description of Land Committed: Township 21 South, Range 32 East, Section 13: S/2NW/4, N/2SW/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Leland A. Hodges\*

Name of Working Interest Owners: Advance Energy partners Hat Mesa, LLC

ORRI Owners: Monarch Resources, Inc., et al

*\*Please see attached approval letter from Leland A. Hodges.*

Tract No. 2

Lease Serial Number: NMNM 0202296

Description of Land Committed: Township 21 South, Range 32 East, Section 13: S/2SW/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co, LLC

Tract No. 3

Lease Serial Number: NMNM 0556868

Description of Land Committed: Township 21 South, Range 32 East, Section 24: NW/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC\*

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: Rolla R. Hinkle, III, et al

*\* ConocoPhillips is the lessee of record at time of submission, however, upon approval of record title assignment filed on March 4, 2022, Advance Energy Partners Hat Mesa, LLC will be become Lessee of Record.*

Tract No. 4

Lease Serial Number: NMNM 94848

Description of Land Committed: Township 21 South, Range 32 East, Section 24: SW/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co, LLC, et al

Tract No. 5

Lease Serial Number: NMNM 112934

Description of Land Committed: Township 21 South, Range 32 East,  
Section 25: NW/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: COG Operating LLC

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	22.2222%
2	80.00	11.1111%
3	160.00	22.2222%
4	160.00	22.2222%
5	<u>160.00</u>	<u>22.2223%</u>
Total	360.00	100.0000%



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

April 5, 2021

The Estate of Allen Hodges, Jr.  
c/o Monarch Resources, Inc.  
115 West 7<sup>th</sup> Street, Suite 1310  
Fort Worth, Texas 76102

Attention: Leland A. Hodges, III and Margery Lynn Berry, Co-Personal Representatives

Re: Margarita Development Area  
Communitization Agreements  
S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E  
Lea County, NM

Dear Mr. Hodges and Mrs. Perry

Advance Energy Partners Hat Mesa, LLC ("Advance") plans to commence drilling operations on the referenced lands that include lands covered by Federal Lease NMNM 14155 (the "Lease"). Advance intends to communitize the production from the Lease with other leases covering portions of the captioned lands in order pursue the drilling of horizontal wells, pursuant to the rules and regulations of the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (the "NMOCD").

According to the records of the United States Bureau of Land Management (the "BLM"), Leland Allen Hodges, Jr. holds all of the record title in the Lease. Under the rules and regulations of the BLM, the record title owner under a federal lease is required to either join directly in the execution of all Communitization Agreements or consent in writing to the execution of such Communitization Agreements by the party filing such agreements for approval. In order to facilitate Advance's execution and filing of such Communitization Agreements, we would like to obtain your consent.

To that end, based upon your qualification to serve as the Independent Co-Executors and/or Co-Personal Representatives of the Estate of Leland Allen Hodges, Jr., we are asking you to evidence your consent to the communitization of the Estate's record title interest and interest in operating rights into one or more communitized areas that include all or some portion of the lands covered by the Lease with other adjacent tracts of land.

Advance anticipates that it will file approximately eight different Communitization Agreements, using the form attached hereto (the terms of which are required by the BLM). With your consent to the terms of this letter, and your execution of the Amendment, Advance will be able to certify that you have approved the Communitization Agreements on behalf of the Estate.

If you are willing to consent to Advance's commitment of the Estate's interests to Communitization Agreements that comply with the Amendment and the terms of this letter, please evidence such consent by executing a counterpart of this letter in the space provided below and returning such counterpart to Advance.

The Estate of Leland Allen Hodges, Jr.  
Communitization Agreement  
April 5, 2021  
Page 2

We appreciate your attention and cooperation. If you have any questions, please contact me using the contact information provided below:

Office telephone: 832-672-4623  
Cell Phone: 713-228-7320  
Email: [PBurdick@AdvanceEnergyPartners.com](mailto:PBurdick@AdvanceEnergyPartners.com)

Sincerely,



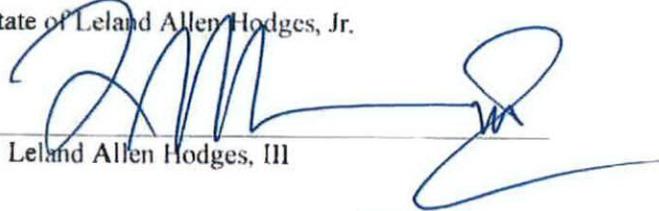
Paul J. Burdick  
Landman  
Advance Energy Partners, LLC

On behalf of the Estate of Leland Allen Hodges, Jr., the undersigned hereby consent to the commitment of the Estate's interests in the Lease to those Communitization Agreements referenced above and grant to Advance, as Operator of the Margarita Ridge Development Area, our permission and approval to certify such consent of the Estate, as required in the applicable Communitization Agreements for wells drilled in the Margarita Ridge Development Area, covering S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E, Lea County, New Mexico.

Executed as of April \_\_, 2021.

The Estate of Leland Allen Hodges, Jr.

By:

  
Leland Allen Hodges, III

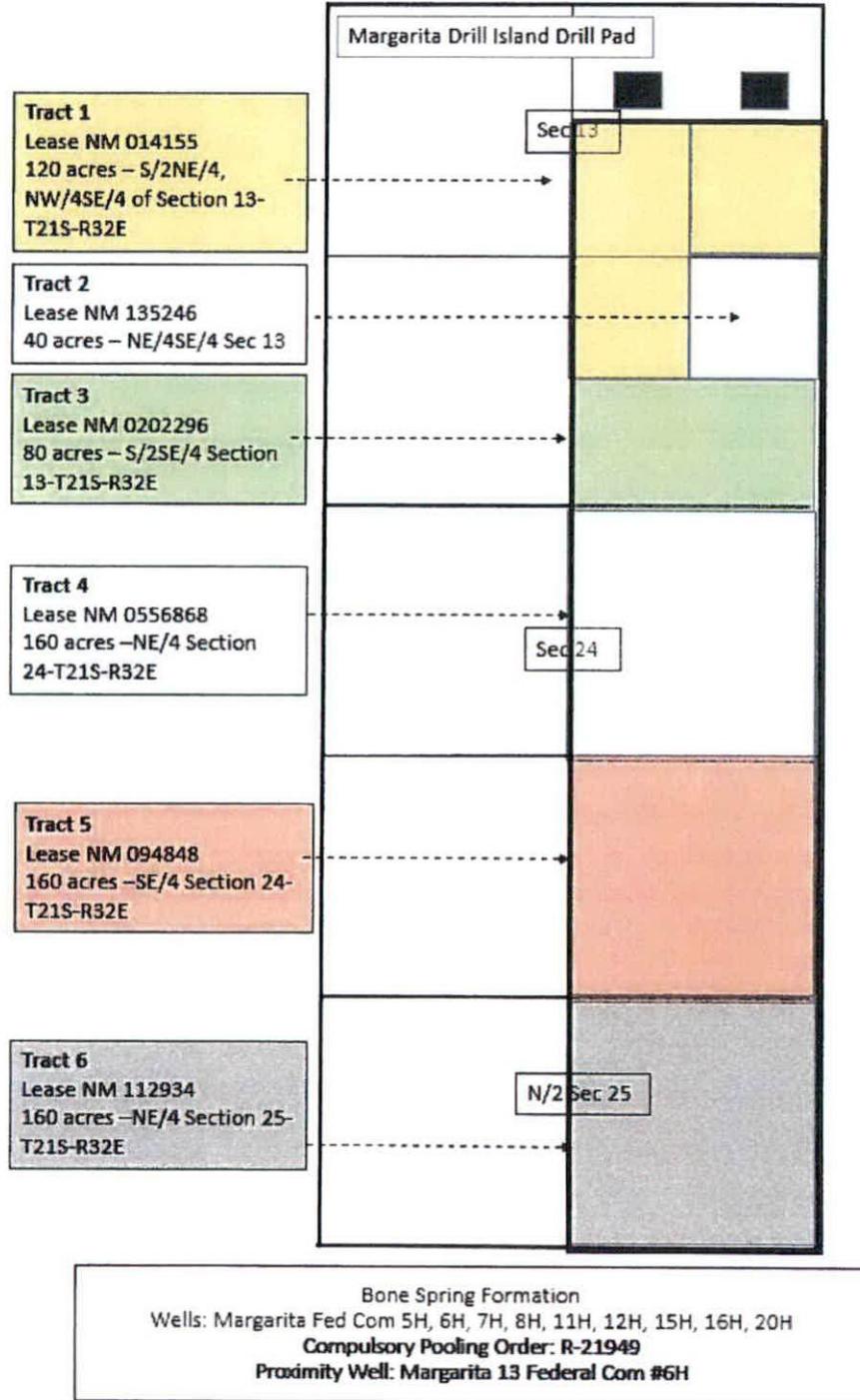
By:

  
Margery Lynn Berry

### EXHIBIT "A"

Plat of communitized area covering 720.00 acres in the S/2NE/4, SE/4 Section 13, E/2 Section 24 and NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Bone Spring Formation.



## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of July, 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:

S/2NE/4, SE/4 Section 13, E/2 Section 24 and NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Containing 720 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.

*Margarita 13 Federal Com- E2 Bone Spring Unit*

3. The Operator of the communitized area shall be Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands

*Margarita 13 Federal Com- E2 Bone Spring Unit*

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 July 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







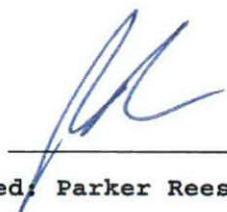


SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, 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:  \_\_\_\_\_ (signature of officer)

Printed: Parker Reese

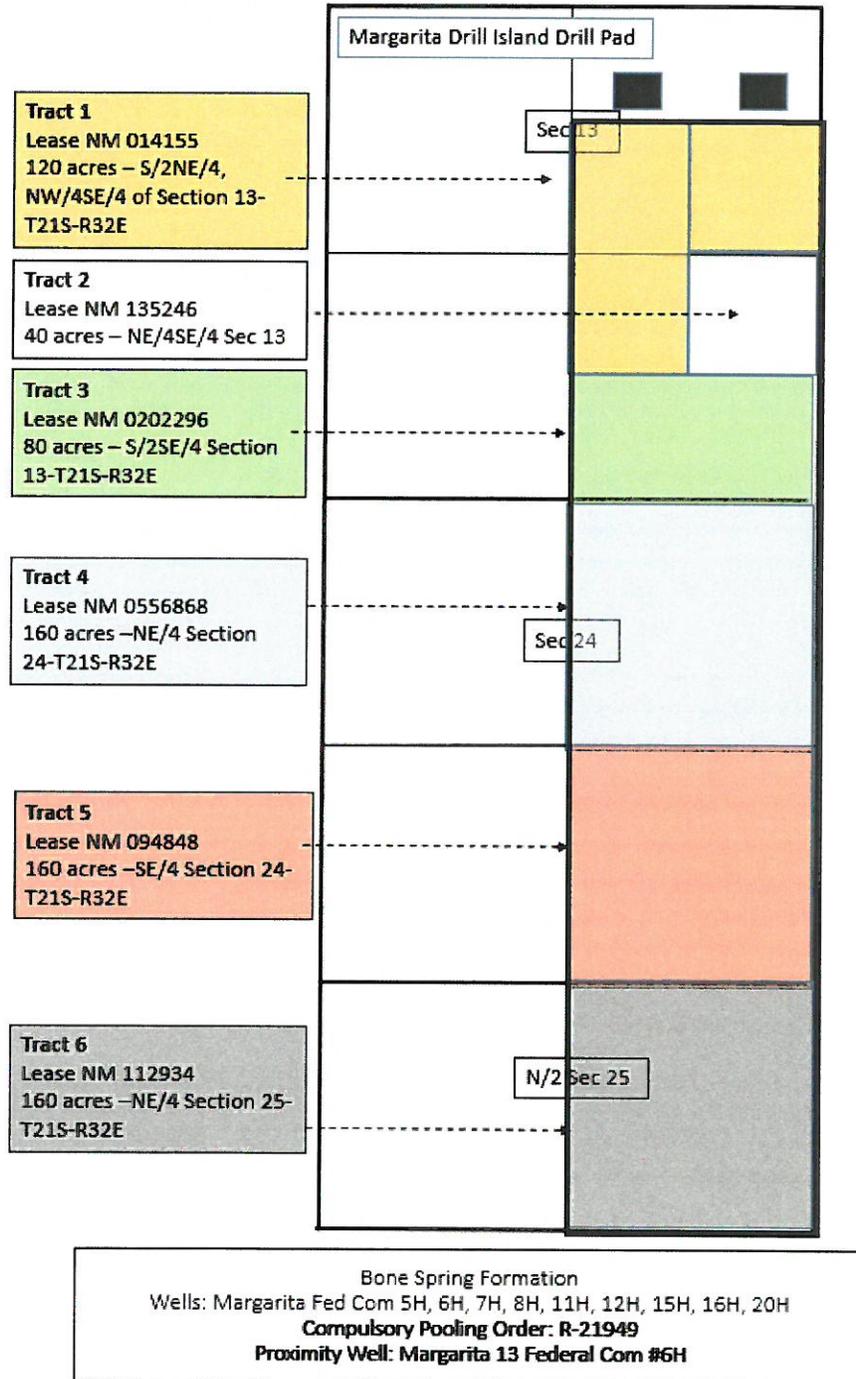
TITLE: Chief Executive Officer

Margarita 13 Federal Com- E2 Bone Spring Unit

### EXHIBIT "A"

Plat of communitized area covering 720.00 acres in the S/2NE/4, SE/4 Section 13, E/2 Section 24 and NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Bone Spring Formation.



## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of July, 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:

S/2NE/4, SE/4 Section 13, E/2 Section 24 and NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Containing **720** 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.

*Margarita 13 Federal Com- E2 Bone Spring Unit*

3. The Operator of the communitized area shall be Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands

Margarita 13 Federal Com- E2 Bone Spring Unit

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 July 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









**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST**

**COMMUNITIZATION AGREEMENT:** \_\_\_\_\_

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, 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:** \_\_\_\_\_ (signature of officer)

**Printed:** Parker Reese

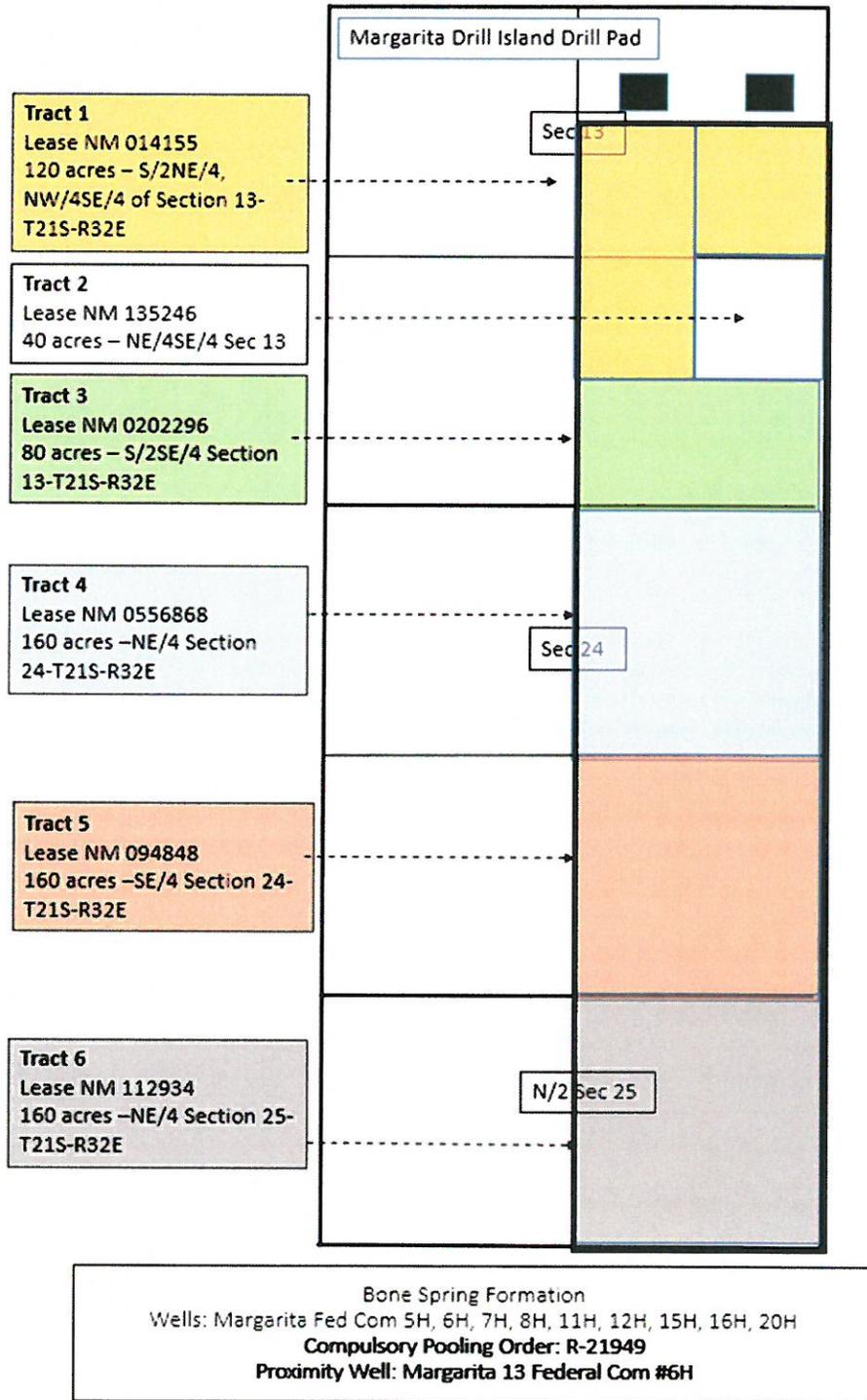
**TITLE:** Chief Executive Officer

Margarita 13 Federal Com- E2 Bone Spring Unit

### EXHIBIT "A"

Plat of communitized area covering 720.00 acres in the S/2NE/4, SE/4 Section 13, E/2 Section 24 and NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Bone Spring Formation.



Margarita 13 Federal Com- E2 Bone Spring Unit

**EXHIBIT "B"**

To Communitization Agreement Dated July 1, 2022 embracing the following described land in S/2NE/4, SE/4 Section 13, E/2 Section 24 and NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	NMNM 14155
Description of Land Committed:	Township 21 South, Range 32 East, Section 13: S/2NE/4, NW/4SE/4
Number of Gross Acres:	120.00
Number of Net Acres:	120.00
Current Lessee of Record:	Leland A. Hodges*
Name of Working Interest Owners:	Advance Energy partners Hat Mesa, LLC
ORRI Owners:	Monarch Resources, Inc., et al

*\*See attached approval letter from Leland A. Hodges.*

Tract No. 2

Lease Serial Number:	NMNM 135246
Description of Land Committed:	Township 21 South, Range 32 East, Section 13: NE/4SE/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	Marathon Oil Permian, LLC
Name of Working Interest Owners:	Marathon Oil Permian, LLC

*Margarita 13 Federal Com- E2 Bone Spring Unit*

ORRI Owners: None  
Tract No. 3

Lease Serial Number: NMNM 0202296

Description of Land Committed: Township 21 South, Range 32 East,  
 Section 13: S/2SE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co,  
 LLC

Tract No. 4

Lease Serial Number: NMNM 0556868

Description of Land Committed: Township 21 South, Range 32 East,  
 Section 24: NE/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC\*

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: Rolla R. Hinkle, III, et al

***\* ConocoPhillips is the lessee of record at time of submission, however, upon approval of record title assignment filed on March 4, 2022, Advance Energy Partners Hat Mesa, LLC will be become Lessee of Record.***

Tract No. 5

Lease Serial Number: NMNM 94848

Description of Land Committed: Township 21 South, Range 32 East,  
Section 24: SE/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co,  
LLC, et al

Tract No. 6

Lease Serial Number: NMNM 112934

Description of Land Committed: Township 21 South, Range 32 East,  
Section 25: NE/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: COG Operating LLC

Margarita 13 Federal Com- E2 Bone Spring Unit

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120.00	16.6667%
2	40.00	5.5555%
3	80.00	11.1111%
4	160.00	22.2222%
5	160.00	22.2222%
6	<u>160.00</u>	<u>22.2223%</u>
Total	720.00	100.0000%



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

April 5, 2021

The Estate of Allen Hodges, Jr.  
c/o Monarch Resources, Inc.  
115 West 7<sup>th</sup> Street, Suite 1310  
Fort Worth, Texas 76102

Attention: Leland A. Hodges, III and Margery Lynn Berry, Co-Personal Representatives

Re: Margarita Development Area  
Communitization Agreements  
S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E  
Lea County, NM

Dear Mr. Hodges and Mrs. Perry

Advance Energy Partners Hat Mesa, LLC ("Advance") plans to commence drilling operations on the referenced lands that include lands covered by Federal Lease NMNM 14155 (the "Lease"). Advance intends to communitize the production from the Lease with other leases covering portions of the captioned lands in order pursue the drilling of horizontal wells, pursuant to the rules and regulations of the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (the "NMOCD").

According to the records of the United States Bureau of Land Management (the "BLM"), Leland Allen Hodges, Jr. holds all of the record title in the Lease. Under the rules and regulations of the BLM, the record title owner under a federal lease is required to either join directly in the execution of all Communitization Agreements or consent in writing to the execution of such Communitization Agreements by the party filing such agreements for approval. In order to facilitate Advance's execution and filing of such Communitization Agreements, we would like to obtain your consent.

To that end, based upon your qualification to serve as the Independent Co-Executors and/or Co-Personal Representatives of the Estate of Leland Allen Hodges, Jr., we are asking you to evidence your consent to the communitization of the Estate's record title interest and interest in operating rights into one or more communitized areas that include all or some portion of the lands covered by the Lease with other adjacent tracts of land.

Advance anticipates that it will file approximately eight different Communitization Agreements, using the form attached hereto (the terms of which are required by the BLM). With your consent to the terms of this letter, and your execution of the Amendment, Advance will be able to certify that you have approved the Communitization Agreements on behalf of the Estate.

If you are willing to consent to Advance's commitment of the Estate's interests to Communitization Agreements that comply with the Amendment and the terms of this letter, please evidence such consent by executing a counterpart of this letter in the space provided below and returning such counterpart to Advance.

The Estate of Leland Allen Hodges, Jr.  
Communitization Agreement  
April 5, 2021  
Page 2

We appreciate your attention and cooperation. If you have any questions, please contact me using the contact information provided below:

Office telephone: 832-672-4623  
Cell Phone: 713-228-7320  
Email: Email: [PBurdick@AdvanceEnergyPartners.com](mailto:PBurdick@AdvanceEnergyPartners.com)

Sincerely,

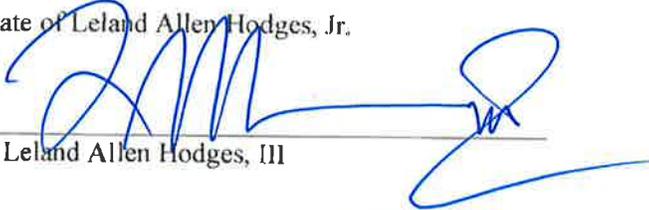


Paul J. Burdick  
Landman  
Advance Energy Partners, LLC

On behalf of the Estate of Leland Allen Hodges, Jr., the undersigned hereby consent to the commitment of the Estate's interests in the Lease to those Communitization Agreements referenced above and grant to Advance, as Operator of the Margarita Ridge Development Area, our permission and approval to certify such consent of the Estate, as required in the applicable Communitization Agreements for wells drilled in the Margarita Ridge Development Area, covering S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E, Lea County, New Mexico.

Executed as of April \_\_, 2021.

The Estate of Leland Allen Hodges, Jr.

By:   
Leland Allen Hodges, III

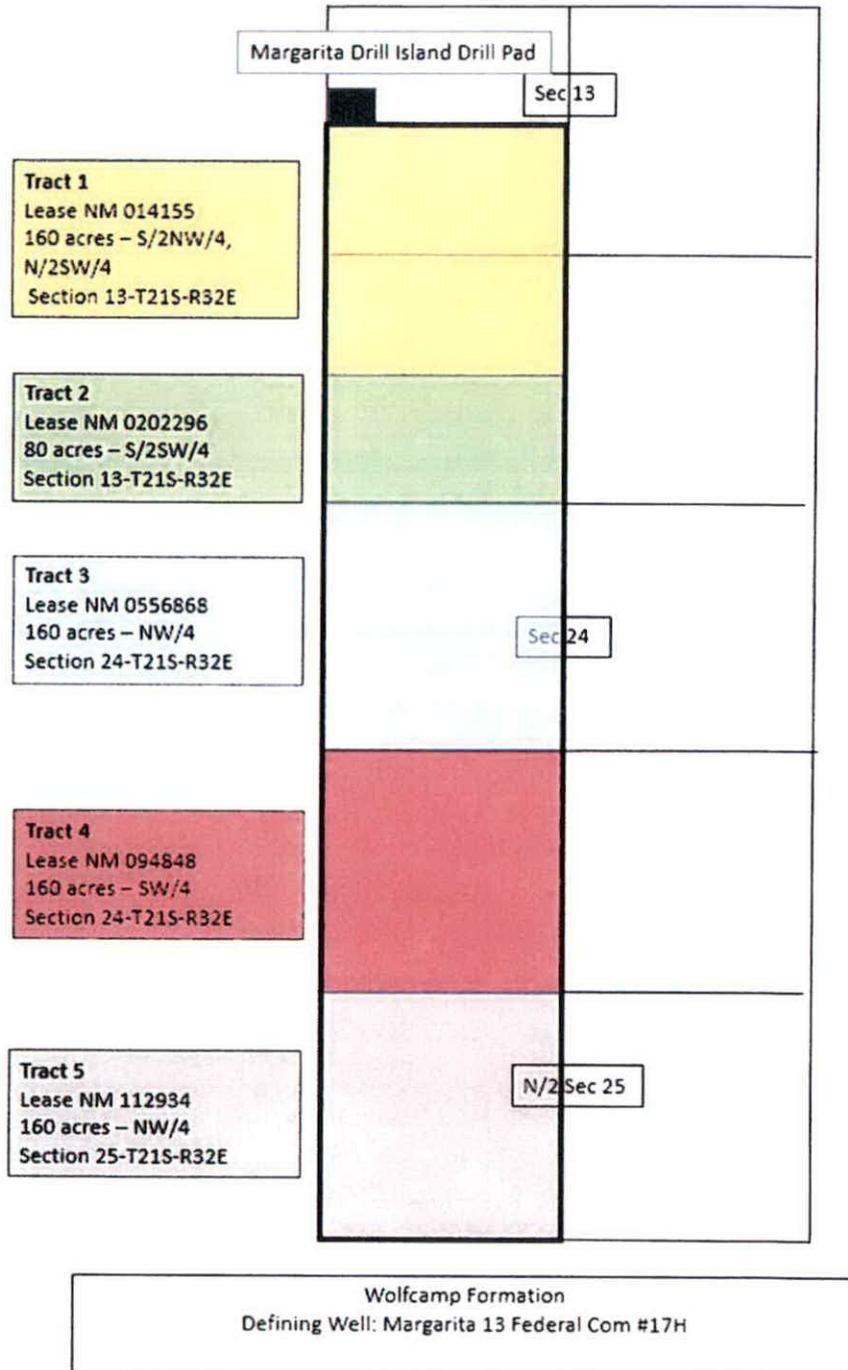
By:   
Margery Lynn Berry

N-BLR-CON-267

### EXHIBIT "A"

Plat of communitized area covering 720.00 acres in the S/2NW/4, SW/4 Section 13, W/2 Section 24 and NW/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.



Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of July, 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:

S/2NW/4, SW/4 Section 13, W/2 Section 24 and NW/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Containing 720 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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands

within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

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

Advance Energy Partners Hat Mesa, LLC  
Operator

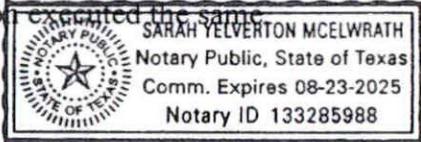
6/2/2022  
Date

By: \_\_\_\_\_  
Parker Reese, Chief Executive Officer

### ACKNOWLEDGEMENT

STATE OF TEXAS )  
) ss.  
COUNTY OF TRAVIS )

On this 2<sup>nd</sup> day of June, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the Chief Executive Officer of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation ~~executed the same~~



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

Sarah Yelverton McElwrath  
Notary Public

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

Advance Energy Partners Hat Mesa, LLC

6/2/2022

Date

By: [Signature]

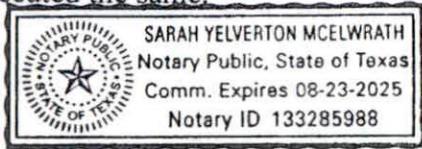
Title: Chief Executive Officer

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 ) ss.  
COUNTY OF TRAVIS )

On this 2<sup>nd</sup> day of June, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the Chief Executive Officer of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



My Commission Expires

[Signature]  
Notary Public



SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, 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: \_\_\_\_\_ (signature of officer)

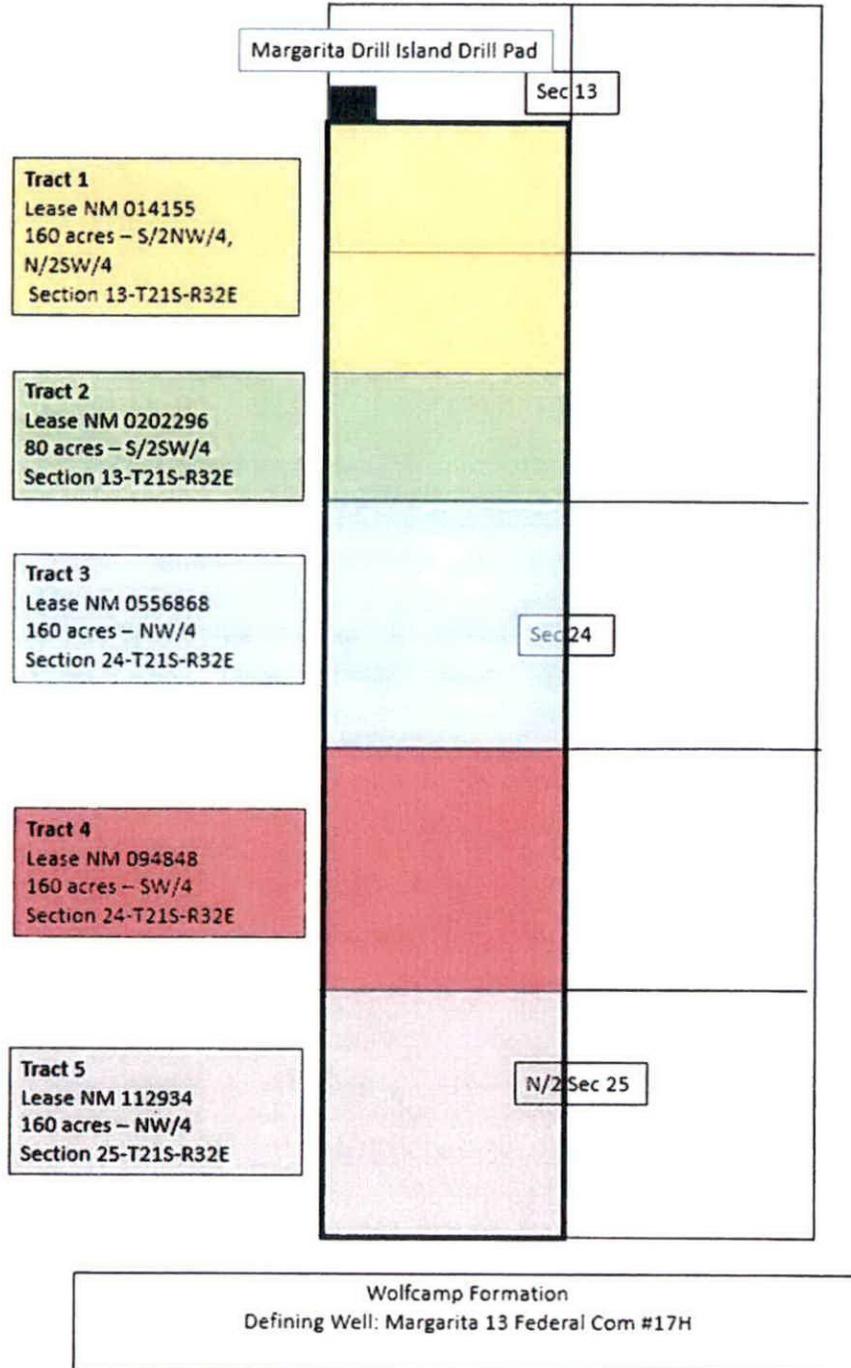
Printed: Parker Reese

TITLE: Chief Executive Officer

### EXHIBIT "A"

Plat of communitized area covering 720.00 acres in the S/2NW/4, SW/4 Section 13, W/2 Section 24 and NW/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.



**EXHIBIT "B"**

To Communitization Agreement Dated July 1, 2022 the S/2NW/4, SW/4 Section 13, W/2 Section 24 and NW/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 14155

Description of Land Committed: Township 21 South, Range 32 East, Section 13: S/2NW/4, N/2SW/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Leland A. Hodges

Name of Working Interest Owners: Advance Energy partners Hat Mesa, LLC

ORRI Owners: Monarch Resources, Inc., et al

*\*Please see attached approval letter from Leland A. Hodges.*

Tract No. 2

Lease Serial Number: NMNM 0202296

Description of Land Committed: Township 21 South, Range 32 East, Section 13: S/2SW/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Margarita 13 Federal Com 17H – W2 Wolfcamp Unit

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co, LLC

Tract No. 3

Lease Serial Number: NMNM 0556868

Description of Land Committed: Township 21 South, Range 32 East, Section 24: NW/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC\*

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: Rolla R. Hinkle, III, et al

***\* ConocoPhillips is the lessee of record at time of submission, however, upon approval of record title assignment filed on March 4, 2022, Advance Energy Partners Hat Mesa, LLC will be become Lessee of Record.***

Tract No. 4

Lease Serial Number: NMNM 94848

Description of Land Committed: Township 21 South, Range 32 East, Section 24: SW/4

Number of Gross Acres: 160.00

Number of Net Acres: 160.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co, LLC, et al

Tract No. 5

Lease Serial Number:	NMNM 112934
Description of Land Committed:	Township 21 South, Range 32 East, Section 25: NW/4
Number of Gross Acres:	160.00
Number of Net Acres:	160.00
Current Lessee of Record:	Advance Energy Partners Hat Mesa, LLC
Name of Working Interest Owners:	Advance Energy Partners Hat Mesa, LLC
ORRI Owners:	COG Operating LLC

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	22.2222%
2	80.00	11.1111%
3	160.00	22.2222%
4	160.00	22.2222%
5	<u>160.00</u>	<u>22.2223%</u>
Total	360.00	100.0000%



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

April 5, 2021

The Estate of Allen Hodges, Jr.  
c/o Monarch Resources, Inc.  
115 West 7<sup>th</sup> Street, Suite 1310  
Fort Worth, Texas 76102

Attention: Leland A. Hodges, III and Margery Lynn Berry, Co-Personal Representatives

Re: Margarita Development Area  
Communitization Agreements  
S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E  
Lea County, NM

Dear Mr. Hodges and Mrs. Perry

Advance Energy Partners Hat Mesa, LLC ("Advance") plans to commence drilling operations on the referenced lands that include lands covered by Federal Lease NMNM 14155 (the "Lease"). Advance intends to communitize the production from the Lease with other leases covering portions of the captioned lands in order pursue the drilling of horizontal wells, pursuant to the rules and regulations of the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (the "NMOCD").

According to the records of the United States Bureau of Land Management (the "BLM"), Leland Allen Hodges, Jr. holds all of the record title in the Lease. Under the rules and regulations of the BLM, the record title owner under a federal lease is required to either join directly in the execution of all Communitization Agreements or consent in writing to the execution of such Communitization Agreements by the party filing such agreements for approval. In order to facilitate Advance's execution and filing of such Communitization Agreements, we would like to obtain your consent.

To that end, based upon your qualification to serve as the Independent Co-Executors and/or Co-Personal Representatives of the Estate of Leland Allen Hodges, Jr., we are asking you to evidence your consent to the communitization of the Estate's record title interest and interest in operating rights into one or more communitized areas that include all or some portion of the lands covered by the Lease with other adjacent tracts of land.

Advance anticipates that it will file approximately eight different Communitization Agreements, using the form attached hereto (the terms of which are required by the BLM). With your consent to the terms of this letter, and your execution of the Amendment, Advance will be able to certify that you have approved the Communitization Agreements on behalf of the Estate.

If you are willing to consent to Advance's commitment of the Estate's interests to Communitization Agreements that comply with the Amendment and the terms of this letter, please evidence such consent by executing a counterpart of this letter in the space provided below and returning such counterpart to Advance.

The Estate of Leland Allen Hodges, Jr.  
Communitization Agreement  
April 5, 2021  
Page 2

We appreciate your attention and cooperation. If you have any questions, please contact me using the contact information provided below:

Office telephone: 832-672-4623  
Cell Phone: 713-228-7320  
Email: [PBurdick@AdvanceEnergyPartners.com](mailto:PBurdick@AdvanceEnergyPartners.com)

Sincerely,



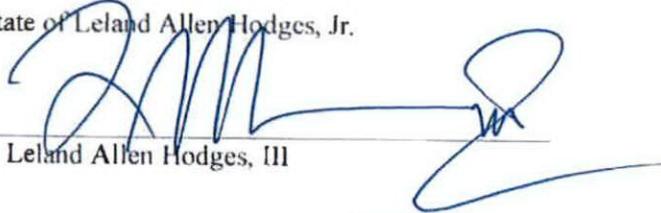
Paul J. Burdick  
Landman  
Advance Energy Partners, LLC

On behalf of the Estate of Leland Allen Hodges, Jr., the undersigned hereby consent to the commitment of the Estate's interests in the Lease to those Communitization Agreements referenced above and grant to Advance, as Operator of the Margarita Ridge Development Area, our permission and approval to certify such consent of the Estate, as required in the applicable Communitization Agreements for wells drilled in the Margarita Ridge Development Area, covering S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E, Lea County, New Mexico.

Executed as of April \_\_, 2021.

The Estate of Leland Allen Hodges, Jr.

By:

  
Leland Allen Hodges, III

By:

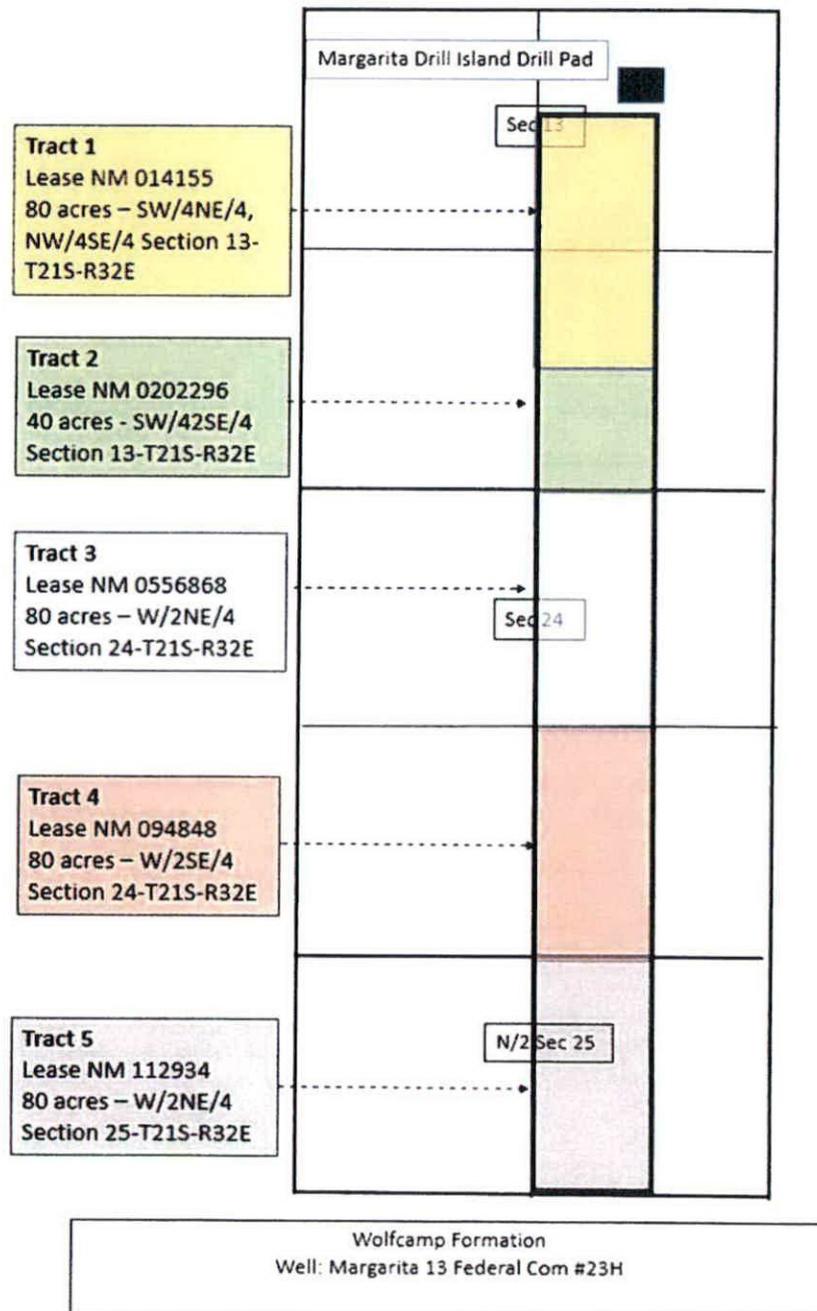
  
Margery Lynn Berry

### EXHIBIT "A"

Plat of communitized area covering 360.00 acres in the SW/4NE/4, W/2SE/4 Section 13, W/2E/2 Section 24 and W/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.

#### Margarita 13 Federal Com #23H



Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of July, 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:

SW/4NE/4, W/2SE/4 Section 13, W/2E/2 Section 24 and W/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Containing 360 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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands

within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

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







SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, 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:  \_\_\_\_\_ (signature of officer)  
Printed: Parker Reese  
TITLE: Chief Executive Officer

SCANNED  
6/2/22

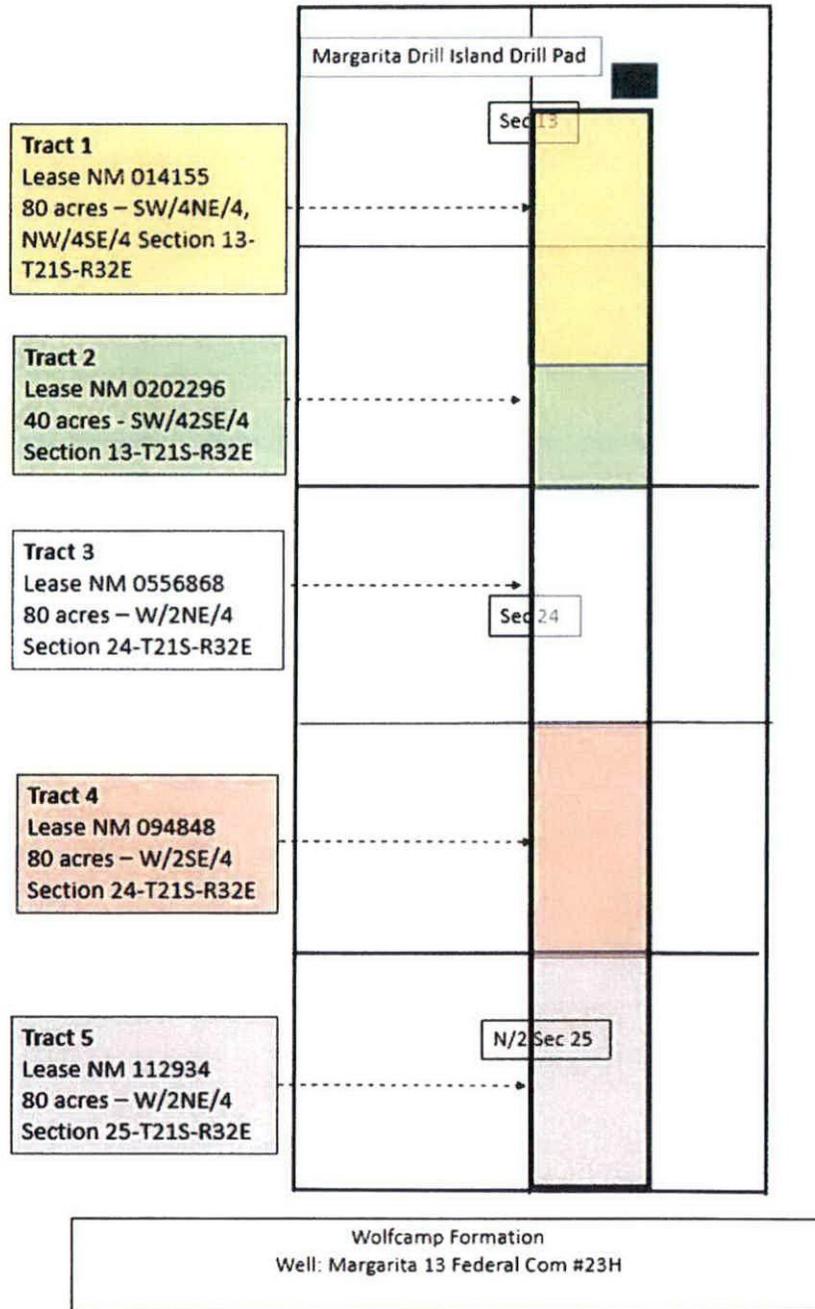
N-BLR-CON-266

### EXHIBIT "A"

Plat of communitized area covering 360.00 acres in the SW/4NE/4, W/2SE/4 Section 13, W/2E/2 Section 24 and W/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.

#### Margarita 13 Federal Com #23H



**EXHIBIT "B"**

To Communitization Agreement Dated July 1, 2022 embracing the following described land in SW/4NE/4, W/2SE/4 Section 13, W/2E/2 Section 24 and W/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

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

Lease Serial Number: NMNM 14155

Description of Land Committed: Township 21 South, Range 32 East, Section 13: SW/4NE/4, NW/4SE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Leland A. Hodges

Name of Working Interest Owners: Advance Energy partners Hat Mesa, LLC

ORRI Owners: Monarch Resources, Inc., et al

***\*Please see attached approval letter from Leland A. Hodges.***

**Tract No. 2**

Lease Serial Number: NMNM 0202296

Description of Land Committed: Township 21 South, Range 32 East, Section 13: SW/4SE/4

Number of Gross Acres: 40.00

Number of Net Acres: 40.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

*Margarita 13 Federal Com 23H – W2E2 Wolfcamp Unit*

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co, LLC

Tract No. 3

Lease Serial Number: NMNM 0556868

Description of Land Committed: Township 21 South, Range 32 East,  
Section 24: W2NE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC\*

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: Rolla R. Hinkle, III, et al

***\* ConocoPhillips is the lessee of record at time of submission, however, upon approval of record title assignment filed on March 4, 2022, Advance Energy Partners Hat Mesa, LLC will become Lessee of Record.***

Tract No. 4

Lease Serial Number: NMNM 94848

Description of Land Committed: Township 21 South, Range 32 East,  
Section 24: W/2SE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co, LLC, et al

Margarita 13 Federal Com 23H – W2E2 Wolfcamp Unit

Tract No. 5

Lease Serial Number:	NMNM 112934
Description of Land Committed:	Township 21 South, Range 32 East, Section 25: W/2NE/4
Number of Gross Acres:	80.00
Number of Net Acres:	80.00
Current Lessee of Record:	Advance Energy Partners Hat Mesa, LLC
Name of Working Interest Owners:	Advance Energy Partners Hat Mesa, LLC
ORRI Owners:	COG Operating LLC

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	22.2222%
2	40.00	11.1111%
3	80.00	22.2222%
4	80.00	22.2222%
5	<u>80.00</u>	<u>22.2223%</u>
Total	360.00	100.0000%



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

April 5, 2021

The Estate of Allen Hodges, Jr.  
c/o Monarch Resources, Inc.  
115 West 7<sup>th</sup> Street, Suite 1310  
Fort Worth, Texas 76102

Attention: Leland A. Hodges, III and Margery Lynn Berry, Co-Personal Representatives

Re: Margarita Development Area  
Communitization Agreements  
S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E  
Lea County, NM

Dear Mr. Hodges and Mrs. Perry

Advance Energy Partners Hat Mesa, LLC ("Advance") plans to commence drilling operations on the referenced lands that include lands covered by Federal Lease NMNM 14155 (the "Lease"). Advance intends to communitize the production from the Lease with other leases covering portions of the captioned lands in order pursue the drilling of horizontal wells, pursuant to the rules and regulations of the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (the "NMOCD").

According to the records of the United States Bureau of Land Management (the "BLM"), Leland Allen Hodges, Jr. holds all of the record title in the Lease. Under the rules and regulations of the BLM, the record title owner under a federal lease is required to either join directly in the execution of all Communitization Agreements or consent in writing to the execution of such Communitization Agreements by the party filing such agreements for approval. In order to facilitate Advance's execution and filing of such Communitization Agreements, we would like to obtain your consent.

To that end, based upon your qualification to serve as the Independent Co-Executors and/or Co-Personal Representatives of the Estate of Leland Allen Hodges, Jr., we are asking you to evidence your consent to the communitization of the Estate's record title interest and interest in operating rights into one or more communitized areas that include all or some portion of the lands covered by the Lease with other adjacent tracts of land.

Advance anticipates that it will file approximately eight different Communitization Agreements, using the form attached hereto (the terms of which are required by the BLM). With your consent to the terms of this letter, and your execution of the Amendment, Advance will be able to certify that you have approved the Communitization Agreements on behalf of the Estate.

If you are willing to consent to Advance's commitment of the Estate's interests to Communitization Agreements that comply with the Amendment and the terms of this letter, please evidence such consent by executing a counterpart of this letter in the space provided below and returning such counterpart to Advance.

The Estate of Leland Allen Hodges, Jr.  
Communitization Agreement  
April 5, 2021  
Page 2

We appreciate your attention and cooperation. If you have any questions, please contact me using the contact information provided below:

Office telephone: 832-672-4623  
Cell Phone: 713-228-7320  
Email: Email: [PBurdick@AdvanceEnergyPartners.com](mailto:PBurdick@AdvanceEnergyPartners.com)

Sincerely,



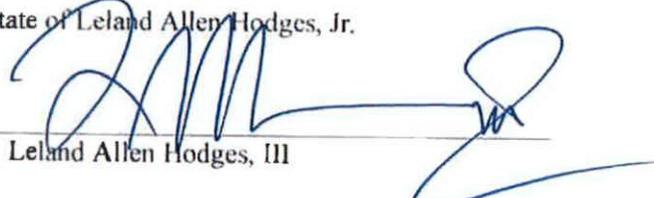
Paul J. Burdick  
Landman  
Advance Energy Partners, LLC

On behalf of the Estate of Leland Allen Hodges, Jr., the undersigned hereby consent to the commitment of the Estate's interests in the Lease to those Communitization Agreements referenced above and grant to Advance, as Operator of the Margarita Ridge Development Area, our permission and approval to certify such consent of the Estate, as required in the applicable Communitization Agreements for wells drilled in the Margarita Ridge Development Area, covering S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E, Lea County, New Mexico.

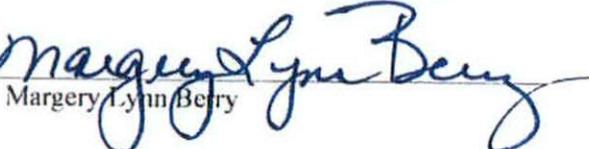
Executed as of April \_\_, 2021.

The Estate of Leland Allen Hodges, Jr.

By:

  
Leland Allen Hodges, III

By:

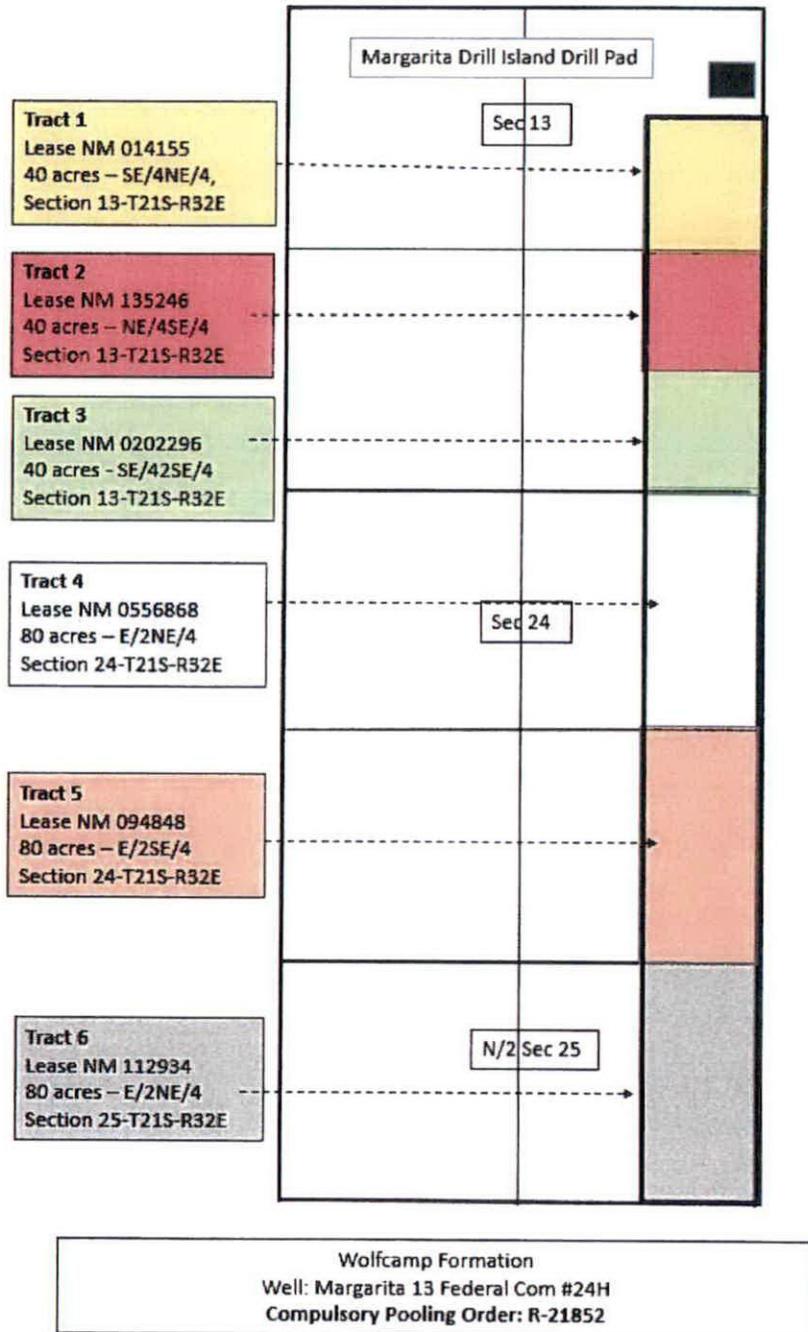
  
Margery Lynn Berry

### EXHIBIT "A"

Plat of communitized area covering 360.00 acres in the SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.

#### Margarita 13 Federal Com #24H



Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of July, 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:

SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Containing 360 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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands

within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

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



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

6/2/2022  
Date

Advance Energy Partners Hat Mesa, LLC  
By: [Signature]  
Title: Chief Executive Officer

**ACKNOWLEDGEMENT**

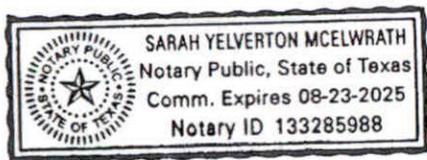
STATE OF TEXAS                    )  
                                                  ) ss.  
COUNTY OF TRAVIS            )

On this 2<sup>nd</sup> day of June, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the Chief Executive Officer of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8/23/2025  
My Commission Expires

[Signature]  
Notary Public







SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, 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: \_\_\_\_\_ (signature of officer)

Printed: Parker Reese

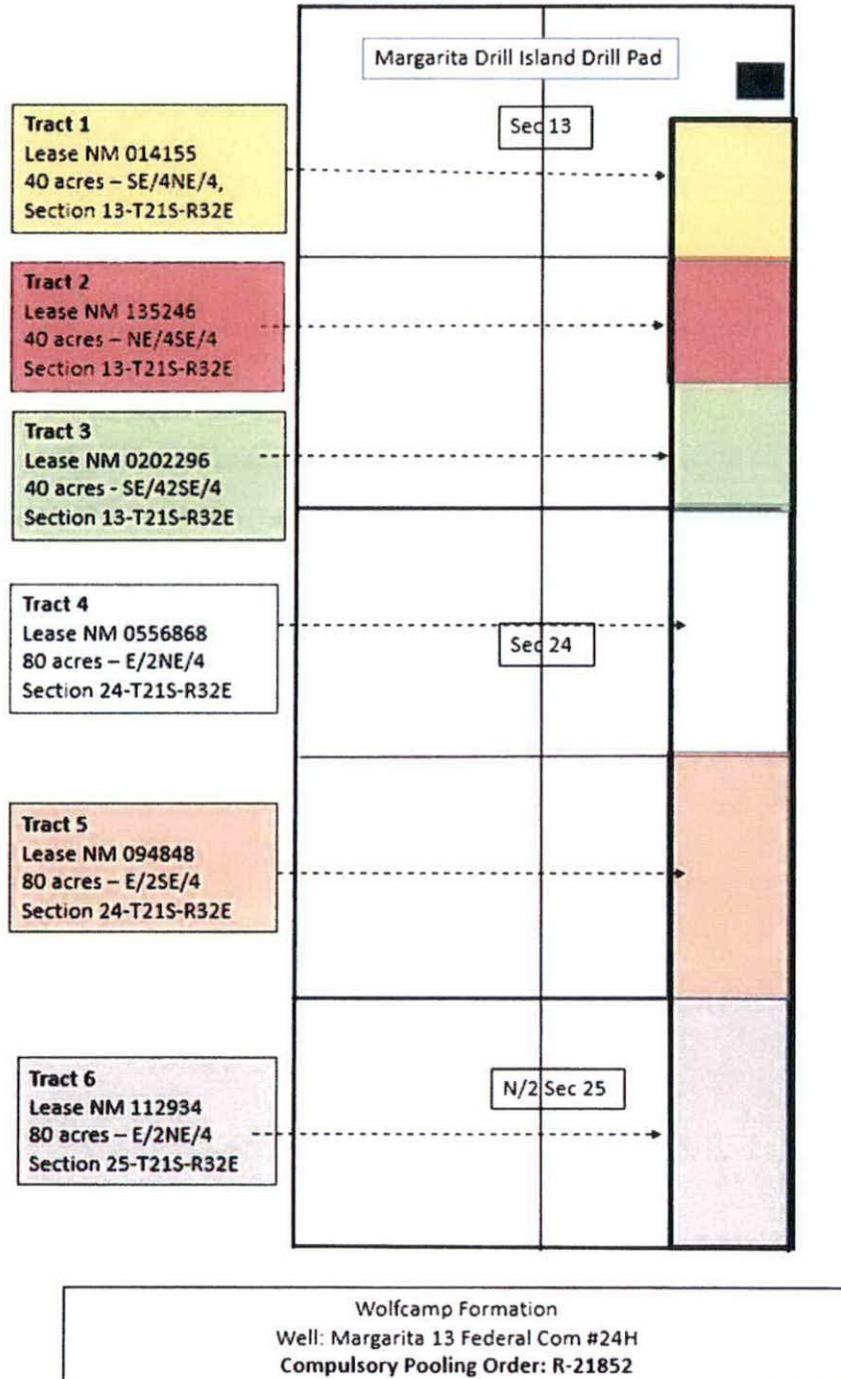
TITLE: Chief Executive Officer

### EXHIBIT "A"

Plat of communitized area covering 360.00 acres in the SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.

#### Margarita 13 Federal Com #24H



**EXHIBIT "B"**

To Communitization Agreement Dated July 1, 2022 embracing the following described land in SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 14155

Description of Land Committed: Township 21 South, Range 32 East, Section 13: SE/4NE/4

Number of Gross Acres: 40.00

Number of Net Acres: 40.00

Current Lessee of Record: Leland A. Hodges\*

Name of Working Interest Owners: Advance Energy partners Hat Mesa, LLC

ORRI Owners: Monarch Resources, Inc., et al

*\*See attached approval letter from Leland A. Hodges.*

Tract No. 2

Lease Serial Number: NMNM 135246

Description of Land Committed: Township 21 South, Range 32 East, Section 13: NE/4SE/4

Number of Gross Acres: 40.00

Number of Net Acres: 40.00

Current Lessee of Record: Marathon Oil Permian, LLC

Name of Working Interest Owners: Marathon Oil Permian, LLC

ORRI Owners: None

Tract No. 3

Lease Serial Number: NMNM 0202296

Description of Land Committed: Township 21 South, Range 32 East,  
Section 13: SE/4SE/4

Number of Gross Acres: 40.00

Number of Net Acres: 40.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co,  
LLC

Tract No. 4

Lease Serial Number: NMNM 0556868

Description of Land Committed: Township 21 South, Range 32 East,  
Section 24: E/2NE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC\*

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: Rolla R. Hinkle, III, et al

**\* ConocoPhillips is the lessee of record at time of submission, however, upon approval of record title assignment filed on March 4, 2022, Advance Energy Partners Hat Mesa, LLC will become Lessee of Record.**

Tract No. 5

Lease Serial Number: NMNM 94848

Description of Land Committed: Township 21 South, Range 32 East,  
Section 24: E/2SE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co,  
LLC, et al

Tract No. 6

Lease Serial Number: NMNM 112934

Description of Land Committed: Township 21 South, Range 32 East,  
Section 25: E/2NE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: COG Operating LLC

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	40.00	11.1111%
2	40.00	11.1111%
3	40.00	11.1111%
4	80.00	22.2222%
5	80.00	22.2222%
6	<u>80.00</u>	<u>22.2223%</u>
Total	360.00	100.0000%



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

April 5, 2021

The Estate of Allen Hodges, Jr.  
c/o Monarch Resources, Inc.  
115 West 7<sup>th</sup> Street, Suite 1310  
Fort Worth, Texas 76102

Attention: Leland A. Hodges, III and Margery Lynn Berry, Co-Personal Representatives

Re: Margarita Development Area  
Communitization Agreements  
S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E  
Lea County, NM

Dear Mr. Hodges and Mrs. Perry

Advance Energy Partners Hat Mesa, LLC ("Advance") plans to commence drilling operations on the referenced lands that include lands covered by Federal Lease NMNM 14155 (the "Lease"). Advance intends to communitize the production from the Lease with other leases covering portions of the captioned lands in order pursue the drilling of horizontal wells, pursuant to the rules and regulations of the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (the "NMOCD").

According to the records of the United States Bureau of Land Management (the "BLM"), Leland Allen Hodges, Jr. holds all of the record title in the Lease. Under the rules and regulations of the BLM, the record title owner under a federal lease is required to either join directly in the execution of all Communitization Agreements or consent in writing to the execution of such Communitization Agreements by the party filing such agreements for approval. In order to facilitate Advance's execution and filing of such Communitization Agreements, we would like to obtain your consent.

To that end, based upon your qualification to serve as the Independent Co-Executors and/or Co-Personal Representatives of the Estate of Leland Allen Hodges, Jr., we are asking you to evidence your consent to the communitization of the Estate's record title interest and interest in operating rights into one or more communitized areas that include all or some portion of the lands covered by the Lease with other adjacent tracts of land.

Advance anticipates that it will file approximately eight different Communitization Agreements, using the form attached hereto (the terms of which are required by the BLM). With your consent to the terms of this letter, and your execution of the Amendment, Advance will be able to certify that you have approved the Communitization Agreements on behalf of the Estate.

If you are willing to consent to Advance's commitment of the Estate's interests to Communitization Agreements that comply with the Amendment and the terms of this letter, please evidence such consent by executing a counterpart of this letter in the space provided below and returning such counterpart to Advance.

The Estate of Leland Allen Hodges, Jr.  
Communitization Agreement  
April 5, 2021  
Page 2

We appreciate your attention and cooperation. If you have any questions, please contact me using the contact information provided below:

Office telephone: 832-672-4623  
Cell Phone: 713-228-7320  
Email: [PBurdick@AdvanceEnergyPartners.com](mailto:PBurdick@AdvanceEnergyPartners.com)

Sincerely,



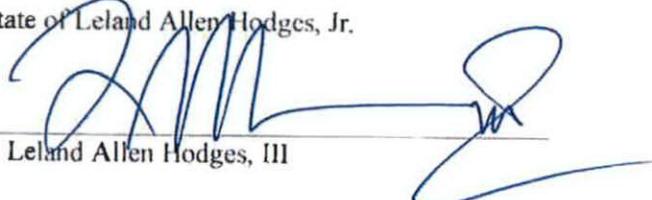
Paul J. Burdick  
Landman  
Advance Energy Partners, LLC

On behalf of the Estate of Leland Allen Hodges, Jr., the undersigned hereby consent to the commitment of the Estate's interests in the Lease to those Communitization Agreements referenced above and grant to Advance, as Operator of the Margarita Ridge Development Area, our permission and approval to certify such consent of the Estate, as required in the applicable Communitization Agreements for wells drilled in the Margarita Ridge Development Area, covering S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E, Lea County, New Mexico.

Executed as of April \_\_, 2021.

The Estate of Leland Allen Hodges, Jr.

By:

  
Leland Allen Hodges, III

By:

  
Margery Lynn Berry

SCANNED

6/2/22

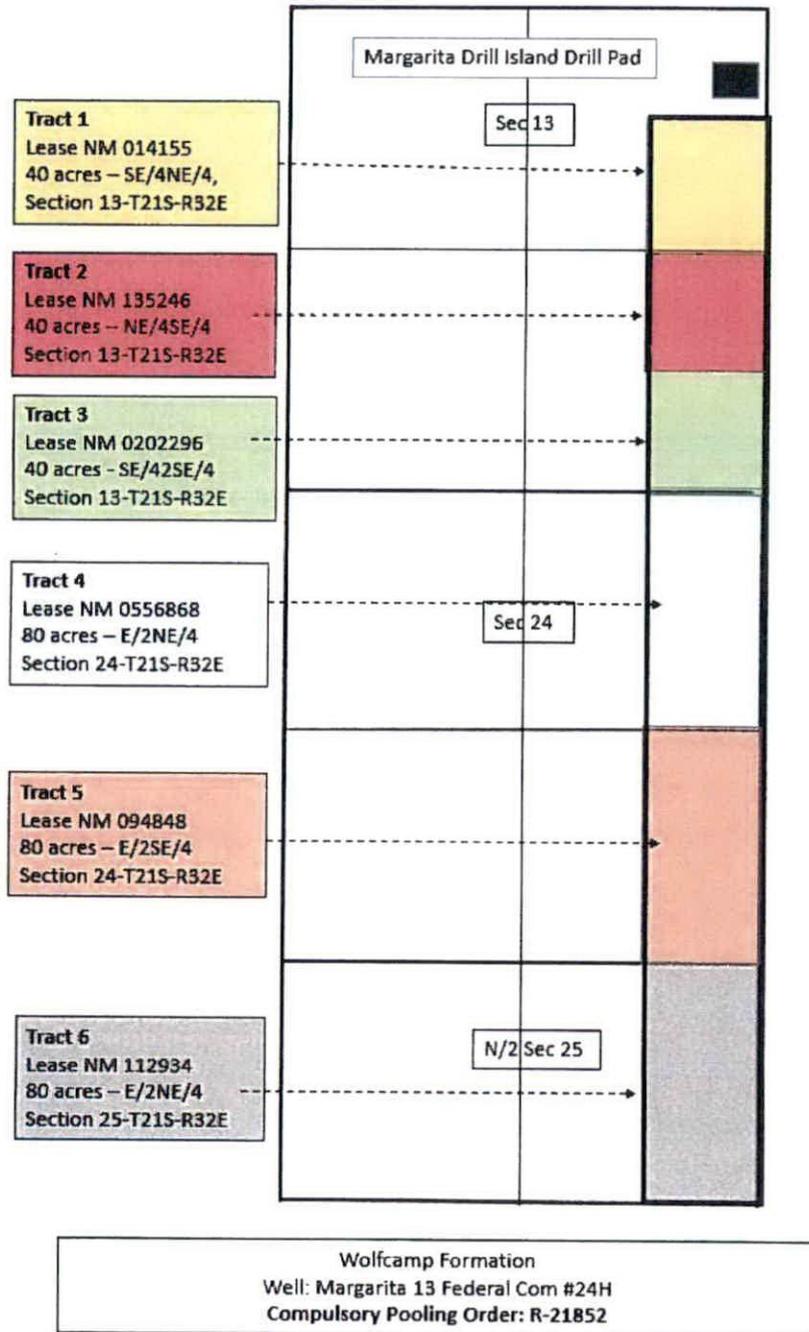
N-BLR-COM-26

### EXHIBIT "A"

Plat of communitized area covering 360.00 acres in the SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.

#### Margarita 13 Federal Com #24H



## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the 1st day of July, 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:

SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Containing 360 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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands

within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

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



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

Advance Energy Partners Hat Mesa, LLC

6/2/2022  
Date

By: [Signature]

Title: Chief Executive Officer

**ACKNOWLEDGEMENT**

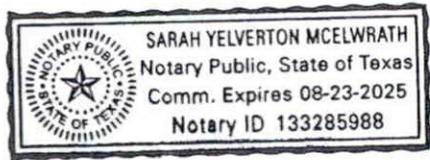
STATE OF TEXAS                    )  
                                                  ) ss.  
COUNTY OF TRAVIS                )

On this 2<sup>nd</sup> day of June, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the Chief Executive Officer of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8/23/2025  
My Commission Expires

[Signature]  
Notary Public







SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, 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:  \_\_\_\_\_ (signature of officer)

Printed: Parker Reese

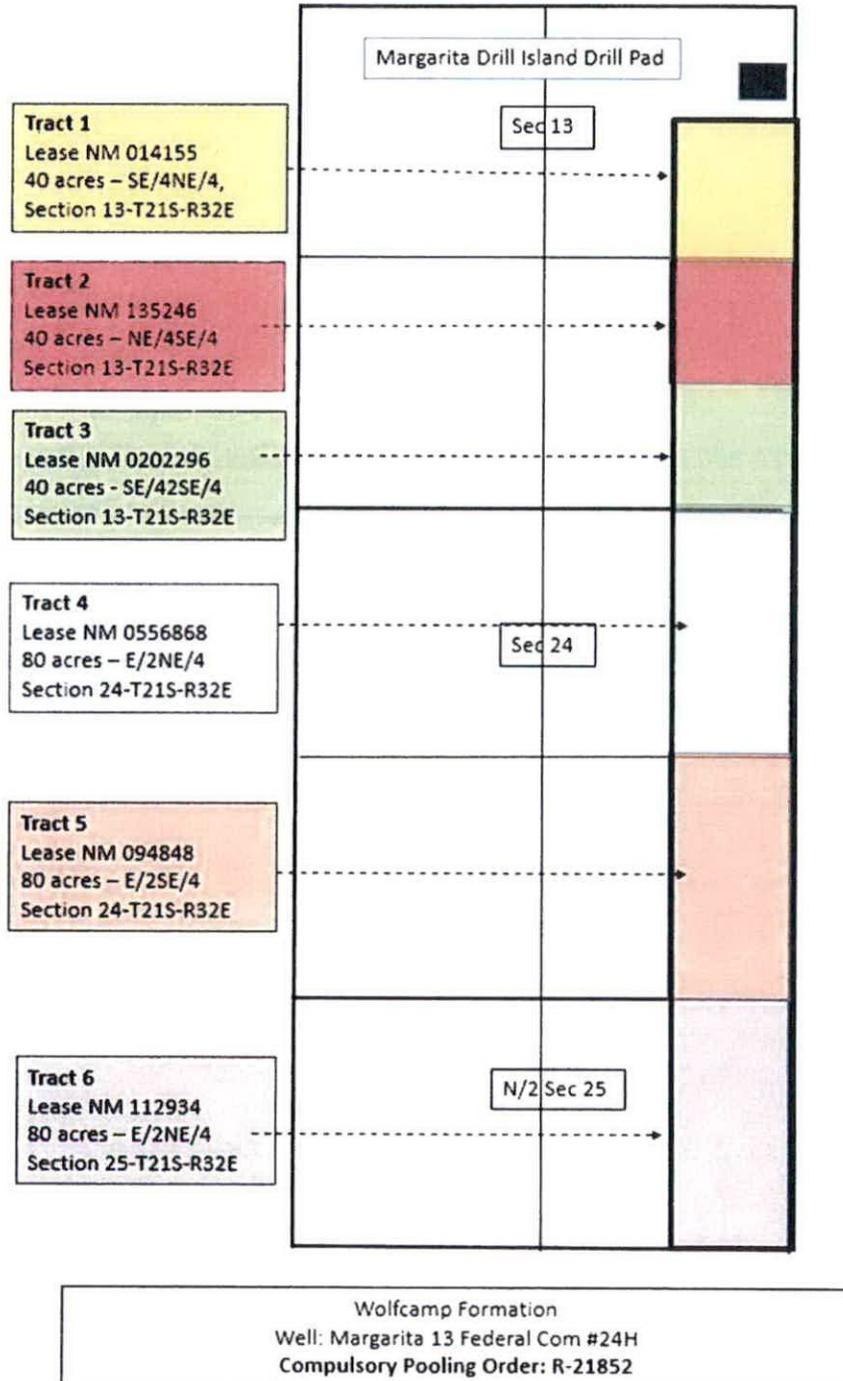
TITLE: Chief Executive Officer

### EXHIBIT "A"

Plat of communitized area covering 360.00 acres in the SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp Formation.

#### Margarita 13 Federal Com #24H



**EXHIBIT "B"**

To Communitization Agreement Dated July 1, 2022 embracing the following described land in SE/4NE/4, E/2SE/4 Section 13, E/2E/2 Section 24 and E/2NE/4 Section 25 of Township 21 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

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

Lease Serial Number:	NMNM 14155
Description of Land Committed:	Township 21 South, Range 32 East, Section 13: SE/4NE/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	Leland A. Hodges*
Name of Working Interest Owners:	Advance Energy partners Hat Mesa, LLC
ORRI Owners:	Monarch Resources, Inc., et al

*\*See attached approval letter from Leland A. Hodges.*

**Tract No. 2**

Lease Serial Number:	NMNM 135246
Description of Land Committed:	Township 21 South, Range 32 East, Section 13: NE/4SE/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	Marathon Oil Permian, LLC

Name of Working Interest Owners: Marathon Oil Permian, LLC

ORRI Owners: None

Tract No. 3

Lease Serial Number: NMNM 0202296

Description of Land Committed: Township 21 South, Range 32 East,  
Section 13: SE/4SE/4

Number of Gross Acres: 40.00

Number of Net Acres: 40.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co,  
LLC

Tract No. 4

Lease Serial Number: NMNM 0556868

Description of Land Committed: Township 21 South, Range 32 East,  
Section 24: E/2NE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC\*

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: Rolla R. Hinkle, III, et al

***\* ConocoPhillips is the lessee of record at time of submission, however, upon approval of record title assignment filed on March 4, 2022, Advance Energy Partners Hat Mesa, LLC will become Lessee of Record.***

Tract No. 5

Lease Serial Number: NMNM 94848

Description of Land Committed: Township 21 South, Range 32 East,  
Section 24: E/2SE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: AEPXCON Management, LLC and AEP EnCap Hold Co,  
LLC, et al

Tract No. 6

Lease Serial Number: NMNM 112934

Description of Land Committed: Township 21 South, Range 32 East,  
Section 25: E/2NE/4

Number of Gross Acres: 80.00

Number of Net Acres: 80.00

Current Lessee of Record: Advance Energy Partners Hat Mesa, LLC

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

ORRI Owners: COG Operating LLC

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	40.00	11.1111%
2	40.00	11.1111%
3	40.00	11.1111%
4	80.00	22.2222%
5	80.00	22.2222%
6	<u>80.00</u>	<u>22.2223%</u>
Total	360.00	100.0000%



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

April 5, 2021

The Estate of Allen Hodges, Jr.  
c/o Monarch Resources, Inc.  
115 West 7<sup>th</sup> Street, Suite 1310  
Fort Worth, Texas 76102

Attention: Leland A. Hodges, III and Margery Lynn Berry, Co-Personal Representatives

Re: Margarita Development Area  
Communitization Agreements  
S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E  
Lea County, NM

Dear Mr. Hodges and Mrs. Perry

Advance Energy Partners Hat Mesa, LLC ("Advance") plans to commence drilling operations on the referenced lands that include lands covered by Federal Lease NMNM 14155 (the "Lease"). Advance intends to communitize the production from the Lease with other leases covering portions of the captioned lands in order pursue the drilling of horizontal wells, pursuant to the rules and regulations of the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (the "NMOCD").

According to the records of the United States Bureau of Land Management (the "BLM"), Leland Allen Hodges, Jr. holds all of the record title in the Lease. Under the rules and regulations of the BLM, the record title owner under a federal lease is required to either join directly in the execution of all Communitization Agreements or consent in writing to the execution of such Communitization Agreements by the party filing such agreements for approval. In order to facilitate Advance's execution and filing of such Communitization Agreements, we would like to obtain your consent.

To that end, based upon your qualification to serve as the Independent Co-Executors and/or Co-Personal Representatives of the Estate of Leland Allen Hodges, Jr., we are asking you to evidence your consent to the communitization of the Estate's record title interest and interest in operating rights into one or more communitized areas that include all or some portion of the lands covered by the Lease with other adjacent tracts of land.

Advance anticipates that it will file approximately eight different Communitization Agreements, using the form attached hereto (the terms of which are required by the BLM). With your consent to the terms of this letter, and your execution of the Amendment, Advance will be able to certify that you have approved the Communitization Agreements on behalf of the Estate.

If you are willing to consent to Advance's commitment of the Estate's interests to Communitization Agreements that comply with the Amendment and the terms of this letter, please evidence such consent by executing a counterpart of this letter in the space provided below and returning such counterpart to Advance.

The Estate of Leland Allen Hodges, Jr.  
Communitization Agreement  
April 5, 2021  
Page 2

We appreciate your attention and cooperation. If you have any questions, please contact me using the contact information provided below:

Office telephone: 832-672-4623  
Cell Phone: 713-228-7320  
Email: Email: [PBurdick@AdvanceEnergyPartners.com](mailto:PBurdick@AdvanceEnergyPartners.com)

Sincerely,



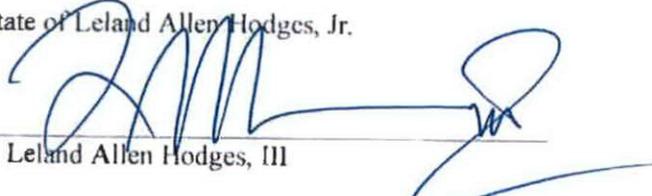
Paul J. Burdick  
Landman  
Advance Energy Partners, LLC

On behalf of the Estate of Leland Allen Hodges, Jr., the undersigned hereby consent to the commitment of the Estate's interests in the Lease to those Communitization Agreements referenced above and grant to Advance, as Operator of the Margarita Ridge Development Area, our permission and approval to certify such consent of the Estate, as required in the applicable Communitization Agreements for wells drilled in the Margarita Ridge Development Area, covering S/2N/2, S/2 Section 13, All of Section 24 and N/2 Section 25, T21S-R32E, Lea County, New Mexico.

Executed as of April \_\_, 2021.

The Estate of Leland Allen Hodges, Jr.

By:

  
Leland Allen Hodges, III

By:

  
Margery Lynn Berry

Advance Energy Partners Hat Mesa, LLC	11490 WESTHEIMER ROAD, STE 950	HOUSTON	TX	77077
Marathon Oil Permian, LLC	990 TOWN & COUNTRY BLVD.	HOUSTON	TX	77024
Veritas Permian Resources III, LLC	PO BOX 10850; ADDRESS 2: 6500 WHITE SETTLEMENT RD., WESTWORTH VILLAGE TX 76114	FT. WORTH	TX	76114
MNO Holdings (I), Inc., as Agent for MNO (I), LLC	800 CAPITOL STREET, STE 3600	HOUSTON	TX	77002
AEPXCON Management, LLC	2619 ROBINHOOD STREET	HOUSTON	TX	77005
AEP ENCAP HOLDCO, LLC	9651 KATY FREEWAY, STE 600	HOUSTON	TX	77024
Chevron Midcontinent, L.P.	PO BOX 4791	HOUSTON	TX	77210- 4791
COG Operating LLC	ONE CONCHO CENTER, 600 WEST ILLINOIS	MIDLAND	TX	79701
William L Cravens, Trustee of the WLC Exempt Trust	3838 OAK LAWN, STE 1416	DALLAS	TX	75219
INDABA Investments Inc	PO BOX 1718	FORT WORTH	TX	76101- 1718
MERPEL, LLC	4245 N. CENTRAL EXPRESSWAY, SUITE 320 BOX 109	DALLAS	TX	75205
Monarch Resources Inc	306 W. 7TH ST, SUITE 701	FORT WORTH	TX	76102- 4906
Colburn Oil, LP	PO BOX 2524	MIDLAND	TX	79702
FLO-TEX Oil Co., LLC	PO BOX 2241	MIDLAND	TX	79702
Integrity Energy, LLC	PO BOX 10253	MIDLAND	TX	79702
Essence Resources, LLC	PO BOX 402	MIDLAND	TX	79702
Pegasus Resources, LLC	PO BOX 733980	DALLAS	TX	75373
Pegasus Resources II, LLC	PO BOX 733980	DALLAS	TX	75373
Petrolima, LLC	203 W. WALL ST., STE 1100	MIDLAND	TX	79701
SMP Sidecar Titan Mineral Holdings, LP	4143 MAPLE AVE., STE 500	DALLAS	TX	75219
SMP Titan Mineral Holdings, LP	4143 MAPLE AVE., STE 500	DALLAS	TX	75219
MSH Family Real Estate Partnership II, LLC	4143 MAPLE AVE., STE 500	DALLAS	TX	75219
SMP Titan Flex, LP	4143 MAPLE AVE., STE 500	DALLAS	TX	75219
Nancy A. Leonard	PO BOX 1718	FT. WORTH	TX	76101
O.P. Leonard III	PO BOX 1718	FT. WORTH	TX	76101
Louise Keffler	PO BOX 1718	FT. WORTH	TX	76101
David Leonard	PO BOX 1718	FT. WORTH	TX	76101

Daniel M. Leonard	PO BOX 471692	FT. WORTH	TX	76147
Obie Hallum	13720 WALSH AVE	ALEDO	TX	76008
Raleigh Hallum	PO BOX 1718	FT. WORTH	TX	76101
Adelaide Church	6612 GENOA RD.	FT. WORTH	TX	76116
Chad Shirley	6110 MAJESTIC PINES DR.	KINGWOOD	TX	77345
Texco Resources, LLC	PO BOX 330, 445 E. CHEYENNE MTN. BLVD., STE C	COLORADO SPRINGS	CO	80906
Independence Resources, LLC	PO BOX 330, 445 E. CHEYENNE MTN. BLVD., STE C	COLORADO SPRINGS	CO	80906
Penasco Petroleum, LLC	P O BOX 2292	ROSWELL	NM	88202
RAISA II HOLDCO, INC	1560 BROADWAY ST., STE 2050	DENVER	CO	80202
Rolla R. Hinkle, III	P O BOX 2292	ROSWELL	NM	88202- 2292
The Cornerstone Family Trust, John Kyle Thoma as Successor Trustee	P. O. Box 558	PEYTON	CO	80831- 0558
TD Minerals LLC	8111 WESTCHESTER DRIVE, SUITE 900	DALLAS	TX	75225
Office of Natural Resources Revenue	PO Box 25165	DENVER	COLORADO	80225



**Paula M. Vance**  
**Associate**  
**Phone** (505) 988-4421  
**Fax** (505) 819-5579  
pmvance@hollandhart.com

July 31, 2023

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of Advance Energy Partners Hat Mesa, LLC for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the S/2 N/2 and S/2 of Section 13, all of Section 24, and the N/2 of Section 25, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the "Lands")**

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 the date this application is received by 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:

Kyle Perkins  
Matador Production Company  
(972) 371-5202  
kperkins@matadorresources.com

Sincerely,

A handwritten signature in blue ink that reads 'Paula M. Vance'.

---

Paula M. Vance  
**ATTORNEY FOR ADVANCE ENERGY PARTNERS  
HAT MESA, LLC & MATADOR PRODUCTION  
COMPANY**

**MANIFEST - 77697 - 7.12 Copy of Margarita Owners Contact**

Parent ID	Mail Date	Company	Name	Address_1	City	ST	Zip	MailClass	TrackingNo	Well
31309	07/31/2023	The Cornerstone Family Trust,	John Kyle Thoma as Successor Trustee	PO Box 558	Peyton	CO	80831-0558	Certified with Return Receipt (Signature)	9402811898765417786157	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 38
31309	07/31/2023	The Wlc Exempt Trust	William L Cravens, Trustee of	3838 Oak Lawn Ave Ste 1416	Dallas	TX	75219-4515	Certified with Return Receipt (Signature)	9402811898765417786867	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 9
31309	07/31/2023		Advance Energy Partners Hat Mesa, LLC	11490 Westheimer Rd Ste 950	Houston	TX	77077-6841	Certified with Return Receipt (Signature)	9402811898765417786201	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 1
31309	07/31/2023		INDABA Investments Inc	PO Box 1718	Fort Worth	TX	76101-1718	Certified with Return Receipt (Signature)	9402811898765417786829	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 10
31309	07/31/2023		MERPEL, LLC	4245 N Central Expy Ste 320 No 109	Dallas	TX	75205-4529	Certified with Return Receipt (Signature)	9402811898765417786805	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 11
31309	07/31/2023		Monarch Resources Inc	306 W 7th St Ste 701	Fort Worth	TX	76102-4906	Certified with Return Receipt (Signature)	9402811898765417786898	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 12
31309	07/31/2023		Colburn Oil, LP	PO Box 2524	Midland	TX	79702-2524	Certified with Return Receipt (Signature)	9402811898765417786843	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 13
31309	07/31/2023		FLO-TEX Oil Co., LLC	PO Box 2241	Midland	TX	79702-2241	Certified with Return Receipt (Signature)	9402811898765417786836	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 14

**MANIFEST - 77697 - 7.12 Copy of Margarita Owners Contact**

Parent ID	Mail Date	Company	Name	Address_1	City	ST	Zip	MailClass	TrackingNo	Well
31309	07/31/2023		Integrity Energy, LLC	PO Box 10253	Midland	TX	79702-7253	Certified with Return Receipt (Signature)	94028118 98765417 786874	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 15
31309	07/31/2023		Essence Resources, LLC	PO Box 402	Midland	TX	79702-0402	Certified with Return Receipt (Signature)	94028118 98765417 786713	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 16
31309	07/31/2023		Pegasus Resources, LLC	PO Box 733980	Dallas	TX	75373-3980	Certified with Return Receipt (Signature)	94028118 98765417 786751	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 17
31309	07/31/2023		Pegasus Resources II, LLC	PO Box 733980	Dallas	TX	75373-3980	Certified with Return Receipt (Signature)	94028118 98765417 786706	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 18
31309	07/31/2023		Petrolima, LLC	203 W Wall St Ste 1100	Midland	TX	79701-4520	Certified with Return Receipt (Signature)	94028118 98765417 786744	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 19
31309	07/31/2023		Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Certified with Return Receipt (Signature)	94028118 98765417 786294	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 2
31309	07/31/2023		SMP Sidecar Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Certified with Return Receipt (Signature)	94028118 98765417 786782	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 20
31309	07/31/2023		SMP Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Certified with Return Receipt (Signature)	94028118 98765417 786737	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 21

**MANIFEST - 77697 - 7.12 Copy of Margarita Owners Contact**

Parent ID	Mail Date	Company	Name	Address_1	City	ST	Zip	MailClass	TrackingNo	Well
31309	07/31/2023		MSH Family Real Estate Partnership II, LLC	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Certified with Return Receipt (Signature)	94028118 98765417 786775	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 22
31309	07/31/2023		SMP Titan Flex, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Certified with Return Receipt (Signature)	94028118 98765417 786911	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 23
31309	07/31/2023		Nancy A. Leonard	PO Box 1718	Ft Worth	TX	76101-1718	Certified with Return Receipt (Signature)	94028118 98765417 786966	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 24
31309	07/31/2023		O.P. Leonard III	PO Box 1718	Ft Worth	TX	76101-1718	Certified with Return Receipt (Signature)	94028118 98765417 786904	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 25
31309	07/31/2023		Louise Keffler	PO Box 1718	Ft Worth	TX	76101-1718	Certified with Return Receipt (Signature)	94028118 98765417 786997	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 26
31309	07/31/2023		David Leonard	PO Box 1718	Ft Worth	TX	76101-1718	Certified with Return Receipt (Signature)	94028118 98765417 786942	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 27
31309	07/31/2023		Daniel M. Leonard	PO Box 471692	Ft Worth	TX	76147-1692	Certified with Return Receipt (Signature)	94028118 98765417 786980	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 28
31309	07/31/2023		Obie Hallum	13720 Walsh Ave	Aledo	TX	76008-1909	Certified with Return Receipt (Signature)	94028118 98765417 786935	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 29

**MANIFEST - 77697 - 7.12 Copy of Margarita Owners Contact**

Parent ID	Mail Date	Company	Name	Address_1	City	ST	Zip	MailClass	TrackingNo	Well
31309	07/31/2023		Veritas Permian Resources III, LLC	PO Box 10850	Ft Worth	TX	76114-0850	Certified with Return Receipt (Signature)	94028118 98765417 786249	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 3
31309	07/31/2023		Raleigh Hallum	PO Box 1718	Ft Worth	TX	76101-1718	Certified with Return Receipt (Signature)	94028118 98765417 786973	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 30
31309	07/31/2023		Adelaide Church	6612 Genoa Rd	Ft Worth	TX	76116-1848	Certified with Return Receipt (Signature)	94028118 98765417 786621	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 31
31309	07/31/2023		Chad Shirley	6110 Majestic Pines Dr	Kingwood	TX	77345-3331	Certified with Return Receipt (Signature)	94028118 98765417 786690	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 32
31309	07/31/2023		Texco Resources, LLC	PO Box 330, 445 E. Cheyenne Mtn. Blvd., Ste C	Colorado Springs	CO	80906	Certified with Return Receipt (Signature)	94028118 98765417 786645	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 33
31309	07/31/2023		Independence Resources, LLC	PO Box 330, 445 E. Cheyenne Mtn. Blvd., Ste C	Colorado Springs	CO	80906	Certified with Return Receipt (Signature)	94028118 98765417 786683	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 34
31309	07/31/2023		Penasco Petroleum, LLC	PO Box 2292	Roswell	NM	88202-2292	Certified with Return Receipt (Signature)	94028118 98765417 786638	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 35
31309	07/31/2023		RAISA II HOLDCO, INC	1560 Broadway Ste 2050	Denver	CO	80202-5168	Certified with Return Receipt (Signature)	94028118 98765417 786676	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 36

**MANIFEST - 77697 - 7.12 Copy of Margarita Owners Contact**

Parent ID	Mail Date	Company	Name	Address_1	City	ST	Zip	MailClass	TrackingNo	Well
31309	07/31/2023		Rolla R. Hinkle, III	PO Box 2292	Roswell	NM	88202-2292	Certified with Return Receipt (Signature)	94028118 98765417 786119	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 37
31309	07/31/2023		TD Minerals LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Certified with Return Receipt (Signature)	94028118 98765417 786126	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 39
31309	07/31/2023		MNO Holdings I, Inc., as Agent for MNO I, LLC	800 Capitol St Ste 3600	Houston	TX	77002-2932	Certified with Return Receipt (Signature)	94028118 98765417 786287	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 4
31309	07/31/2023		Office of Natural Resources Revenue	PO Box 25165	Denver	CO	80225-0165	Certified with Return Receipt (Signature)	94028118 98765417 786102	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 40
31309	07/31/2023		AEPXCON Management, LLC	2619 Robinhood St	Houston	TX	77005-2431	Certified with Return Receipt (Signature)	94028118 98765417 786232	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 5
31309	07/31/2023		AEP ENCAP HOLDCO, LLC	9651 Katy Fwy Ste 600	Houston	TX	77024-1590	Certified with Return Receipt (Signature)	94028118 98765417 786270	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 6
31309	07/31/2023		Chevron Midcontinent, L.P.	PO Box 4791	Houston	TX	77210-4791	Certified with Return Receipt (Signature)	94028118 98765417 786812	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 7
31309	07/31/2023		COG Operating LLC	600 W Illinois Ave One Concho Center	Midland	TX	79701-4882	Certified with Return Receipt (Signature)	94028118 98765417 786850	77697 - 7.12 Copy of Margarita Owners Contact30203696v1.XLSX - 8

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Paula M. Vance](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-907  
**Date:** Friday, August 25, 2023 5:01:32 PM  
**Attachments:** [PLC907 Order.pdf](#)

NMOCD has issued Administrative Order PLC-907 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-47195	Margarita 13 Federal Com #1H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-47196	Margarita 13 Federal Com #2H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-48008	Margarita 13 Federal Com #9H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-48009	Margarita 13 Federal Com #13H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-47197	Margarita 13 Federal Com #3H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	
30-025-47198	Margarita 13 Federal Com #4H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	
30-025-49183	Margarita 13 Federal Com #10H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	
30-025-49186	Margarita 13 Federal Com #14H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	
30-025-49250	Margarita 13 Federal Com #22H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	
30-025-47199	Margarita 13 Federal Com #5H	G J O	13-21S-32E	97895
		W/2 E/2	24-21S-32E	
		B G	25-21S-32E	
30-025-47200	Margarita 13 Federal Com #6H	G J O	13-21S-32E	97895
		W/2 E/2	24-21S-32E	
		B G	25-21S-32E	
30-025-49184	Margarita 13 Federal Com #11H	G J O	13-21S-32E	97895
		W/2 E/2	24-21S-32E	
		B G	25-21S-32E	
30-025-49187	Margarita 13 Federal Com #15H	G J O	13-21S-32E	97895
		W/2 E/2	24-21S-32E	
		B G	25-21S-32E	
		G J O	13-21S-32E	

30-025-50128	Margarita 13 Federal Com #20H	W/2 E/2 B G	24-21S-32E 25-21S-32E	97895
30-025-47201	Margarita 13 Federal Com #7H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-47202	Margarita 13 Federal Com #8H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-49185	Margarita 13 Federal Com #12H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-49188	Margarita 13 Federal Com #16H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-48247	Margarita 13 Federal Com #17H	E L M W/2 W/2 D E	13-21S-32E 24-21S-32E 25-21S-32E	98033
30-025-49497	Margarita 13 Federal Com #23H	G J O W/2 E/2 B G	13-21S-32E 24-21S-32E 25-21S-32E	98033
30-025-49498	Margarita 13 Federal Com #24H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	98033

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

USPS CERTIFIED MAIL

Holland & Hart LLP  
P.O. Box 2208  
Santa Fe, NM 87504-2208



MRC - Margarita Commingling

9214 8901 9403 8326 3775 98

Bureau of Land Management  
301 Dinosaur Trail  
Santa Fe NM 87508

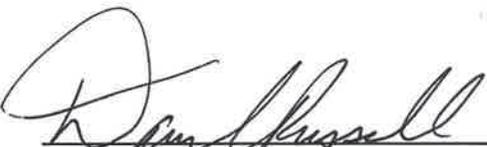
Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
August 03, 2023  
and ending with the issue dated  
August 03, 2023.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
3rd day of August 2023.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2027

STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

To: All affected parties, including: Advance Energy Partners Hat Mesa, LLC; Marathon Oil Permian, LLC; Veritas Permian Resources III, LLC; MNO Holdings (I), Inc., as Agent for MNO (I), LLC; AEPXCON Management, LLC; AEP ENCAP HOLDCO, LLC; Chevron Midcontinent, L.P.; COG Operating LLC; William L Cravens, Trustee of the WLC Exempt Trust; INDABA Investments Inc; MERPEL, LLC; Monarch Resources Inc; Colburn Oil, LP; FLO-TEX Oil Co., LLC; Integrity Energy, LLC; Essence Resources, LLC; Pegasus Resources, LLC; Pegasus Resources II, LLC; Petrolima, LLC; SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Mineral Holdings, LP; MSH Family Real Estate Partnership II, LLC; SMP Titan Flex, LP; Nancy A. Leonard, her heirs and devisees; O.P. Leonard III, his or her heirs and devisees; Louise Keffler, her heirs and devisees; David Leonard, his heirs and devisees; Daniel M. Leonard, his heirs and devisees; Obie Hallum, his or her heirs and devisees; Raleigh Hallum, his or her heirs and devisees; Adelaide Church, his or her heirs and devisees; Chad Shirley, his heirs and devisees; Texco Resources, LLC; Independence Resources, LLC; Penasco Petroleum, LLC; RAISA II HOLDCO, INC; Rolla R. Hinkle, III, his heirs and devisees; The Cornerstone Family Trust, John Kyle Thoma as Successor Trustee; TD Minerals LLC; and Office of Natural Resources Revenue.

Application of Advance Energy Partners Hat Mesa, LLC for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the S/2 N/2 and S/2 of Section 13, all of Section 24, and the N/2 of Section 25, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the "Lands"). Advance Energy Partners Hat Mesa, LLC (OGRID No. 372417) ("Advance"), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the Margarita Tank Battery insofar as all existing and future wells drilled in the following spacing units:

(a) The 360-acre spacing unit comprised of the SW/4 NW/4 and W/2 SW/4 of Section 13, W/2 W/2 of Section 24, and the W/2 NW/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the Margarita Federal Com 13 1H (API. No. 30-025-47195), Margarita Federal Com 13 2H (API. No. 30-025-47196), Margarita Federal Com 13 9H (API. No. 30-025-48008), and Margarita Federal Com 13 13H (API. No. 30-025-48009);

(b) The 360-acre spacing unit comprised of the SE/4 NW/4 and E/2 SW/4 of Section 13, E/2 W/2 of Section 24, and the E/2 NW/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the Margarita Federal Com 13 3H (API. No. 30-025-47197), Margarita Federal Com 13 4H (API. No. 30-025-47198), Margarita Federal Com 13 10H (API. No. 30-025-49183), Margarita Federal Com 13 14H (API. No. 30-025-49186), and Margarita Federal Com 13 22H (API. No. 30-025-49250);

(c) The 360-acre spacing unit comprised of the SW/4 NE/4 and W/2 SE/4 of Section 13, W/2 E/2 of Section 24, and the W/2 NE/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the Margarita Federal Com 13 5H (API. No. 30-025-47199), Margarita Federal Com 13 6H (API. No. 30-025-47200), Margarita Federal Com 13 11H (API. No. 30-025-49184), and Margarita Federal Com 13 15H (API. No. 30-025-49187);

(d) The 360-acre spacing unit comprised of the SE/4 NE/4 and E/2 SE/4 of Section 13, E/2 E/2 of Section 24, and the E/2 NE/4 of Section 25, in the WC-025 G-08 S213304D; Bone Spring (97895) – currently dedicated to the Margarita Federal Com 13 7H (API. No. 30-025-47201), Margarita Federal Com 13 8H (API. No. 30-025-47202), Margarita Federal Com 13 12H (API. No. 30-025-49185), and Margarita Federal Com 13 16H (API. No. 30-025-49188);

(e) The 360-acre spacing unit comprised of the SW/4 NW/4 and W/2 SW/4 of Section 13, W/2 W/2 of Section 24, and the W/2 NW/4 of Section 25, in the WC-025 G-10 S213328O; Wolfcamp (98033) – currently dedicated to the Margarita Federal Com 13 17H (API. No. 30-025-48247);

(f) The 360-acre spacing unit comprised of the SW/4 NE/4 and W/2 SE/4 of Section 13, W/2 E/2 of Section 24, and the W/2 NE/4 of Section 25, in the WC-025 G-10 S213328O; Wolfcamp (98033) – currently dedicated to the Margarita Federal Com 13 23H (API. No. 30-025-49497);

(g) The 360-acre spacing unit comprised of the SE/4 NE/4 and E/2 SE/4 of Section 13, E/2 E/2 of Section 24, and the E/2 NE/4 of Section 25, in the WC-025 G-10 S213328O; Wolfcamp (98033) – currently dedicated to the Margarita Federal Com 13 24H (API. No. 30-025-49498);

(h) The 360-acre spacing unit comprised of the SW/4 NE/4 and W/2 SE/4 of Section 13, W/2 E/2 of Section 24, and the W/2 NE/4 of Section 25, in the Salt Lake; Bone Spring (53560) – currently dedicated to the Margarita Federal Com 13 20H (API. No. 30-025-50128); and

(i) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the Margarita Tank Battery with notice provided only to the owners of interests to be added.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 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 Kyle Perkins, Matador Production Company, (972) 371-5202 or KPerkins@matadorresources.com. #00281150

67100754

00281150

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

**From:** [Paula M. Vance](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** RE: [EXTERNAL] RE: Action ID: 246062; PLC-904  
**Date:** Monday, August 14, 2023 9:30:59 AM  
**Attachments:** [Banners\\_20230814150031.pdf](#)

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Dean,

Attached is the tracking information with the notice to the BLM Santa Fe office. Once I get the updated C-102 for the MARGARITA 13 FEDERAL COM #020H with the corrected pool, I will send it your way.

Let me know if you need anything else regarding the notice.

**Paula Vance**  
Associate, Holland & Hart LLP

[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com) | **T:** (505) 954-7286 | **M:** (337) 280-9055

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**From:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Sent:** Sunday, August 13, 2023 3:00 PM  
**To:** Paula M. Vance <PMVance@hollandhart.com>  
**Subject:** RE: [EXTERNAL] RE: Action ID: 246062; PLC-904

Paula,

While I could see the argument for the notice to the SLO and/or BLM requiring a 20 day notice period; the Division has not been requiring this as there is a requirement that the SLO and/or BLM grant like approval prior to the Division's approval being in affect. As such, you may mail it out via certified mail if you wish and provide me with the tracking number per normal without restarting the 20 day notice period. Alternatively, the Division has been accepting a print off of the sundry notice to the BLM in lieu of certified mail, although perhaps this path isn't as ideal.

Sounds good; I'll use Unit Letters F and G of Section 13, Township 21 South, Range 32 East. Due to the facility being within the project area and your argument that the correct location is within the application and if any confusion was caused then the interest owner could have contacted the applicant, **no new notice will be required**. Please note this is not to say that such an argument will always be sufficient in the future.

Additionally, see [19.15.12.10](#) C.(4)(e)(ii) NMAC. As such, please take note of this for future applications and NOPs. In the application itself, I will want to know the location to the quarter-quarter, but for the NOP, down to the section will be sufficient.

**[19.15.12.10 C.\(4\)\(e\) NMAC](#)**

**(e) Notice by publication.** When an applicant is unable to locate all interest owners after exercising reasonable diligence, the applicant shall provide notice by publication and submit proof of publication with the application. Such proof shall consist of a copy of the legal advertisement that was published in a newspaper of general circulation in the county or counties in which the commingled production is located. The advertisement

shall include:

- (i) the applicant's name, address, telephone number and contact party;
- (ii) the location by section, township and range of the leases from which production will be commingled and **the location of the commingling facility;**
- (iii) the source of all commingled production by pool name; and
- (iv) a notation that interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the division may approve the application.

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

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**From:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Sent:** Sunday, August 13, 2023 2:23 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Subject:** [EXTERNAL] RE: Action ID: 246062; PLC-904

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

1. Regarding the notice to the BLM, since this is time-sensitive, would it be sufficient for us to hand deliver to their Santa Fe office tomorrow? Alternatively, we can mail it to the BLM from our office tomorrow and I can provide tracking information to you. Let me know.
2. See the correct version highlighted below. The lease map is correct and the "Section 18" was a typo in the application letter. I don't believe that this should be an issue because the lease map clearly depicts the CTB location. I've also provided contact information for myself, Matador's facilities engineer and Matador's in-house counsel (NOP) in the event a notice party required clarification. Also, the NOP does not specify the exact location, so the only place that the typo exists is in the application letter. Let me know if you need further justification.
3. Attached is the NOP affidavit.

**Paula Vance**  
Associate, Holland & Hart LLP

[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com) | T: (505) 954-7286 | M: (337) 280-9055

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email.

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Sunday, August 13, 2023 1:31 PM  
**To:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** RE: Action ID: 246062; PLC-904

Additionally, please confirm the location of the battery.

Listed in the application: Unit Letters F and G of Section 18, Township 21 South, Range 32 East

Lease Map in application: Unit Letters F and G of Section 13, Township 21 South, Range 32 East

Presumably the lease map is correct as the location listed in the application would be ~ 5 miles to the west of the well pads. Diversly perhaps the battery is in Range 33 East which would make it only ~ 1 mile to the east. Please note that the commingling location is relevant when it comes to the notice requirements of surface commingling applications (consideration must be taken by the Division whether to require new notice). Arguably it is reasonable to assume that if the interest owners did not protest a location about 5 miles to the west of the "leases" then they would not protest a much closer location, but this would not be an ideal situation. Diversly, if the battery is in section 13, then it falls within the project area and any off lease approval would be granted via part 12 rather than part 23 which makes the location much less relevant.

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

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**From:** McClure, Dean, EMNRD  
**Sent:** Sunday, August 13, 2023 1:15 PM  
**To:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** Action ID: 246062; PLC-904

To whom it may concern (c/o Paula Vance for Advance Energy Partners Hat Mesa, LLC),

The Division is reviewing the following application:

<b>Action ID</b>	246062
<b>Admin No.</b>	PLC-904
<b>Applicant</b>	Advance Energy Partners Hat Mesa, LLC (372417)
<b>Title</b>	Margarita Tank Battery
<b>Sub. Date</b>	07/31/2023

Please provide the following additional supplemental documents:

- 

Please provide additional information regarding the following:

- Please confirm that the BLM has been notified of this application. Notice to the revenue service in Denver is not sufficient.

Additional notes:

- My current review of this application was done with the assumption that public notice was conducted. If it was not, there may be additional questions forthcoming prior to my recommendation that a permit be issued for this project.
- The following well may have the incorrect pool associated with it. I am currently reaching out to the

Division's District Geologist on the matter for confirmation. The final order may be affected by this, but no further action should be needed from the applicant regardless.

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<b>30-025-50128</b>	<b>Margarita 13 Federal Com #20H</b>	<b>G J O W/2 E/2 B G</b>	<b>13-21S-32E 24-21S-32E 25-21S-32E</b>	<b>53560</b>
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All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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 MATADOR PRODUCTION COMPANY**

**ORDER NO. PLC-907**

**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. Matador Production Company (“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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. 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.
6. 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.
7. 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.
8. 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**

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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**

  
 \_\_\_\_\_  
**DYLAN M. FUGE**  
**DIRECTOR**

**DATE:** 8/25/2023

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-907  
Operator: Matador Production Company (228937)  
Central Tank Battery: Margarita Tank Battery  
Central Tank Battery Location: UL F G, Section 18, Township 21 South, Range 32 East  
Gas Title Transfer Meter Location: UL F G, Section 18, Township 21 South, Range 32 East

### Pools

Pool Name	Pool Code
WC-025 G-08 S213304D; BONE SPRING	97895
WC-025 G-10 S2133280; WOLFCAMP	98033

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 105555720 (014155)	E F G H J K L	13-21S-32E
NMNM 105305435 (135246)	I	13-21S-32E
NMNM 105446903 (0202296)	S/2 S/2	13-21S-32E
NMNM 105315649 (0556868)	N/2	24-21S-32E
NMNM 105317738 (094848)	S/2	24-21S-32E
NMNM 105394313 (112934)	N/2	25-21S-32E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-47195	Margarita 13 Federal Com #1H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-47196	Margarita 13 Federal Com #2H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-48008	Margarita 13 Federal Com #9H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-48009	Margarita 13 Federal Com #13H	E L M	13-21S-32E	97895
		W/2 W/2	24-21S-32E	
		D E	25-21S-32E	
30-025-47197	Margarita 13 Federal Com #3H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	
30-025-47198	Margarita 13 Federal Com #4H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	
30-025-49183	Margarita 13 Federal Com #10H	F K N	13-21S-32E	97895
		E/2 W/2	24-21S-32E	
		C F	25-21S-32E	

30-025-49186	Margarita 13 Federal Com #14H	F K N E/2 W/2 C F	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-49250	Margarita 13 Federal Com #22H	F K N E/2 W/2 C F	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-47199	Margarita 13 Federal Com #5H	G J O W/2 E/2 B G	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-47200	Margarita 13 Federal Com #6H	G J O W/2 E/2 B G	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-49184	Margarita 13 Federal Com #11H	G J O W/2 E/2 B G	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-49187	Margarita 13 Federal Com #15H	G J O W/2 E/2 B G	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-50128	Margarita 13 Federal Com #20H	G J O W/2 E/2 B G	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-47201	Margarita 13 Federal Com #7H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-47202	Margarita 13 Federal Com #8H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-49185	Margarita 13 Federal Com #12H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-49188	Margarita 13 Federal Com #16H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	97895
30-025-48247	Margarita 13 Federal Com #17H	E L M W/2 W/2 D E	13-21S-32E 24-21S-32E 25-21S-32E	98033
30-025-49497	Margarita 13 Federal Com #23H	G J O W/2 E/2 B G	13-21S-32E 24-21S-32E 25-21S-32E	98033
30-025-49498	Margarita 13 Federal Com #24H	H I P E/2 E/2 A H	13-21S-32E 24-21S-32E 25-21S-32E	98033

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: PLC-907  
Operator: Matador Production Company (228937)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105770678	S/2 NW/4, SW/4	13-21S-32E	720	A
	W/2	24-21S-32E		
	NW/4	25-21S-32E		
CA Bone Spring NMNM 105770714	S/2 NE/4, SE/4	13-21S-32E	720	B
	E/2	24-21S-32E		
	NE/4	25-21S-32E		
CA Wolfcamp NMNM 105770713	S/2 NW/4, SW/4	13-21S-32E	720	C
	W/2	24-21S-32E		
	NW/4	25-21S-32E		
CA Wolfcamp NMNM 105768335	G J O	13-21S-32E	360	D
	W/2 E/2	24-21S-32E		
	B G	25-21S-32E		
CA Wolfcamp NMNM 105770715	H I P	13-21S-32E	360	E
	E/2 E/2	24-21S-32E		
	A H	25-21S-32E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105555720 (014155)	E F L K	13-21S-32E	160	A
NMNM 105446903 (0202296)	M N	13-21S-32E	80	A
NMNM 105315649 (0556868)	NW/4	24-21S-32E	160	A
NMNM 105317738 (094848)	SW/4	24-21S-32E	160	A
NMNM 105394313 (112934)	NW/4	25-21S-32E	160	A
NMNM 105555720 (014155)	G H J	13-21S-32E	120	B
NMNM 105305435 (135246)	I	13-21S-32E	40	B
NMNM 105446903 (0202296)	O P	13-21S-32E	80	B
NMNM 105315649 (0556868)	NE/4	24-21S-32E	160	B
NMNM 105317738 (094848)	SE/4	24-21S-32E	160	B
NMNM 105394313 (112934)	NE/4	25-21S-32E	160	B
NMNM 105555720 (014155)	E F L K	13-21S-32E	160	C
NMNM 105446903 (0202296)	M N	13-21S-32E	80	C
NMNM 105315649 (0556868)	NW/4	24-21S-32E	160	C
NMNM 105317738 (094848)	SW/4	24-21S-32E	160	C
NMNM 105394313 (112934)	NW/4	25-21S-32E	160	C
NMNM 105555720 (014155)	G J	13-21S-32E	80	D
NMNM 105446903 (0202296)	O	13-21S-32E	40	D
NMNM 105315649 (0556868)	W/2 NE/4	24-21S-32E	80	D

NMNM 105317738 (094848)	W/2 SE/4	24-21S-32E	80	D
NMNM 105394313 (112934)	W/2 NE/4	25-21S-32E	80	D
NMNM 105555720 (014155)	H	13-21S-32E	40	E
NMNM 105305435 (135246)	I	13-21S-32E	40	E
NMNM 105446903 (0202296)	P	13-21S-32E	40	E
NMNM 105315649 (0556868)	E/2 NE/4	24-21S-32E	80	E
NMNM 105317738 (094848)	E/2 SE/4	24-21S-32E	80	E
NMNM 105394313 (112934)	E/2 NE/4	25-21S-32E	80	E

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

CONDITIONS

Action 246062

**CONDITIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 246062
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmclure	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.	8/25/2023