

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ 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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

 Print or Type Name

 Date

 Phone Number

 Signature

 e-mail Address

//s// Deirdre Devery



**Chevron North America
Exploration and Production Company**
(A Chevron U.S.A. Inc. Division)
6301 Deauville Blvd
Midland, TX 79706

December 13, 2023

RE: Amendment to PLC 887-A to surface commingle (pool and lease) oil and gas production and approval for off-lease measurement and storage.

Chevron U.S.A. Inc. ("Chevron") seeks administrative approval, pursuant to 19.15.12.10 NMAC, to surface commingle (pool and lease) diversely owned oil and gas production from all existing and future wells from the "leases," as defined by 19.15.12.7(C) NMAC, and their associated pools, described in Exhibits A and B. In connection with this administrative amendment application, Chevron has concurrently submitted a hearing application to dismiss the commingling authority under Order No. R-22488 (authorizing commingling of oil production from the Wolfcamp and Bone Spring pools within the Cicada Unit (NMNM 137168X ("Cicada Unit"))); the pendency of that dismissal is predicated on approval of this amendment application, which requests approval of the same under PLC 887-A.

A portion of the lands described in Exhibits A and B is currently contained within the Cicada Unit and its related Wolfcamp PA (NMNM 137168A) and Bone Spring PA (NMNM 137168X) (pending), while a separate portion is contained within a CA for the Wolfcamp formation (NM138618). Other lands included within this application, and which are described in Exhibits A and B, are individual leases to be included in proposed CAs. Copies of the proposed CAs are included with this application as Exhibit U. Chevron respectfully requests authority to commingle production from all wells, including any future wells, from the pools and leases described in Exhibits A and B. Chevron requests authority to add future wells by filing a Subsequent Report Sundry to the Bureau of Land Management for Federal approval and filing a C-103 and C-102 with the NMOCD.

Pursuant to 19.15.12.10.C.(4)(g) NMAC, Chevron also seeks approval to prospectively include additional pools, leases or leases and pools connected to the tank batteries described herein, with notice provided only to the interest owners whose interest in the production is to be added.

All wells and future wells governed by this oil and gas commingling application are planned to tie into the following facilities and future facilities:

- Hayhurst New Mexico Sec. 9 CTB, located in the SWSW (UL:M), Sec. 9, T26S-R27E.
- Hayhurst New Mexico Sec.10 CTB, located in the NENE (UL:A), Sec. 10, T26S-R27E.
- Hayhurst New Mexico Sec. 35 CTB, located in the NENE (UL:A), Sec. 35, T25S-R27E.
- Hayhurst New Mexico Sec.12 CTB, located in the SWNE (UL:G), Sec. 12, T26S-R27E.
- Hayhurst New Mexico Sec. 25 CTB, located in the SENW (UL:F), Sec. 25, T26S-R27E.

Monthly production for the last six months is attached for all current producing wells. Well production will be allocated based on a production curve from well tests, tested at a frequency of 10 well tests per month during the initial production phase before peak production is reached but not to exceed 30 days. For each well, during the plateau period or while decline rate is greater than 22%, the oil and gas production shall be allocated using a minimum of three (3) well tests per month. During the final stages of the well decline period, each well will be tested at a frequency

of two (2) well tests per month when the decline rate is between 22% and 10% per month; and one (1) well test per month when the decline rate is less than 10% per month.

The thirty-four (34) wells currently producing (Table A), along with the twenty (20) wells drilled, uncompleted and not producing (Table A) and future wells (not listed in Table A below), that will produce into HHNM CTB 9 are or will be tested under the following conditions at a minimum:

- Range 0 (peak): 10 tests per month
- Range 1 (plateau or decline rate greater than 22%): 3 tests per month
- Range 2 (decline rate is between 22% and 10%): 2 tests per month
- Range 3 (decline rate is less than 10%): 1 test per month

Table A: HHNM Section 9 CTB Wells List

¹New well being added to PLC-887A, ²Well name was recently changed with a sundry report submitted

Well Name	Range of Decline	API	Lease
HH SO 17 20 FEDERAL COM 707H ²	3	30-015-45100	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 708H ²	3	30-015-45101	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 709H ²	3	30-015-45154	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 609H ²	3	30-015-45155	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 608H ²	3	30-015-45102	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 607H ²	3	30-015-45103	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 403H ²	3	30-015-45115	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 404H ²	3	30-015-45116	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 603H ²	3	30-015-45117	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 604H ²	3	30-015-45118	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 703H ²	3	30-015-45119	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 704H ²	3	30-015-45120	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FED COM P02 5H ²	3	30-015-43935	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FED COM P02 6H ²	3	30-015-43934	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FED COM P02 13H ²	3	30-015-43933	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FED COM P02 14H ²	3	30-015-43931	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FED COM P02 21H ²	3	30-015-43927	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FED COM P02 22H ²	3	30-015-43928	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 407H ²	3	30-015-45104	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 610 ² H	3	30-015-45105	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 408 ² H	3	30-015-45106	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 710 ² H	3	30-015-45107	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)

Well Name	Range of Decline	API	Lease
HH SO 17 20 FEDERAL COM 409 ² H	3	30-015-45108	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 611 ² H	3	30-015-45109	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 705H ²	3	30-015-45987	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 405H ²	3	30-015-45988	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 605H ²	3	30-015-45989	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 706H ²	3	30-015-45990	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 406H ²	3	30-015-45991	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 8 5 FEDERAL COM 606H ²	3	30-015-45992	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 410H ²	3	30-015-48353	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 411H ²	3	30-015-48356	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 412H ²	3	30-015-48355	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
HH SO 17 20 FEDERAL COM 413H ²	3	30-015-48354	Sections 5, 8, 17, & 20 CA, NM 138618 (Wolfcamp)
Whistle Pig 9 Federal 414H ^{1,2}	0/not yet producing	30-015-53752	NMNM 138827 (W/2 Section 9)
Whistle Pig 9 Federal 415H ^{1,2}	0/not yet producing	30-015-53753	NMNM 138827 (W/2 Section 9)
Whistle Pig 9 Federal 416H ^{1,2}	0/not yet producing	30-015-53754	NMNM 138827 (W/2 Section 9)
Whistle Pig 9 Federal 417H ^{1,2}	0/not yet producing	30-015-53884	NMNM 138827 (W/2 Section 9)
Four Roses 9 Federal 418H ^{1,2}	0/not yet producing	30-015-53802	NMNM 138827 (E/2 Section 9)
Four Roses 9 Federal 419H ^{1,2}	0/not yet producing	30-015-53803	NMNM 138827 (E/2 Section 9)
Four Roses 9 Federal 420H ^{1,2}	0/not yet producing	30-015-53804	NMNM 138827 (E/2 Section 9)
Four Roses 9 Federal 421H ^{1,2}	0/not yet producing	30-015-53805	NMNM 138827 (E/2 Section 9)
RYE ONE 16 21 FEDERAL COM 422H ^{1,2}	0/not yet producing	30-015-53739	W/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
RYE ONE 16 21 FEDERAL COM 423H ^{1,2}	0/not yet producing	30-015-53738	W/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
RYE ONE 16 21 FEDERAL COM 424H ^{1,2}	0/not yet producing	30-015-53801	W/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
RYE ONE 16 21 FEDERAL COM 425H ^{1,2}	0/not yet producing	30-015-53737	W/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
FEW 16 21 FEDERAL COM 426H ^{1,2}	0/not yet producing	30-015-53731	E/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
FEW 16 21 FEDERAL COM 427H ^{1,2}	0/not yet producing	30-015-53699	E/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
FEW 16 21 FEDERAL COM 428H ^{1,2}	0/not yet producing	30-015-53516	E/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
FEW 16 21 FEDERAL COM 429H ^{1,2}	0/not yet producing	30-015-53581	E/2 Sections 16 & 21 CA (No. Pending), (Wolfcamp)
ANGELS ENVY 21 FEDERAL 216H ¹	0/not yet producing	TBC	NMNM 100549 (S/2 N/2 Section 21)

Well Name	Range of Decline	API	Lease
ANGELS ENVY 21 FEDERAL 217H ¹	0/not yet producing	TBC	NMNM 100549 (S/2 Section 21)
ANGELS ENVY 21 FEDERAL 218H ¹	0/not yet producing	TBC	NMNM 100549 (S/2 Section 21)
ANGELS ENVY 21 FEDERAL 219H ¹	0/not yet producing	TBC	NMNM 100549 (S/2 Section 21)

The eighteen (18) wells currently producing (Table B), along with the five (5) wells drilled, un-completed and not yet produced (Table B) and future wells (not listed in Table B), that will produce into the HHNM CTB 10 facility are or will be tested under the following conditions at a minimum:

- Range 0 (peak): 10 tests per month
- Range 1 (plateau or decline rate greater than 22%): 3 tests per month
- Range 2 (decline rate is between 22% and 10%): 2 tests per month
- Range 3 (decline rate is less than 10%): 1 test per month

Table B: HHNM Section 10 CTB Wells List

¹New well being added to PLC-887A, ² Well name was recently changed with a sundry report submitted

Well Name	Range of Decline	API	Lease
Cicada Unit 13H	3	30-015-44367	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 14H	3	30-015-44371	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 15H	3	30-015-44353	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 16H	3	30-015-44351	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 17H	3	30-015-44354	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 18H	3	30-015-44352	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 1H	3	30-015-43929	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 2H	3	30-015-43930	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 3H	3	30-015-43937	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 4H	3	30-015-43936	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 5H	3	30-015-43926	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 6H	3	30-015-43932	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 27H	3	30-015-46468	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 28H	3	30-015-46469	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 29H	3	30-015-46470	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 30H	3	30-015-46898	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 31H	3	30-015-46901	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 32H	3	30-015-46913	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 51H	0/not yet producing	30-015-49001	Cicada Unit NMNM 137168X, Bone Spring PA pending

Well Name	Range of Decline	API	Lease
Cicada Unit 52H	0/not yet producing	30-015-49000	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 53H	0/not yet producing	30-015-48999	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 73H ²	0/not yet producing	30-015-50182	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 74H ²	0/not yet producing	30-015-50183	Cicada Unit NMNM 137168X, Bone Spring PA pending

The twenty-three (23) wells currently producing (Table C), along with the nine (9) wells drilled, uncompleted and not yet producing (Table C) and future wells (not listed in Table C), that will produce into the HHNM CTB 35 facility are or will be tested under the following conditions at a minimum:

- Range 0 (peak): 10 tests per month
- Range 1 (plateau or decline rate greater than 22%): 3 tests per month
- Range 2 (decline rate is between 22% and 10%): 2 tests per month
- Range 3 (decline rate is less than 10%): 1 test per month

Table C: HHNM Section 35 CTB Wells List

¹New well being added to PLC-887A, ² Well name was recently changed with a sundry report submitted

Well Name	Range of Decline	API	Lease
Cicada Unit 10H	3	30-015-44349	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 11H	3	30-015-44345	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 12H	3	30-015-44348	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 7H	3	30-015-44347	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 8H	3	30-015-44346	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 9H	3	30-015-44350	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 23H	3	30-015-45602	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 24H	3	30-015-45720	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 25H	3	30-015-45601	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 26H	3	30-015-45600	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 19H	3	30-015-45426	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 20H	3	30-015-45425	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 21H	3	30-015-45424	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 22H	3	30-015-45423	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 33H	3	30-015-46342	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 34H	3	30-015-46343	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 35H	3	30-015-46344	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 36H	3	30-015-46345	Cicada Unit Wolfcamp PA NMNM 137168A

Well Name	Range of Decline	API	Lease
Cicada Unit 37H	3	30-015-46346	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 38H	3	30-015-46347	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 39H	3	30-015-46348	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 41H	3	30-015-48782	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 43H	3	30-015-48783	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 69H ²	0/not yet producing	30-015-49684	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 70H ²	0/not yet producing	30-015-49685	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 71H ²	0/not yet producing	30-015-49686	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 72H ²	0/not yet producing	30-015-49687	Cicada Unit NMNM 137168X, Bone Spring PA pending
PATRON 35 36 FEDERAL COM 229H ^{1,2}	0/not yet producing	30-015-53600	N/2 Sec. 35; NW/4 & W/2 NE/4 Sec. 36 CA (No. Pending) (Bone Spring)
PATRON 35 36 FEDERAL COM 230H ^{1,2}	0/not yet producing	30-015-50067	N/2 Sec. 35; NW/4 & W/2 NE/4 Sec. 36 CA (No. Pending), (Bone Spring)
PATRON 35 36 FEDERAL COM 231H ^{1,2}	0/not yet producing	30-015-53601	S/2 Sec. 35; SW/4 & W/2 SE/4 Sec. 36 CA (No. Pending), (Bone Spring)
PATRON 35 36 FEDERAL COM 232H ^{1,2}	0/not yet producing	30-015-50177	S/2 Sec. 35; SW/4 & W/2 SE/4 Sec. 36 CA (No. Pending), (Bone Spring)
PATRON 35 36 FEDERAL COM 233H ^{1,2}	0/not yet producing	30-015-50068	S/2 Sec. 35; SW/4 & W/2 SE/4 Sec. 36 CA (No. Pending), (Bone Spring)

The eight (8) wells currently producing (Table D), along with the thirty-two (32) wells drilled, un-completed and not yet producing (Table D) and future wells (not listed in Table D), that will produce into the HHNM CTB 12 facility are or will be tested under the following minimum conditions:

- Range 0 (peak): 10 tests per month
- Range 1 (plateau or decline rate greater than 22%): 3 tests per month
- Range 2 (decline rate is between 22% and 10%): 2 tests per month
- Range 3 (decline rate is less than 10%): 1 test per month

Table D: HHNM Section 12 CTB Wells List

¹New well being added to PLC-887A, ² Well name was recently changed with a sundry report submitted

Well Name	Range of Decline	API	Lease
Cicada Unit 45H	0	30-015-49465	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 47H	0	30-015-49466	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 48H	0	30-015-49467	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 50H	0	30-015-49468	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 56H	0	30-015-49469	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 57H	0	30-015-49470	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 58H	0	30-015-49471	Cicada Unit Wolfcamp PA NMNM 137168A

Well Name	Range of Decline	API	Lease
Cicada Unit 59H	0	30-015-49472	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 60H	0/not yet producing	30-015-49624	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 61H	0/not yet producing	30-015-49625	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 62H	0/not yet producing	30-015-49626	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 63H	0/not yet producing	30-015-49627	Cicada Unit Wolfcamp PA NMNM 137168A
Cicada Unit 64H ²	0/not yet producing	30-015-50181	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 65H ²	0/not yet producing	30-015-49598	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 66H ²	0/not yet producing	30-015-49603	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 67H ²	0/not yet producing	30-015-49602	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 68H ²	0/not yet producing	30-015-49604	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 83H ²	0/not yet producing	30-015-53393	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 84H ²	0/not yet producing	30-015-53599	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 80H ²	0/not yet producing	30-015-53225	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 81H ²	0/not yet producing	30-015-53224	Cicada Unit NMNM 137168X, Bone Spring PA pending
Cicada Unit 82H ²	0/not yet producing	30-015-53226	Cicada Unit NMNM 137168X, Bone Spring PA pending
BULLEIT 13 24 FEDERAL COM 220H ^{1,2}	0/not yet producing	30-015-54248	W/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
BULLEIT 13 24 FEDERAL COM 221H ^{1,2}	0/not yet producing	30-015-54249	W/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
BULLEIT 13 24 FEDERAL COM 222H ^{1,2}	0/not yet producing	30-015-54257	W/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
BULLEIT 13 24 FEDERAL COM 223H ^{1,2}	0/not yet producing	30-015-54250	E/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
WALKERS 13 24 FEDERAL COM 430H ^{1,2}	0/not yet producing	TBC	W/2 Sections 13 & 24 CA (No. Pending), (Wolfcamp)
WALKERS 13 24 FEDERAL COM 431H ^{1,2}	0/not yet producing	TBC	
WALKERS 13 24 FEDERAL COM 432H ^{1,2}	0/not yet producing	TBC	
WALKERS 13 24 FEDERAL COM 433H ^{1,2}	0/not yet producing	TBC	
JAMESON 13 24 FEDERAL COM 434H ^{1,2}	0/not yet producing	30-015-54231	E/2 Sections 13 & 24 CA (No. Pending), (Wolfcamp)
JAMESON 13 24 FEDERAL COM 435H ^{1,2}	0/not yet producing	30-015-54232	
JAMESON 13 24 FEDERAL COM 436H ^{1,2}	0/not yet producing	30-015-54233	
JAMESON 13 24 FEDERAL COM 437H ^{1,2}	0/not yet producing	30-015-54234	
BULLEIT 13 24 FEDERAL COM 155H ^{1,2}	0/not yet producing	30-015-54251	W/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
BULLEIT 13 24 FEDERAL COM 156H ^{1,2}	0/not yet producing	30-015-54252	E/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
BULLEIT 13 24 FEDERAL COM 255H ^{1,2}	0/not yet producing	30-015-54253	W/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)

Well Name	Range of Decline	API	Lease
BULLEIT 13 24 FEDERAL COM 256H ^{1,2}	0/not yet producing	30-015-54254	W/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
BULLEIT 13 24 FEDERAL COM 257H ^{1,2}	0/not yet producing	30-015-54255	E/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)
BULLEIT 13 24 FEDERAL COM 258H ^{1,2}	0/not yet producing	30-015-54256	E/2 Sections 13 & 24 CA (No. Pending), (Bone Spring)

The wells not yet drilled and not yet producing (Table E), which connect into HHNM CTB 25 facility, will be tested under the following minimum conditions:

- Range 0 (peak): 10 tests per month
- Range 1 (plateau or decline rate greater than 22%): 3 tests per month
- Range 2 (decline rate is between 22% and 10%): 2 tests per month
- Range 3 (decline rate is less than 10%): 1 test per month

Table E: HHNM Section 25 CTB Wells List

¹New well being added to PLC-887A, ² Well name was recently changed with a sundry report submitted

Well Name	Range of Decline	API	Lease
KESSLER 25 36 STATE COM 438H ^{1,2}	0/not yet producing	30-015-49954	W/2 Sections 25 & 36 CA (No. Pending), (Wolfcamp)
KESSLER 25 36 STATE COM 439H ^{1,2}	0/not yet producing	30-015-49941	
KESSLER 25 36 STATE COM 440H ^{1,2}	0/not yet producing	30-015-49943	
KESSLER 25 36 STATE COM 441H ^{1,2}	0/not yet producing	30-015-49940	
JIM BEAM 25 36 STATE COM 442H ^{1,2}	0/not yet producing	30-015-49955	E/2 Sections 25 & 36 CA (No. Pending), (Wolfcamp)
JIM BEAM 25 36 STATE COM 443H ^{1,2}	0/not yet producing	30-015-49824	
JIM BEAM 25 36 STATE COM 444H ^{1,2}	0/not yet producing	30-015-49956	
JIM BEAM 25 36 STATE COM 445H ^{1,2}	0/not yet producing	30-015-49957	
BAILEYS 25 36 STATE COM 234H ^{1,2}	0/not yet producing	30-015-49953	W/2 Sections 25 & 36 CA (No. Pending), (Bone Spring)
BAILEYS 25 36 STATE COM 235H ^{1,2}	0/not yet producing	30-015-53288	W/2 Section 25 & 36 CA (No. Pending), (Bone Spring)
BAILEYS 25 36 STATE COM 236H ^{1,2}	0/not yet producing	30-015-49952	W/2 Sections 25 & 36 CA (No. Pending), (Bone Spring)
BAILEYS 25 36 STATE COM 237H ^{1,2}	0/not yet producing	30-015-49951	E/2 Sections 25 & 36 CA (No. Pending), (Bone Spring)
KESSLER 25 36 STATE COM 638H ¹	0/not yet producing	30-015-54067	W/2 Sections 25 & 36 CA (No. Pending), (Wolfcamp)
KESSLER 25 36 STATE COM 538H ¹	0/not yet producing	30-015-54066	
KESSLER 25 36 STATE COM 639H ¹	0/not yet producing	30-015-54068	
JIM BEAM 25 36 STATE COM 539H ¹	0/not yet producing	30-015-53997	E/2 Sections 25 & 36 CA (No. Pending), (Wolfcamp)
JIM BEAM 25 36 STATE COM 640H ¹	0/not yet producing	30-015-53999	
JIM BEAM 25 36 STATE COM 540H ¹	0/not yet producing	30-015-53998	

Well Name	Range of Decline	API	Lease
BAILEYS 25 36 STATE COM 136H ¹	0/not yet producing	TBC	E/2 Sections 25 & 36 CA (No. Pending), (Bone Spring)
BAILEYS 25 36 STATE COM 261H ¹	0/not yet producing	TBC	
BAILEYS 25 36 STATE COM 137H ¹	0/not yet producing	TBC	
BAILEYS 25 36 STATE COM 262H ¹	0/not yet producing	TBC	W/2 Sections 25 & 36 CA (No. Pending), (Bone Spring)
BAILEYS 25 36 STATE COM 134H ¹	0/not yet producing	TBC	
BAILEYS 25 36 STATE COM 259H ¹	0/not yet producing	TBC	
BAILEYS 25 36 STATE COM 135H ¹	0/not yet producing	TBC	W/2 Sections 25 & 36 CA (No. Pending), (Bone Spring)
BAILEYS 25 36 STATE COM 260H ¹	0/not yet producing	TBC	

Thank you for your attention to this matter.

Deirdre Devery
Facilities Engineer

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: CHEVRON USA, INC.

OPERATOR ADDRESS: 6301 DEAUVILLE BLVD., MIDLAND, TEXAS 79706

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. PLC-887A

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
PURPLE SAGE; WOLFCAMP (98220)	Gravity 48 / BTU 1379	API - 38 / BTU - 1332			
NORTH HAY HOLLOW; BONE SPRING (30216))	Gravity 48 / BTU 1331				
DELAWARE RIVER; BONE SPRING (16800)	Gravity 48 / BTU 1331				
WELCH; BONE SPRING (64010)	Gravity 46 / BTU 1248				
HAY HOLLOW; BONE SPRING (30215)	Gravity 48 / BTU 1331				

(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) TESTING PER NMOCD GUIDELINES

(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: Deirdre Devery TITLE: FACILITIES ENGINEER DATE: 11/17/2023

TYPE OR PRINT NAME DEIRDRE DEVERY TELEPHONE NO.: (432) 241-0215

E-MAIL ADDRESS: DeirdreDevery@chevron.com

Exhibits

- Exhibit A – Lease and pool tables
- Exhibit B - Lease map
- Exhibit C – COMM map
- Exhibit D – Section 9 CTB narrative
- Exhibit E - Section 9 CTB gas lift calculation
- Exhibit F - Section 9 CTB block flow diagram
- Exhibit G – Section 10 CTB narrative
- Exhibit H – Section 10 CTB gas lift calculation
- Exhibit I – Section 10 block flow diagram
- Exhibit J – Section 35 CTB narrative
- Exhibit K – Section 35 CTB gas lift calculation
- Exhibit L – Section 35 block flow diagram
- Exhibit M – Section 12 CTB narrative
- Exhibit N – Section 12 CTB gas lift calculation
- Exhibit O – Section 12 block flow diagram
- Exhibit P – Section 25 CTB narrative
- Exhibit Q – Section 25 CTB gas lift calculation
- Exhibit R – Section 25 CTB block flow diagram
- Exhibit S – Hayhurst New Mexico Gas Strategy Map
- Exhibit T – Gas data
- Exhibit U – Draft COMM agreement applications
 - COMM for Sections 13 & 24 (Pkgs 32, 36, 37 & 39)
 - COMM for Sections 16 & 21 (Pkgs 40 & 41)
 - COMM for Sections 25 & 36 (Pkgs 42, 43, 44, 50, 58 & 59)
 - COMM for Sections 35 & 36 (Pkg 29)
- Exhibit V – Approved PLC-887A
- Exhibit W – Mailing Report

Exhibit A

Pool Name	Pool Code
PURPLE SAGE; WOLFCAMP (GAS)	98220
WELCH; BONE SPRING (OIL)	64010
DELAWARE RIVER; BONE SPRING (OIL)	16800
HAY HOLLOW; BONE SPRING (OIL)	30215
NORTH HAY HOLLOW; BONE SPRING (OIL)	30216
WILDCAT-015 G-04 S262625B	98018

Leases/Units/CAs/PAs

Name/Serial No.	UL or Q/Q	S-T-R
Cicada Unit NMNM 137168X	All	35-25S-27E
	All	26-25S-27E
Cicada Unit Wolfcamp PA	All	12-26S-27E
NMNM 137168A	All	1-26S-27E
	All	10-26S-27E
Cicada Unit Bone Spring PA	All	15-26S-27E
(Pending)	All	11-26S-27E
	All	14-26S-27E
	All	2-26S-27E
	All	23-25S-27E
Section 5, 8, 17, & 20 CA	All	5-26S-27E
NM 138618	All	8-26S-27E
(Wolfcamp)	All	17-26S-27E
	All	20-26S-27E
E/2 Section 16 & 21 CA	E/2	16-26S-27E
(No. Pending)	E/2	21-26S-27E
(Wolfcamp)		
W/2 Section 16 & 21 CA	W/2	16-26S-27E
(No. Pending)	W/2	21-26S-27E
(Wolfcamp)		
E/2 Section 13 & 24 CA	E/2	13-26S-27E
(No. Pending)	E/2	24-26S-27E
(Wolfcamp)		
(Bone Spring)		
W/2 Section 13 & 24 CA	W/2	13-26S-27E
(No. Pending)	W/2	24-26S-27E
(Wolfcamp)		
(Bone Spring)		

E/2 Section 25 & 36 CA	E/2	25-26S-27E
(No. Pending)	E/2	36-26S-27E
(Wolfcamp)		
(Bone Spring)		
W/2 Section 25 & 36 CA	W/2	25-26S-27E
(No. Pending)	W/2	36-26S-27E
(Wolfcamp)		
(Bone Spring)		
N/2 Sec. 35; NW/4 & W/2 NE/4 of Sec. 36 CA	N/2	35-25S-27E
(No. Pending)	N/2	36-25S-27E
(Bone Spring)		
S/2 Sec. 35; SW/4 & W/2 SE/4 of Sec. 36 CA	S/2	35-25S-27E
(No. Pending)	S/2	36-25S-27E
(Bone Spring)		
NMNM 100549	All	21-26S-27E
NMNM 138827	All	9-26S-27E

EXHIBIT B - LEASE MAP & PROJECT AREA

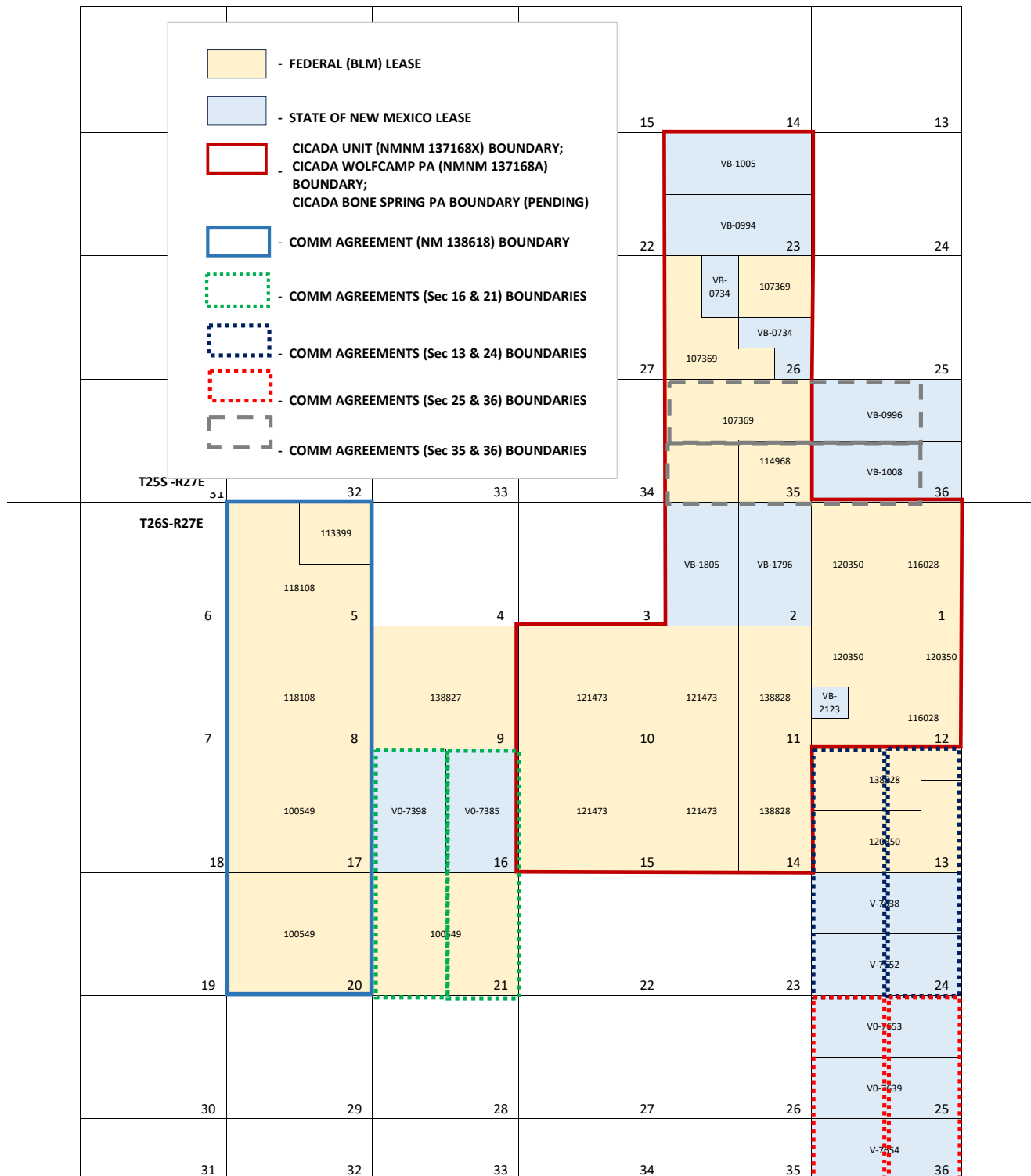


Exhibit C - Section COMM Map

Communitization Agreement NMNM 138618
Sections 5, 8, 17, 20,
Township 26 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico

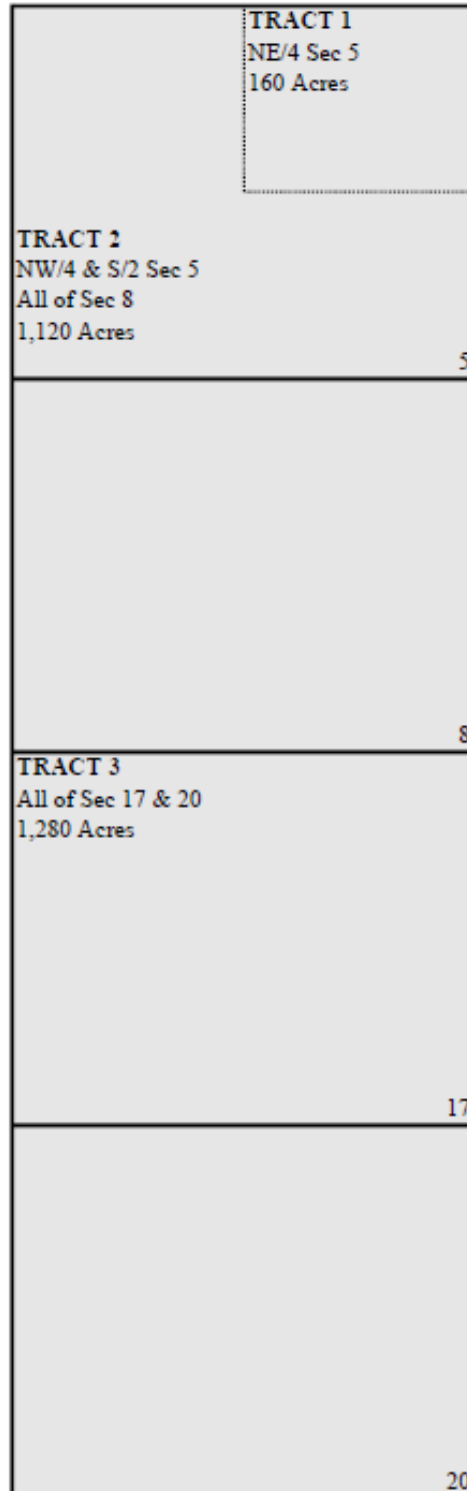


Exhibit D

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 9 Central Tank Battery

Oil & Gas Metering:

The central tank battery (HHNM Section 9 CTB) is located in the SWSW corner of Sec. 9, T26S, R27E. Gas will be metered at the end of each Train. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales, as well as a gas compression station that takes combined suction gas from HHNM Section 9 CTB, Section 10 CTB, Section 35 CTB, Section 12 CTB, future Section 25 CTB and other future CTBs. This compressor station sends gas either to a High Pressure sales point (third party) or to a gas lift system. The produced water will go to common water tanks on location and then to Chevron SWD facilities before being disposed to injection wells or sent to third party SWD station. In order to meet all commingling requirements, the HHNM Section 9 CTB production will be produced and metered prior to leaving the CTB. Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: 1726E10061 and 1724E10059). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM Section 9 CTB will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station, or future Hayhurst NM Section 9 Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 9 CTB (Low pressure: SN T184242121, SN T190352620; and High pressure: SN T170368891) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into HHNM Section 9 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers. A common gas lift meter for wells producing into HHNM Section 9 CTB will be located at the HHNM Section 9 CTB outlet (SN T173289422), as well as a common gas lift meter at the compressor station outlet for total gas lift volume via Total Flow EFM (SN 15101147).

Third party gas sales meters are located in the NE/NE of Section 10 of T26S-R27E.

Gas lift Well Meters:**Pkg 8 Pad 1**

- HH SO 17 20 Federal 001 1H: SN- 2300150283
- HH SO 17 20 Federal 001 2H: SN- 2300150284
- HH SO 17 20 Federal 001 3H: SN- 2300150285
- HH SO 17 20 Federal 001 4H: SN- 2300150286
- HH SO 17 20 Federal 001 5H: SN- 2300150287
- HH SO 17 20 Federal 001 6H: SN- 2300150288

Pkg 2 Pad 2

- HH SO 8 P2 5H: SN- 2300150213
- HH SO 8 P2 6H: SN- 2300150214
- HH SO 8 P2 13H: SN- 2300150215
- HH SO 8 P2 14H: SN- 2300150216
- HH SO 8 P2 21H: SN- 2300150211
- HH SO 8 P2 22H: SN- 2300150212

Pkg 5 Pad 3

- HH SO 8 5 Fed 003 1H: SN- 2300150275

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 9 Central Tank Battery

- HH SO 8 5 Fed 003 2H: SN- 2300150276
- HH SO 8 5 Fed 003 3H: SN- 2300150277
- HH SO 8 5 Fed 003 4H: SN- 2300150280
- HH SO 8 5 Fed 003 5H: SN- 2300150281
- HH SO 8 5 Fed 003 6H: SN- 2300150282

Pkg 7 Pad 4

- HH SO 8 5 FEDERAL 004 1H: SN - 2300150329
- HH SO 8 5 FEDERAL 004 2H: SN - 2300150330
- HH SO 8 5 FEDERAL 004 3H: SN - 2300150331
- HH SO 8 5 FEDERAL 004 4H: SN - 2300150332
- HH SO 8 5 FEDERAL 004 5H: SN - 2300150333
- HH SO 8 5 FEDERAL 004 6H: SN - 2300150334

Pkg 6 Pad 2

- HH SO 17 20 Federal 002 1H: SN - 2300150338
- HH SO 17 20 Federal 002 2H: SN - 2300150339
- HH SO 17 20 Federal 002 3H: SN - 2300150340
- HH SO 17 20 Federal 002 4H: SN - 2300150341
- HH SO 17 20 Federal 002 5H: SN - 2300150342
- HH SO 17 20 Federal 002 6H: SN - 2300150343

Pkg 15 Pad 15

- HH SO 17 20 Federal 003 401H – TBD
- HH SO 17 20 Federal 003 402H – TBD
- HH SO 17 20 Federal 003 403H – TBD
- HH SO 17 20 Federal 003 404H - TBD

Pkg 21, Pad 21

- Whistle Pig 9 Federal 414H - TBD
- Whistle Pig 9 Federal 415H - TBD
- Whistle Pig 9 Federal 416H - TBD
- Whistle Pig 9 Federal 417H - TBD

Pkg 22, Pad 22

- Four Roses 9 Federal 418H - TBD
- Four Roses 9 Federal 419H - TBD
- Four Roses 9 Federal 420H - TBD
- Four Roses 9 Federal 421H - TBD

Pkg 40. Pad 40

- RYE ONE 16 21 FEDERAL COM 422H - TBD
- RYE ONE 16 21 FEDERAL COM 423H - TBD
- RYE ONE 16 21 FEDERAL COM 424H - TBD
- RYE ONE 16 21 FEDERAL COM 425H - TBD

Pkg 41, Pad 41

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 9 Central Tank Battery

- FEW 16 21 FEDERAL COM 426H - TBD
- FEW 16 21 FEDERAL COM 427H - TBD
- FEW 16 21 FEDERAL COM 428H - TBD
- FEW 16 21 FEDERAL COM 429H - TBD

Pkg 53, Pad 53

- ANGELS ENVY 21 FEDERAL 216H - TBD
- ANGELS ENVY 21 FEDERAL 217H - TBD
- ANGELS ENVY 21 FEDERAL 218H - TBD
- ANGELS ENVY 21 FEDERAL 219H - TBD

Future wells: TBD. In accordance with BLM metering.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility flow diagram (Exhibit F) and map (Exhibit S) which shows the lease boundaries, locations of well surface holes, and locations of the flow lines, facility, and gas sales meter. The commingling of this will not result in reduced royalty or improper measurement of production. The proposed commingling of gas for gas lift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization —specifically, centralized electric compression for the majority of all gas.

Chevron U.S.A. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

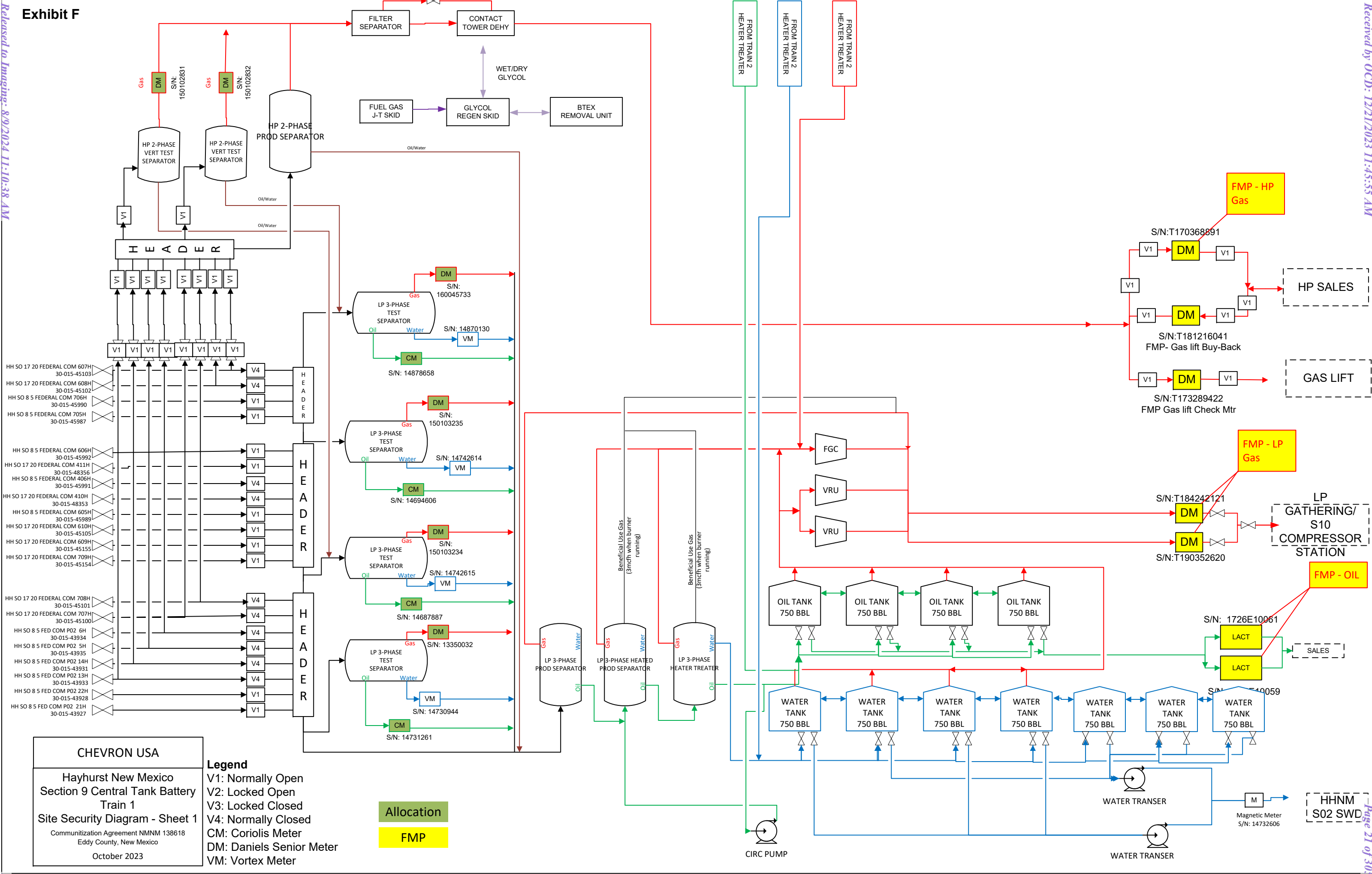
Exhibit E

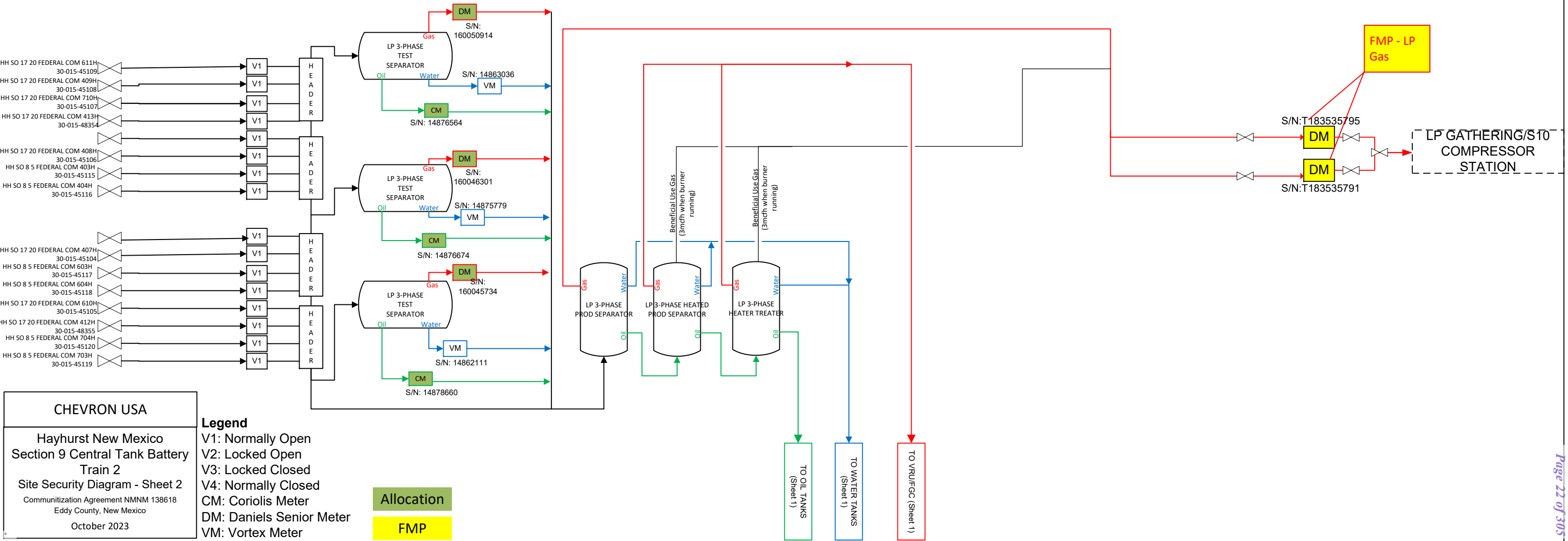
Total Sales Gas from CTB 9 = CTB 9 T1 LP Check Meter 1 (SN: T18424212) +
CTB 9 T1 LP Check Meter 2(SN: T190352620) + CTB 9 HP Check Meter(SN: T170368891)
+ CTB 9 T2 LP Check Meter 1 (SN: T183535795) +
CTB 9 T2 LP Check Meter 2(SN: T183535791) + CTB 9 Gas Lift meter (SN: T173289422) –
CTB 9 Gas Lift Buy Back (SN: T181216041) – Total Gas Lift

Total Gas Lift = Sum of all well gas lift meters

CTB 9 Produced Gas = CTB 9 T1 LP Check Meter 1 (SN: T18424212) +
CTB 9 T1 LP Check Meter 2(SN: T190352620) + CTB 9 HP Check Meter(SN: T170368891)
+ CTB 9 T2 LP Check Meter 1 (SN: T183535795) +
CTB 9 T2 LP Check Meter 2(SN: T183535791) + CTB 9 Gas Lift meter (SN: T173289422) –
CTB 9 Gas Lift Buy Back (SN: T181216041)

CTB 9 Oil = CTB 9 LACT A (SN: 1726E10061) + CTB 9 LACT B(SN: 1724E10059)





APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 10 Central Tank Battery

Oil & Gas metering:

The central tank battery (HHNM Section 10 CTB) is located in the NENE corner of Sec. 10, T26S, R27E. Gas will be metered before leaving the CTB, some producing through a high pressure end, and some through low pressure. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales, as well as a gas compression station that takes combined suction gas from Section CTB 10, Section 9 CTB, Section 35 CTB, Section 12 CTB, future Section 25 CTB and other future CTBs. This compressor station sends gas either to a high pressure sales point (third party) or to a gas lift system. The produced water will go to common water tanks on location and then to a Chevron water disposal system, recycled, or third party SWD station. In order to meet all commingling requirements, the HHNM Section 10 CTB production will be produced and metered prior to leaving the CTB. Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: 1723E10070 and 1723E10072). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM CTB 10 will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 10 CTB (Low pressure: SN 150044101, SN 150044103; and High pressure: SN 150101146, SN 160016266) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into Section 10 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers.

Third party gas sales meters are located in the NE/NE of Section 10 of T26S-R27E.

Gas lift Well Meters:

<u>Well Name</u>	<u>Gas Lift Meter SN</u>
Cicada Unit 13H	2300150253
Cicada Unit 14H	2300150252
Cicada Unit 15H	2300150251
Cicada Unit 16H	2300150250
Cicada Unit 17H	2300150249
Cicada Unit 18H	2300150248
Cicada Unit 1H	2300150201
Cicada Unit 2H	2300150202
Cicada Unit 3H	2300150203
Cicada Unit 4H	2300150204
Cicada Unit 5H	2300150205
Cicada Unit 6H	2300150206
Cicada Unit 27H	2300150344
Cicada Unit 28H	2300150345
Cicada Unit 29H	2300150346
Cicada Unit 30H	2300150347
Cicada Unit 31H	2300150348

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 10 Central Tank Battery

Cicada Unit 32H	2300150349
Cicada Unit 51H	TBD
Cicada Unit 52H	TBD
Cicada Unit 53H	TBD
Cicada Unit 73H	TBD
Cicada Unit 74H	TBD

Future wells: TBD. In accordance with BLM metering

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility flow diagram (Exhibit I) and map (Exhibit S) which shows the lease boundaries, locations of well surface holes, and locations of the flow lines, facility, and oil/gas sales meter. The commingling of this will not result in reduced royalty or improper measurement of production. The proposed commingling of gas for gas lift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization —specifically centralized electric compression for the majority of all gas.

Chevron U.S.A. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Exhibit H

Total Sales Gas from CTB 10 = CTB 10 T1 LP Check Meter 1 (SN: 150044101) +
CTB 10 T1 LP Check Meter 2(SN: 150044103) + CTB 10 HP Check Meter(SN: 150101146)- Total
Gas Lift

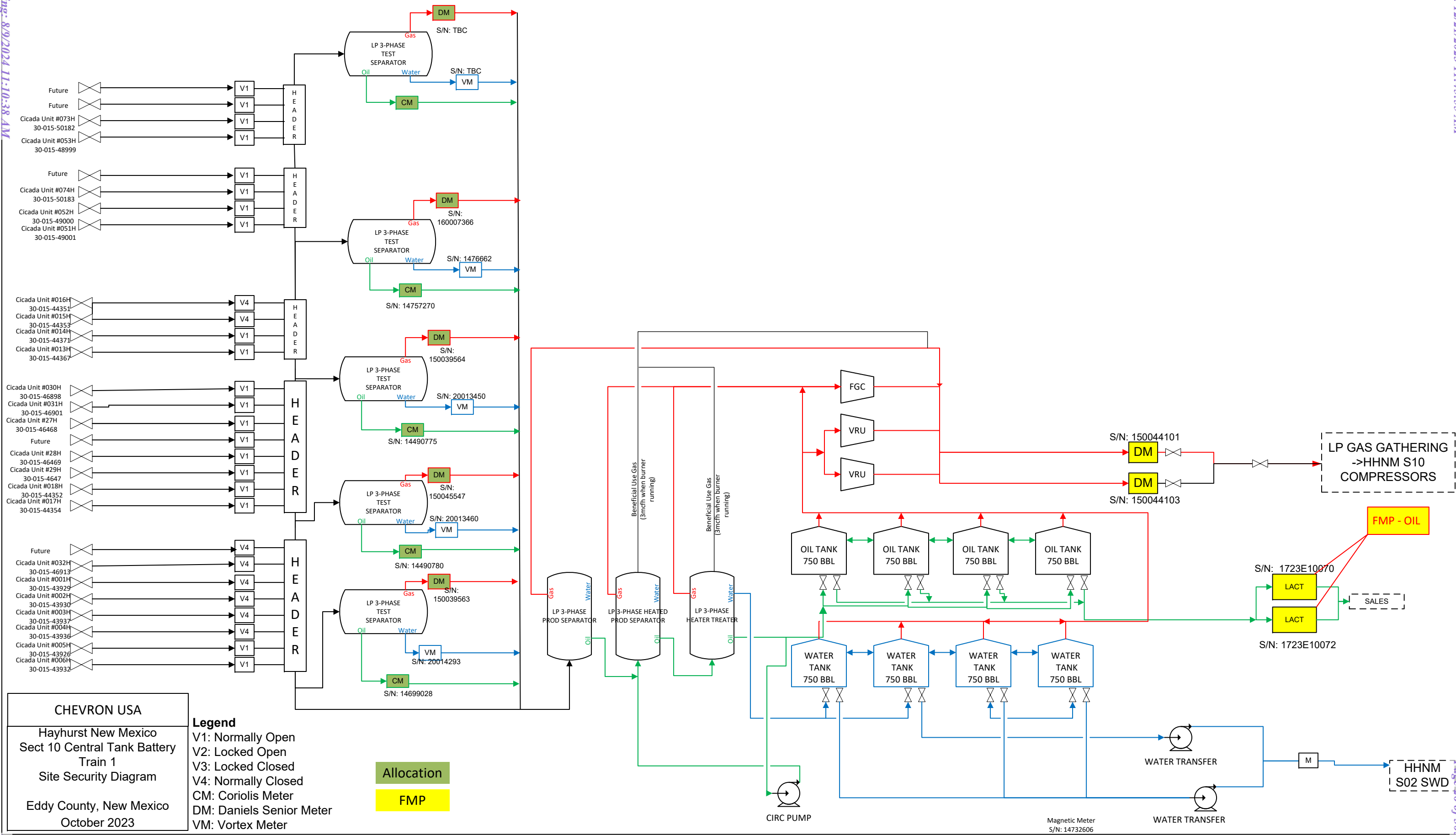
Total Gas Lift = Sum of all well gas lift meters

CTB 10 Produced Gas

= CTB 10 T1 LP Check Meter 1 (SN: 150044101)
+ CTB 10 T1 LP Check Meter 2(SN: 150044103)
+ CTB 10 HP Check Meter(SN: 150101146)

CTB 10 Oil = CTB 10 LACT A (SN: 1723E10070) + CTB 10 LACT B(SN: 1723E10072)

Released to Imaging: 8/9/2024 11:10:38 AM



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 35 Central Tank Battery

Oil & Gas metering:

The central tank battery (HHNM Section 35 CTB) is located in the NENE corner of Sec. 35, T27S, R27E. Gas will be metered before leaving the CTB, some producing through a high pressure end, and some through low pressure. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales, as well as a gas compression station that takes combined suction gas from Section 35 CTB, Section 9 CTB, Section 10 CTB, Section 12 CTB, future Section 25 CTB and other future CTBs. This compressor station sends gas either to a high pressure sales point (third party) or to a gas lift system. The produced water will go to common water tanks on location and then to Chevron SWD facilities before being disposed injection wells or sent to third party SWD station. In order to meet all commingling requirements, the HHNM Section 35 CTB production will be produced and metered prior to leaving the CTB. Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: 1726E10014 and 1802E10071). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM CTB 35 will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 35 CTB (Low pressure: SN 160004553, SN 160004552, SN 160072936, SN 160099587; and High Pressure: SN 160000400) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into Section 35 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers. A common gas lift meter for wells producing into HHNM S35 CTB will be located at the HHNM S35 CTB outlet (SN : 160004588) as well as a common gas lift meter at the compressor station outlet for total gas lift volume via Total Flow EFM (SN 15101147).

Third party gas sales meters are located in the NE/NE of Section 10 of T26S-R27E.

Gas lift Well Meters:

<u>Well Name</u>	<u>Gas Lift Meter SN</u>
Cicada Unit 7H	2300150218
Cicada Unit 8H	2300150219
Cicada Unit 9H	2300150220
Cicada Unit 10H	2300150221
Cicada Unit 11H	2300150222
Cicada Unit 12H	2300150223
Cicada Unit 19H	2300150371
Cicada Unit 20H	2300150372
Cicada Unit 21H	2300150373
Cicada Unit 22H	2300150374
Cicada Unit 23H	2300150361
Cicada Unit 24H	2300150362
Cicada Unit 25H	2300150363

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 35 Central Tank Battery

Cicada Unit 26H	2300150364
Cicada Unit 33H	2300150355
Cicada Unit 34H	2300150356
Cicada Unit 35H	2300150357
Cicada Unit 36H	2300150358
Cicada Unit 37H	TBD
Cicada Unit 38H	TBD
Cicada Unit 39H	TBD
Cicada Unit 41H	2300150359
Cicada Unit 43H	2300150360
Cicada Unit 69H	TBD
Cicada Unit 70H	TBD
Cicada Unit 71H	TBD
Cicada Unit 72H	TBD
PATRON 35 36 FEDERAL COM 229H	TBD
PATRON 35 36 FEDERAL COM 230H	TBD
PATRON 35 36 FEDERAL COM 231H	TBD
PATRON 35 36 FEDERAL COM 232H	TBD
PATRON 35 36 FEDERAL COM 233H	TBD

Future wells: TBD. In accordance with BLM metering.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility flow diagram (Exhibit L) and map (Exhibit S) which shows the lease boundaries, locations of well surface holes, and locations of the flow lines, facility, and gas sales meter. The commingling of this will not result in reduced royalty or improper measurement of production. The proposed commingling of gas for gas lift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization —specifically centralized electric compression for the majority of all gas.

Chevron U.S.A. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Exhibit K

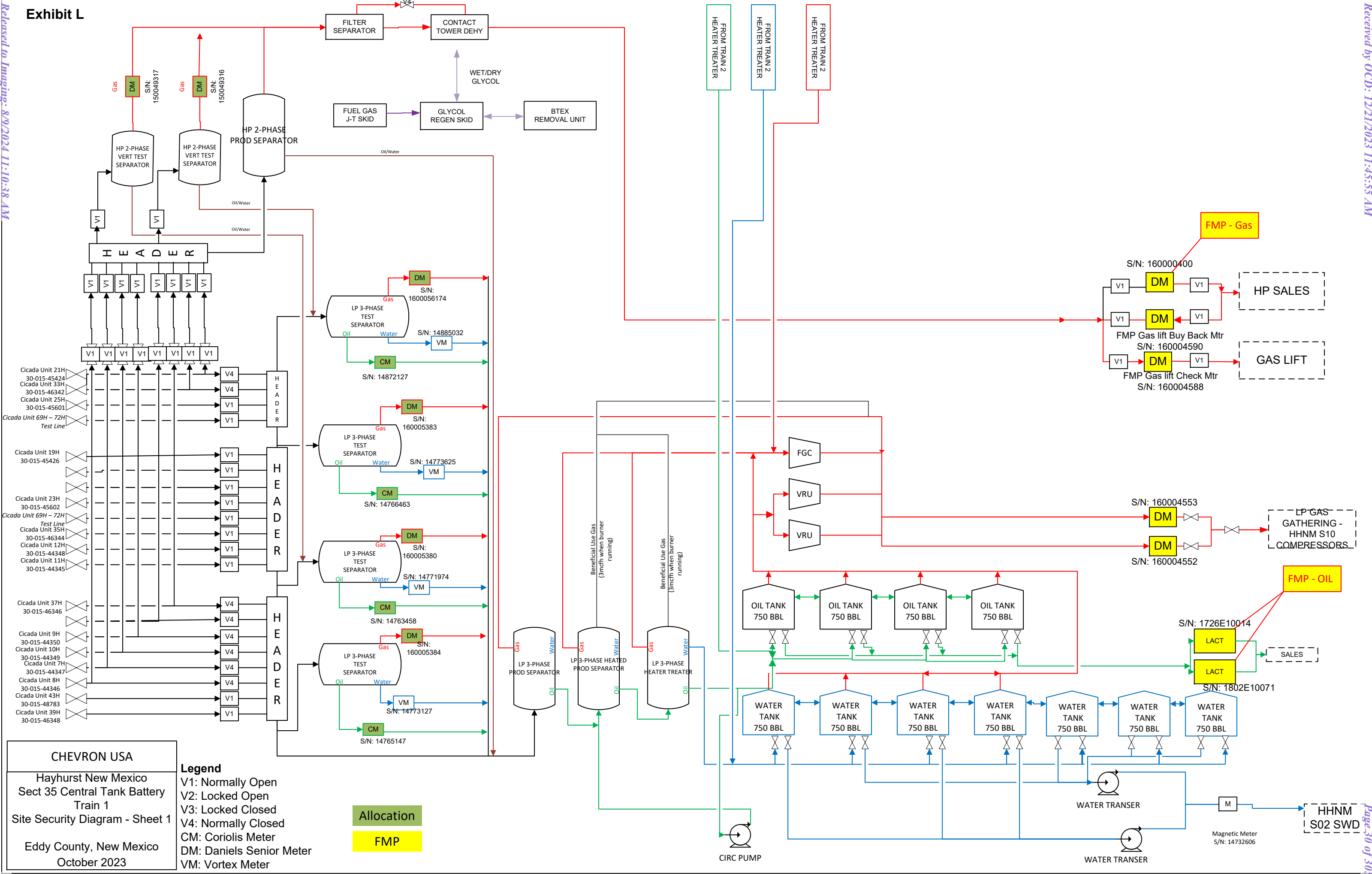
Total Sales Gas from CTB 35 = CTB 35 T1 LP Check Meter 1 (SN: 160004553) +
CTB 35 T1 LP Check Meter 2(SN: 160004552) + CTB 35 HP Check Meter(SN: 160000400)
+ CTB 35 T2 LP Check Meter 1 (SN: 160072936) +
CTB 35 T2 LP Check Meter 2(SN: 160099587) + CTB 35 Gas Lift meter (SN: 160004588) –
CTB 35 Gas Lift Buy Back (SN: 160004590) –Total Gas Lift

Total Gas Lift = Sum of all well gas lift meters

CTB 35 Produced Gas = CTB 35 T1 LP Check Meter 1 (SN: 160004553) +
CTB 35 T1 LP Check Meter 2(SN: 160004552) + CTB 35 HP Check Meter(SN: 160000400)
+ CTB 35 T2 LP Check Meter 1 (SN: 160072936) +
CTB 35 T2 LP Check Meter 2(SN: 160099587) + CTB 35 Gas Lift meter (SN: 160004588) –
CTB 35 Gas Lift Buy Back (SN: 160004590)

CTB 35 Oil = CTB 35 LACT A (SN: 1726E10014) + CTB 35 LACT B(SN: 1802E10071)

Exhibit L



Chevron USA
Hayhurst New Mexico
Sect 35 Central Tank Battery
Train 1
Site Security Diagram - Sheet 1
Eddy County, New Mexico
October 2023

Legend
V1: Normally Open
V2: Locked Open
V3: Locked Closed
V4: Normally Closed
CM: Coriolis Meter
DM: Daniels Senior Meter
VM: Vortex Meter

Allocation
FMP

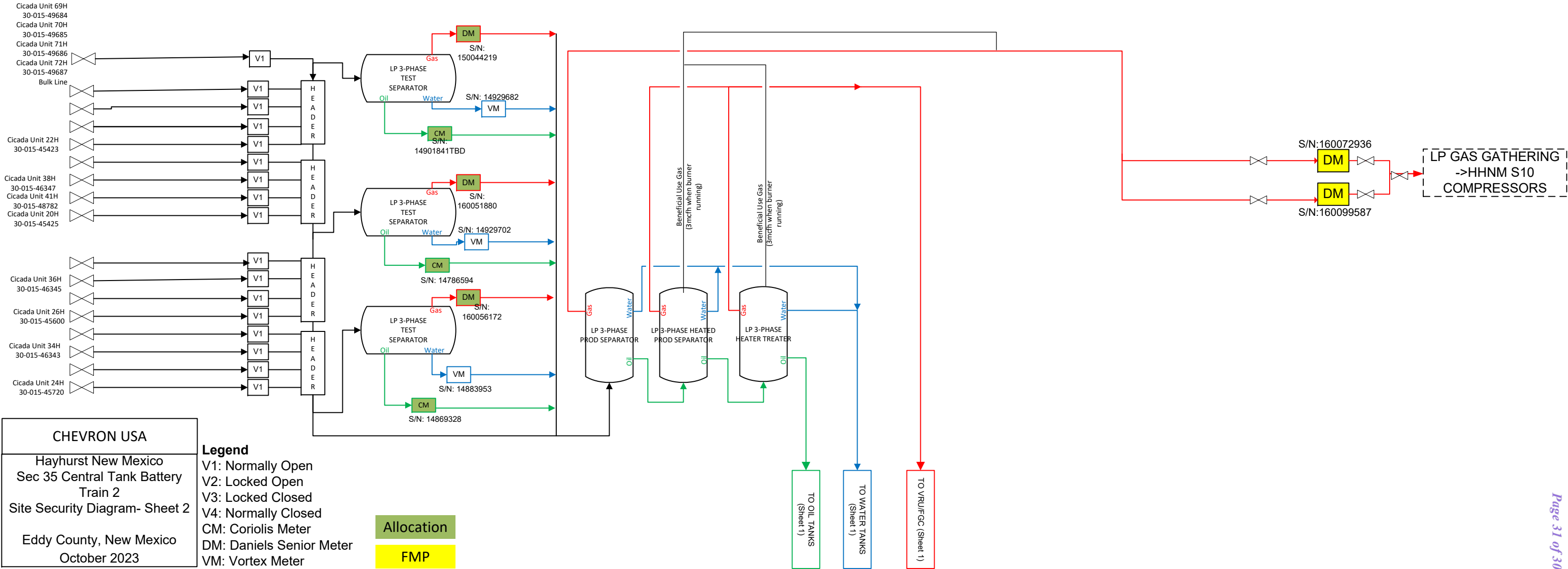


EXHIBIT M

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 12 Central Tank Battery

Oil & Gas metering:

The central tank battery (HHNM Section 12 CTB) is located in the SWNE corner of Sec. 12, T26S, R27E. Gas will be metered before leaving the CTB. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales, as well as a gas compression station that takes combined suction gas from Section 10 CTB, Section 9 CTB, Section 35 CTB, Section 12 CTB, future Section 25 CTB and other future CTBs. This compressor station sends gas either to a high pressure sales point (third party) or to a gas lift system. The produced water will go to common water tanks on location and then to a Chevron water disposal system, recycled, or third party SWD station. In order to meet all commingling requirements, the HHNM Section 12 CTB production will be produced and metered prior to leaving the CTB. Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: TBD and SN: TBD). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM CTB 12 will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 12 CTB (Low pressure: SN: TBD and SN: TBD) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into Section 12 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers.

Third party gas sales meters are located in the NE/NE of Section 10 of T26S-R27E.

Gas lift Well Meters:

<u>Future Well Name</u>	<u>Gas Lift Meter SN</u>
Cicada Unit 45H	TBD
Cicada Unit 47H	
Cicada Unit 48H	
Cicada Unit 50H	
Cicada Unit 56H	
Cicada Unit 57H	
Cicada Unit 58H	
Cicada Unit 59H	
Cicada Unit 60H	
Cicada Unit 61H	
Cicada Unit 62H	
Cicada Unit 63H	
Cicada Unit 64H	
Cicada Unit 65H	
Cicada Unit 66H	
Cicada Unit 67H	

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 12 Central Tank Battery

Cicada Unit 68H

Cicada Unit 83H

Cicada Unit 84H

Cicada Unit 80H

Cicada Unit 81H

Cicada Unit 82H

BULLEIT 13 24 FEDERAL COM 220H

BULLEIT 13 24 FEDERAL COM 221H

BULLEIT 13 24 FEDERAL COM 222H

BULLEIT 13 24 FEDERAL COM 223H

WALKERS 13 24 FEDERAL COM 430H

WALKERS 13 24 FEDERAL COM 431H

WALKERS 13 24 FEDERAL COM 432H

WALKERS 13 24 FEDERAL COM 433H

JAMESON 13 24 FEDERAL COM 434H

JAMESON 13 24 FEDERAL COM 435H

JAMESON 13 24 FEDERAL COM 436H

JAMESON 13 24 FEDERAL COM 437H

BULLEIT 13 24 FEDERAL COM 155H

BULLEIT 13 24 FEDERAL COM 156H

BULLEIT 13 24 FEDERAL COM 255H

BULLEIT 13 24 FEDERAL COM 256H

BULLEIT 13 24 FEDERAL COM 257H

BULLEIT 13 24 FEDERAL COM 258H

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility flow diagram (Exhibit O) and map (Exhibit S) which shows the lease boundaries, locations of well surface holes, and locations of the flow lines, facility, and gas sales meter. The commingling of this will not result in reduced royalty or improper measurement of production. The proposed commingling of gas for gas lift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization - specifically centralized electric compression for the majority of all gas.

Chevron U.S.A. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Exhibit N

Total Sales Gas from CTB 12 = CTB 12 T1 LP Check Meter 1 (SN:TBD) +
CTB 12 T1 LP Check Meter 2(SN:TBD) - Total Gas Lift

Total Gas Lift = Sum of all well gas lift meters

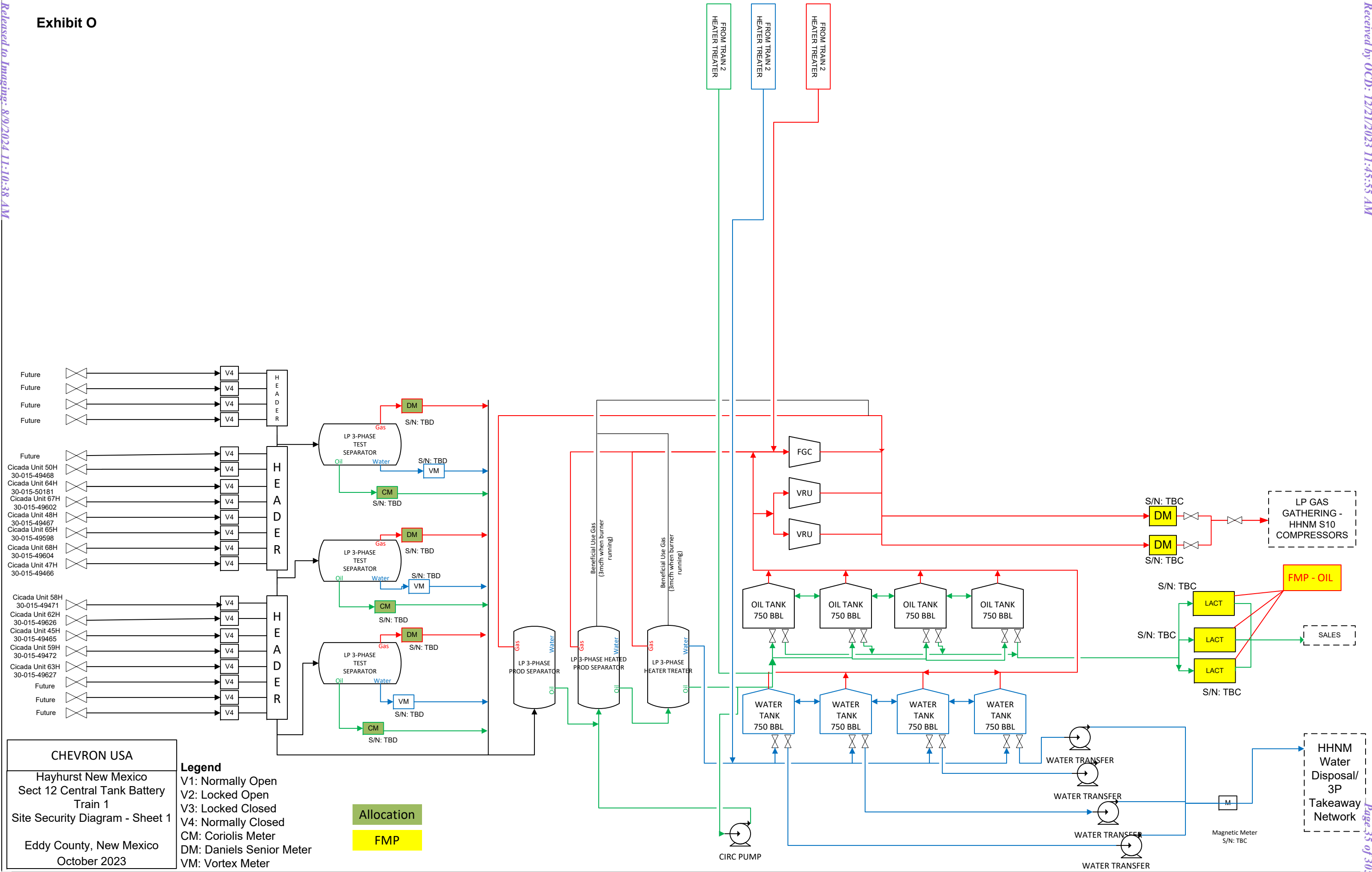
CTB 12 Produced Gas

= CTB 12 T1 LP Check Meter 1 (SN:TBD)
+ CTB 12 T1 LP Check Meter 2(SN:TBD) + CTB 12 HP Check Meter(SN:TBD)

CTB 12 Produced Gas

= CTB 12 T1 LP Check Meter 1 (SN:TBD)
+ CTB 12 T1 LP Check Meter 2(SN:TBD)
+ CTB 12 T2 LP Check Meter 1 (SN:TBD)
+ CTB 12 T2 LP Check Meter 2(SN:TBD) + CTB 12 Gas Lift meter (SN:TBD)
- CTB 12 Gas Lift Buy Back (SN:TBD)

CTB 12 Oil = CTB 12 LACT A (SN:TBD) + CTB 12 LACT B(SN:TBD)
+ CTB 12 LACT C(SN:TBD)



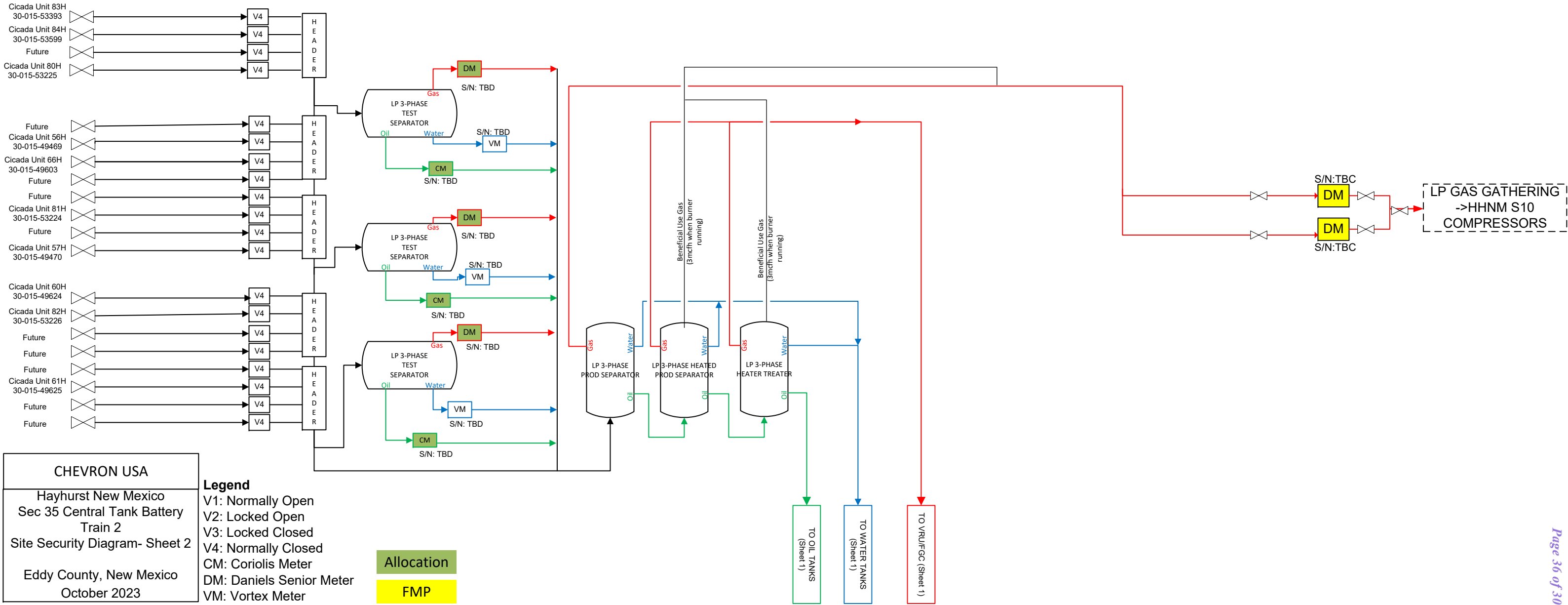


Exhibit P

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 25 Central Tank Battery

Oil & Gas metering:

The central tank battery (HHNM Section 25 CTB) is located in the SENW corner of Sec. 25, T26S, R27E. Gas will be metered before leaving the CTB through low pressure line. From there it will be gathered, compressed and sold at a common central delivery point (CDP) gas sales, as well as a gas compression station that takes combined suction gas from Section 25 CTB, Section 10 CTB, Section 9 CTB, Section 35 CTB and Section 12 CTB. This compressor station sends gas either to a high pressure sales point (third party) or to a gas lift system. The produced water will go to common water tanks on location and then to a Chevron water disposal system, recycled, or third party SWD station. In order to meet all commingling requirements, the HHNM Section 10 CTB production will be produced and metered prior to leaving the CTB. Oil from all wells will be sent to common oil tanks and sold through common LACT units (SN: TBC and SN: TBC). All wells will be tested monthly in order to meet all federal and state requirements regardless of the phase of decline. The value of gas will not be affected due to different formations as BTUs are expected to be the same or similar.

Gas Processing:

Gas from HHNM CTB 25 will flow to the HHNM Section 10 Rental Compressor Station, or the HHNM Section 10 Electric Compressor Station. The CTB's gas will be continuously measured utilizing orifice meters fitted with EFM flow computers located at HHNM Section 25 CTB (Low pressure: SN TBC) prior to entering the Compressor Station suction or sales. Compressed gas will be utilized for gas lift of wells producing into Section 25 CTB. Total gas lift volumes for each well will be measured through individual well gas lift orifice meters fitted with Total Flow EFM flow computers.

Third party gas sales meters are located in the NE/NE of Section 10 of T26S-R27E.

Gas lift Well Meters:

<u>Well Name</u>	<u>Gas Lift Meter SN</u>
KESSLER 25 36 STATE COM 438H	TBD
KESSLER 25 36 STATE COM 439H	TBD
KESSLER 25 36 STATE COM 440H	TBD
KESSLER 25 36 STATE COM 441H	TBD
JIM BEAM 25 36 STATE COM 442H	TBD
JIM BEAM 25 36 STATE COM 443H	TBD
JIM BEAM 25 36 STATE COM 444H	TBD
JIM BEAM 25 36 STATE COM 445H	TBD
BAILEYS 25 36 STATE COM 234H	TBD
BAILEYS 25 36 STATE COM 235H	TBD
BAILEYS 25 36 STATE COM 236H	TBD
BAILEYS 25 36 STATE COM 237H	TBD
KESSLER 25 36 STATE COM 638H	TBD
KESSLER 25 36 STATE COM 538H	TBD
KESSLER 25 36 STATE COM 639H	TBD
JIM BEAM 25 36 STATE COM 539H	TBD
JIM BEAM 25 36 STATE COM 640H	TBD

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Chevron U.S.A. Inc.

HHNM Section 25 Central Tank Battery

JIM BEAM 25 36 STATE COM 540H	
BAILEYS 25 36 STATE COM 136H	TBD
BAILEYS 25 36 STATE COM 261H	TBD
BAILEYS 25 36 STATE COM 137H	TBD
BAILEYS 25 36 STATE COM 262H	TBD
BAILEYS 25 36 STATE COM 134H	TBD
BAILEYS 25 36 STATE COM 259H	TBD
BAILEYS 25 36 STATE COM 135H	TBD
BAILEYS 25 36 STATE COM 260H	TBD

Future wells: TBD

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility flow diagram (Exhibit R) and map (Exhibit S) which shows the lease boundaries, locations of well surface holes, and locations of the flow lines, facility, and oil/gas sales meter. The commingling of this will not result in reduced royalty or improper measurement of production. The proposed commingling of gas for gas lift/artificial lift of wells will reduce the number of surface facilities, provide for a more economic facility design and reduce overall emissions by having more efficient gas compression utilization —specifically centralized electric compression for the majority of all gas.

Chevron U.S.A. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Exhibit Q

Total Sales Gas from CTB 25 = CTB 25 T1 LP Check Meter 1 (SN:TBD) +
CTB 25 T1 LP Check Meter 2(SN:TBD) + CTB 25 HP Check Meter(SN:TBD)- Total Gas Lift

Total Gas Lift = Sum of all well gas lift meters

CTB 25 Produced Gas

= CTB 25 T1 LP Check Meter 1 (SN:TBD)
+ CTB 25 T1 LP Check Meter 2(SN:TBD) + CTB 25 HP Check Meter(SN:TBD)

CTB 25 Oil = CTB 25 LACT A (SN:TBD) + CTB 25 LACT B(SN:TBD)

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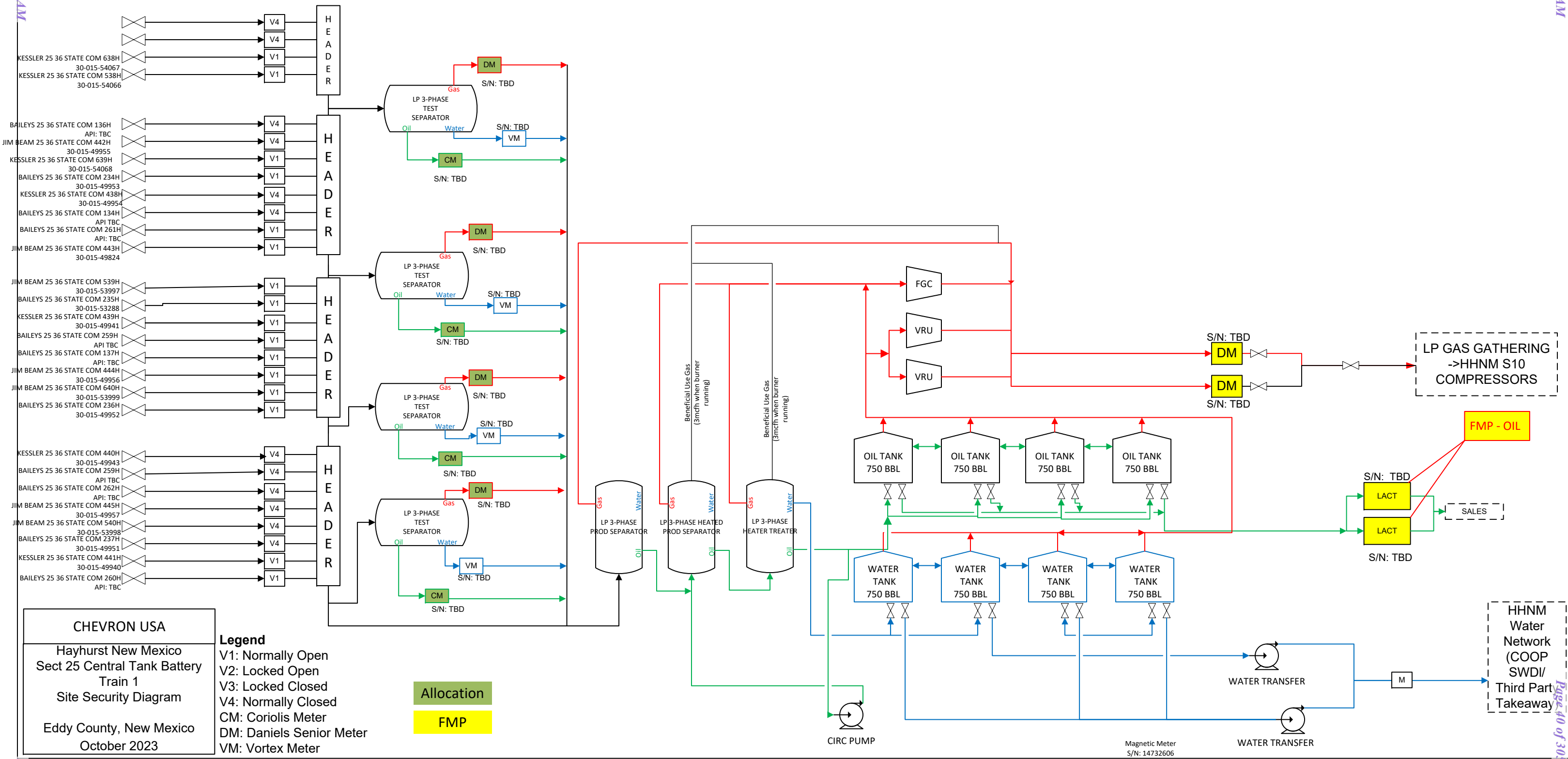
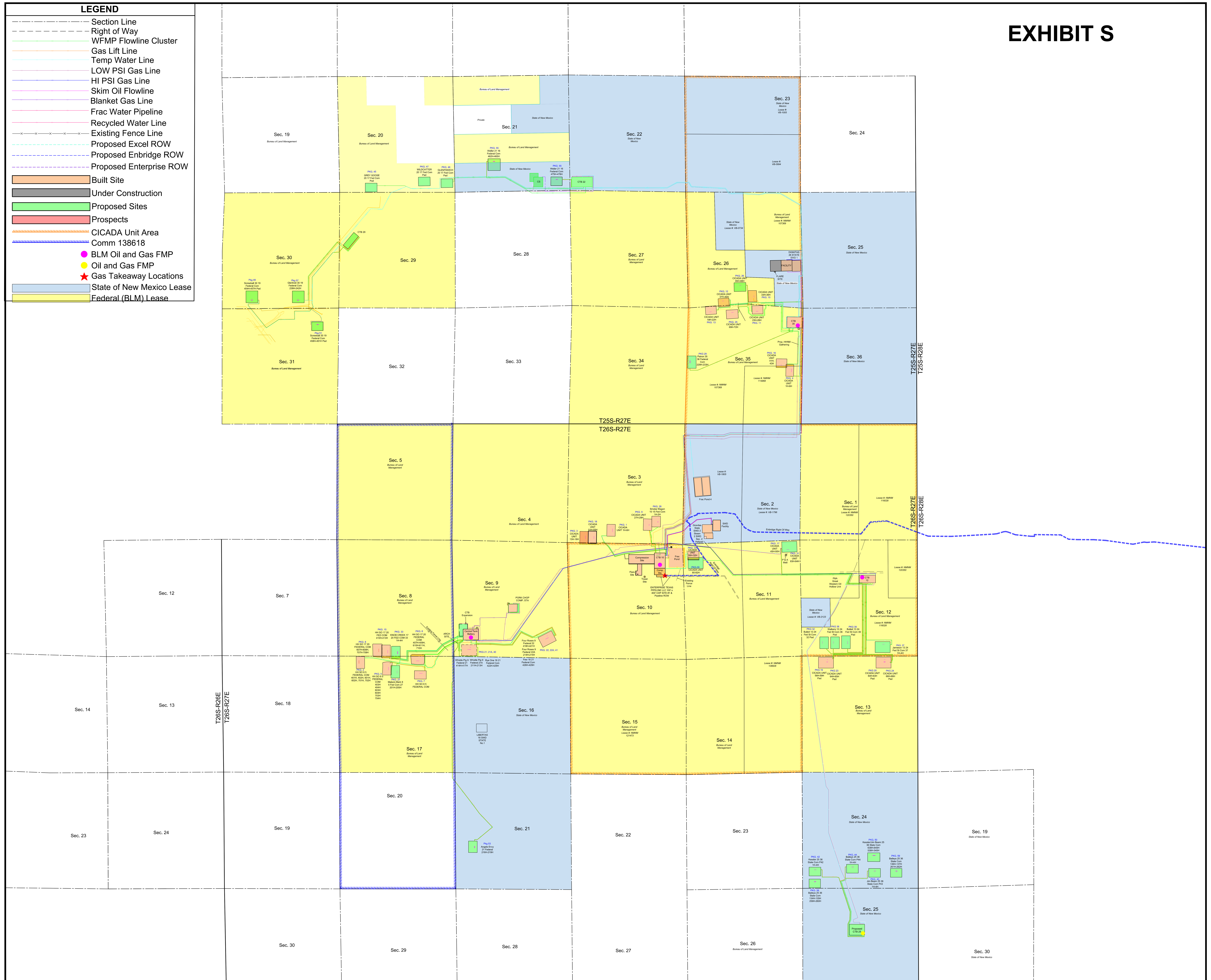
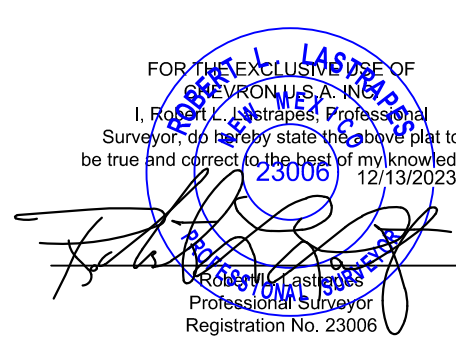
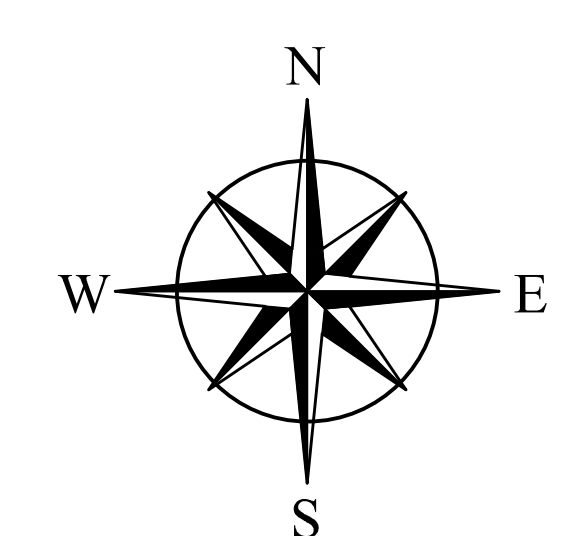
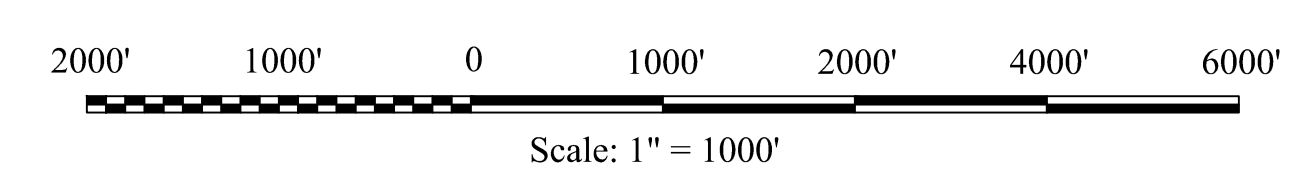


EXHIBIT S



C. H. Fenstermaker & Associates, L.L.C.
Engineers • Surveyors
Environmental Consultants
Shreveport • New Orleans • Baton Rouge • Lafayette • Houston
130 Regency Square, Lafayette, LA 70508
Phone: 337.257.2200, Fax: 337.256.3059
www.fenstermaker.com



REVISIONS				CHEVRON U.S.A. INC.	
Rev.	Date	Init.	Date	HHNM OIL AND GAS STRATEGY MAP	
1				HAYHURST WORK AREA	
				T26S-R27E	
				T26S-R27E	
				EDDY COUNTY, NEW MEXICO	
FILENAME: T20100210207/DWG/HHNM Oil and Gas Strategy Map_R3.dwg				DRAWN BY: DMB	
				DATE: October 27, 2023	
				SCALE: 1" = 1000'	

Exhibit T

Gas Data

Pricing table:

- Assuming crude price is \$50
- Estimate gas value about \$3/Mcf.

Gas Statement:

- “The commingling of gas between the captioned wells will not have an impact on the value of the production, as the gas to be commingled is produced from a common pool with similar BTUs.”

Exhibit U – Draft COMM Agreements

- COMM for Sections 13 & 24 (Pkgs 32, 36, 37 & 39)
 - E2 FED CA (Bulleit)
 - E2 FED CA (Jameson)
 - E2 State CA (Bulleit)
 - E2 State CA (Jameson)
 - W2 FED CA (Bulleit)
 - W2 FED CA (Walkers)
 - W2 State CA (Bulleit)
 - W2 State CA (Walkers)
- COMM for Sections 16 & 21 (Pkgs 40 & 41)
 - E2 FED CA (Few)
 - E2 State CA (Few)
 - W2 FED CA (Rye One)
 - W2 State CA (Rye One)
- COMM for Sections 25 & 36 (Pkgs 42, 43, 44, 50, 58 & 59)
 - E2 State CA (Baileys)
 - E2 State CA (Jim Beam)
 - W2 State CA (Baileys)
 - W2 State VA (Kessler)
- COMM for Sections 35 & 36 (Pkg 29)
 - N2 FED CA (Patron)
 - N2 State CA (Patron)
 - S2 FED CA (Patron)
 - S2 State CA (Patron)

**Exhibit - Draft COMM Agreement
COMM for Sections 13 and 24
E2 FED CA (Bulleit)**

Federal Communitization Agreement

Contract No. _____

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

E/2 of Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **640** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

SHARBRO ENERGY LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

STATE OF _____§
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
Sharbro Energy LLC, a _____ corporation, on behalf of said limited liability
company.

Notary Public

EXHIBIT “A”

Plat of communitized area covering **640** acres in the E/2 Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

BULLEIT 13 24 FEDERAL COM 223H

BULLEIT 13 24 FEDERAL COM 156H

BULLEIT 13 24 FEDERAL COM 257H

BULLEIT 13 24 FEDERAL COM 258H

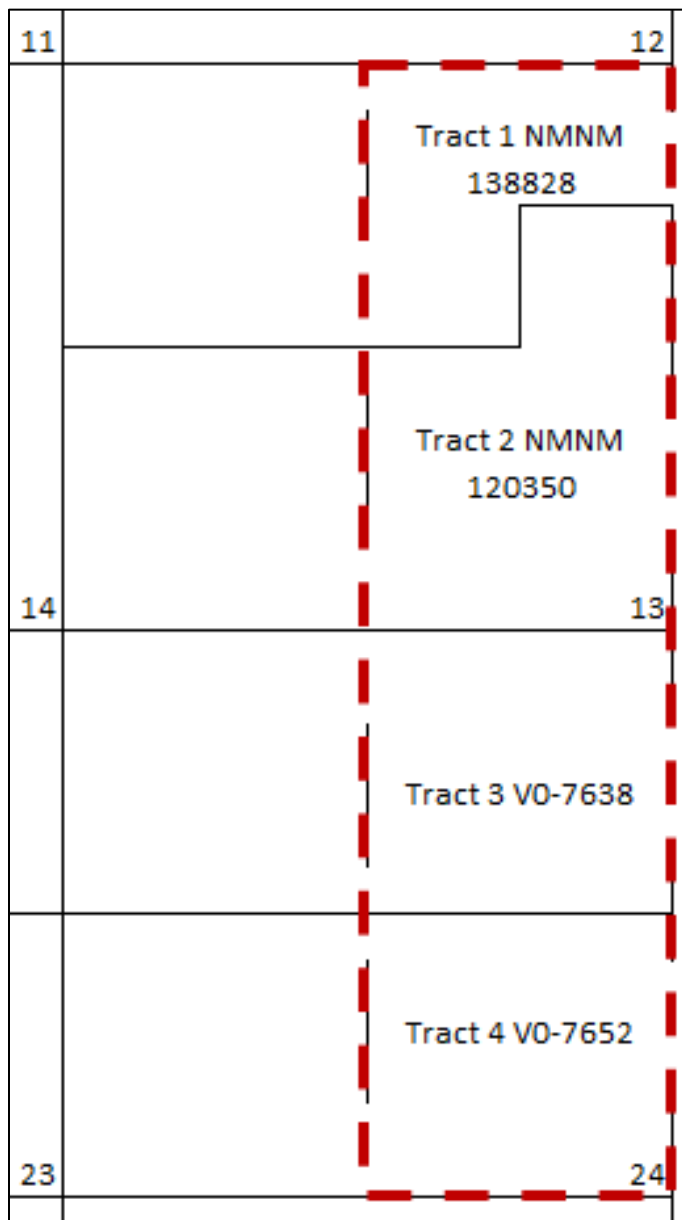


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Bone Spring formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	NMNM 138828	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: NW/4	
Number of Acres:	120	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 2

Lease Serial Number:	NMNM 120350	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: SW/4	
Number of Acres:	200	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 3

Lease Serial Number:	V0-7638	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

Tract No. 4

Lease Serial Number:	V0-7652	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120	18.75%
2	200	31.25%
3	160	25%
4	160	25%
Total	640	100.00%

**Exhibit - Draft COMM Agreement
COMM for Sections 13 and 24
E2 FED CA (Jameson)**

Federal Communitization Agreement

Contract No. _____

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

E/2 of Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **640** 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 Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

SHARBRO ENERGY LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

STATE OF _____§
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
Sharbro Energy LLC, a _____ corporation, on behalf of said limited liability
company.

Notary Public

EXHIBIT “A”

Plat of communitized area covering **640** acres in the E/2 Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

JAMESON 13 24 FEDERAL COM 434H

JAMESON 13 24 FEDERAL COM 435H

JAMESON 13 24 FEDERAL COM 436H

JAMESON 13 24 FEDERAL COM 437H

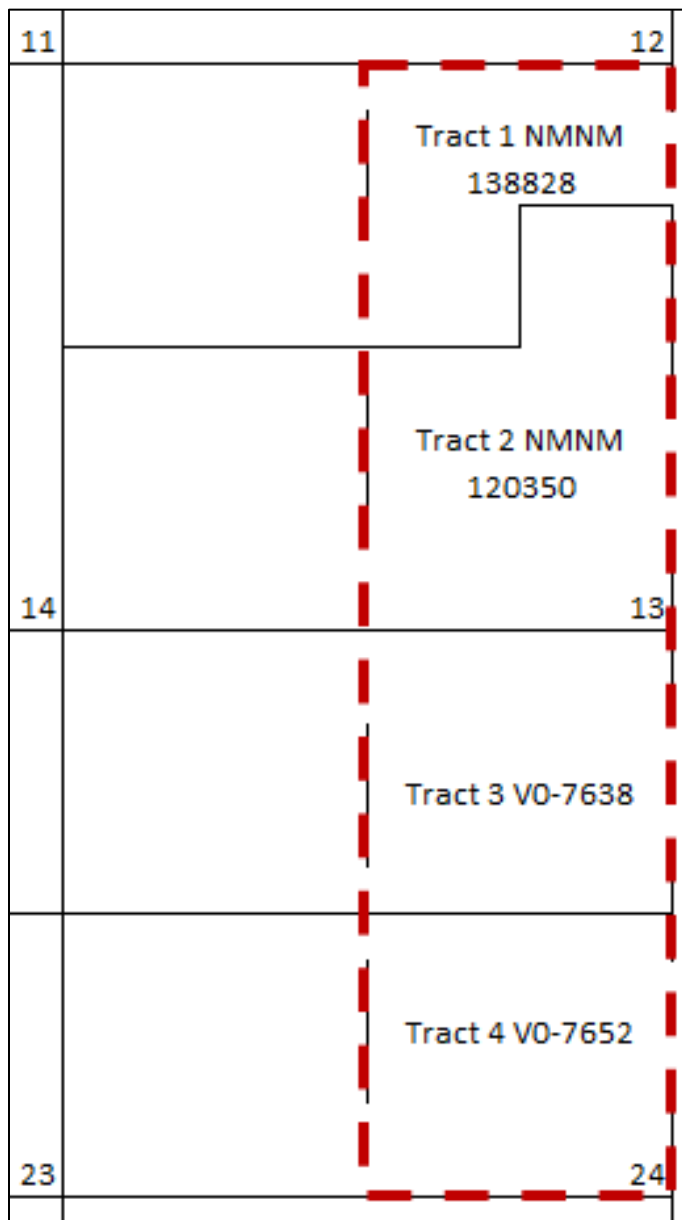


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	NMNM 138828	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: NW/4	
Number of Acres:	120	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 2

Lease Serial Number:	NMNM 120350	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: SW/4	
Number of Acres:	200	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 3

Lease Serial Number:	V0-7638	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

Tract No. 4

Lease Serial Number:	V0-7652	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120	18.75%
2	200	31.25%
3	160	25%
4	160	25%
 Total	 640	 100.00%

**Exhibit Draft COMM Agreement
COMM for Sections 13 and 24
E2 State CA (Bulleit)**

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

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions E/2 _____,

Sect(s) 13 & 24, T 26S, R 27E, NMPM EDDY _____ County, NM

containing 640 _____ acres, more or less, and this agreement shall include only the

BONE SPRING _____ Formation

or pool, underlying said lands and the OIL AND GAS _____

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator CHEVRON U.S.A. INC. Lessees of Record CHEVRON U.S.A. INC.

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[\[Acknowledgments are on following page.\]](#)

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 138828; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

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

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: NMNM 120350; CHEVRON U.S.A. INC. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: V0-7638; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: V0-7652; CHEVRON U.S.A. INC. BY:
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

**Exhibit Draft COMM Agreement
COMM for Sections 13 and 24
E2 State CA (Jameson)**

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

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions E/2 _____,

Sect(s) 13 & 14, T 26S, R 27E, NMPM EDDY _____ County, NM

containing 640 _____ acres, more or less, and this agreement shall include only the

_____ WOLFCAMP _____ Formation

or pool, underlying said lands and the OIL AND GAS _____

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator CHEVRON U.S.A. INC. Lessees of Record CHEVRON U.S.A. INC.

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[\[Acknowledgments are on following page.\]](#)

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 138828; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: NMNM 120350; CHEVRON U.S.A. INC. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: V0-7638; CHEVRON U.S.A. INC. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ DateBy _____
Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: V0-7652: CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

EXHIBIT “A”

Plat of communitized area covering **640** acres in the E/2 Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

JAMESON 13 24 FEDERAL COM 434H

JAMESON 13 24 FEDERAL COM 435H

JAMESON 13 24 FEDERAL COM 436H

JAMESON 13 24 FEDERAL COM 437H

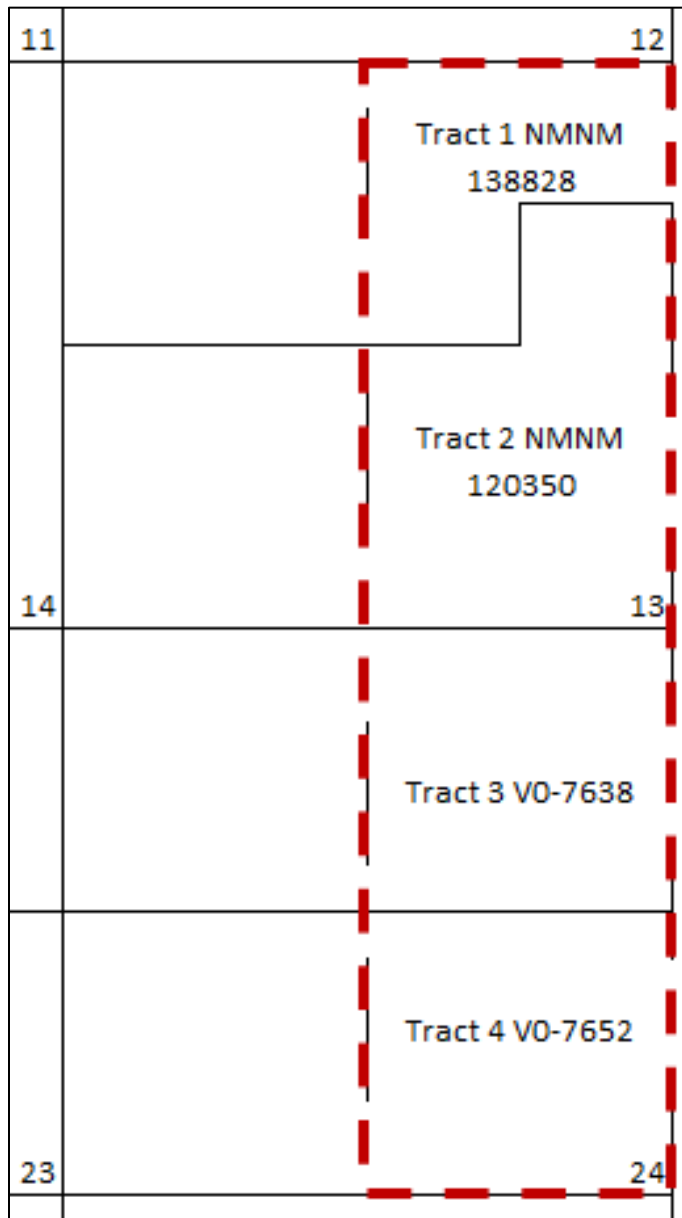


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	NMNM 138828	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: NW/4	
Number of Acres:	120	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 2

Lease Serial Number:	NMNM 120350	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: SW/4	
Number of Acres:	200	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 3

Lease Serial Number:	V0-7638	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

Tract No. 4

Lease Serial Number:	V0-7652	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120	18.75%
2	200	31.25%
3	160	25%
4	160	25%
Total	640	100.00%

**COMM for Sections 13 and 24
W2 FED CA (Bulleit)**

Federal Communitization Agreement

Contract No. _____

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

W/2 of Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **640** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

SHARBRO ENERGY LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

STATE OF _____§
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
Sharbro Energy LLC, a _____ corporation, on behalf of said limited liability
company.

Notary Public

EXHIBIT “A”

Plat of communitized area covering **640** acres in the W/2 Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

BULLEIT 13 24 FEDERAL COM 220H
BULLEIT 13 24 FEDERAL COM 221H
BULLEIT 13 24 FEDERAL COM 222H
BULLEIT 13 24 FEDERAL COM 256H
BULLEIT 13 24 FEDERAL COM 155H
BULLEIT 13 24 FEDERAL COM 255H

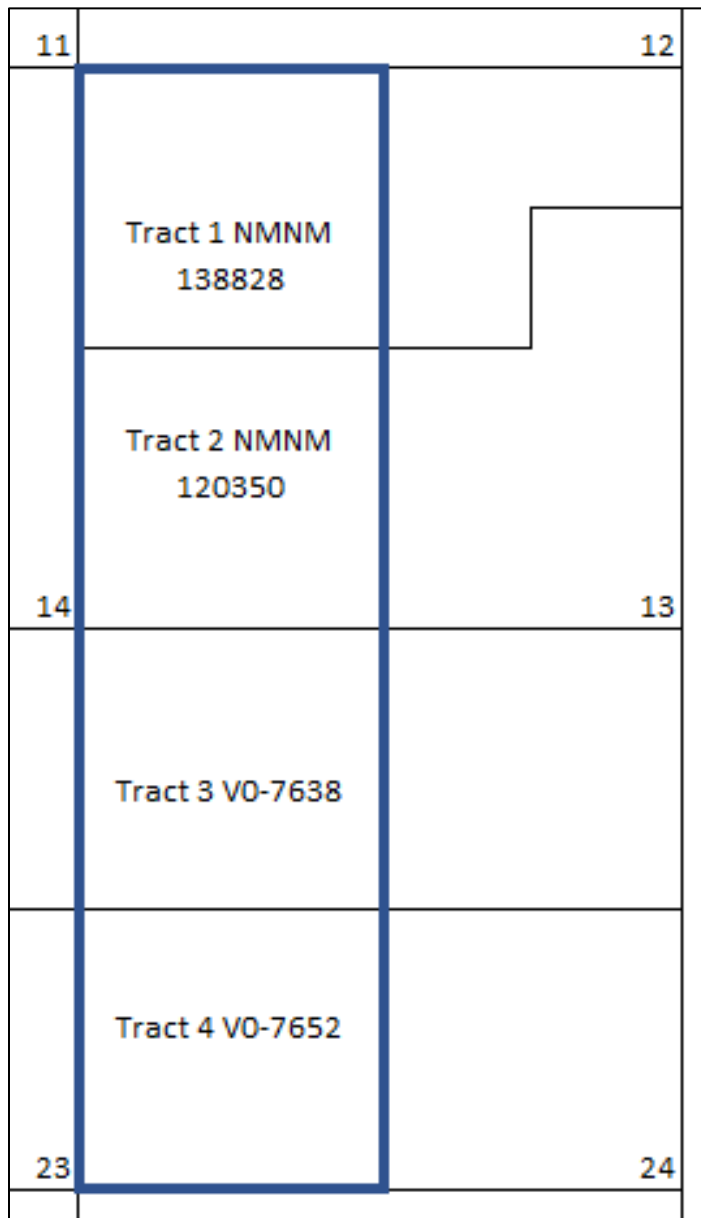


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Bone Spring formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	NMNM 138828	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 2

Lease Serial Number:	NMNM 120350	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 3

Lease Serial Number:	V0-7638	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

Tract No. 4

Lease Serial Number:	V0-7652	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	25%
2	160	25%
3	160	25%
4	160	25%
Total	640	100.00%

**Exhibit - Draft COMM Agreement
COMM for Sections 13 and 24
W2 FED CA (Walkers)**

Federal Communitization Agreement

Contract No. _____

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

W/2 of Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **640** 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 Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

SHARBRO ENERGY LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

STATE OF _____§
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
Sharbro Energy LLC, a _____ corporation, on behalf of said limited liability
company.

Notary Public

EXHIBIT “A”

Plat of communitized area covering **640** acres in the W/2 Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

WALKERS 13 24 FEDERAL COM 430H

WALKERS 13 24 FEDERAL COM 431H

WALKERS 13 24 FEDERAL COM 432H

WALKERS 13 24 FEDERAL COM 433H

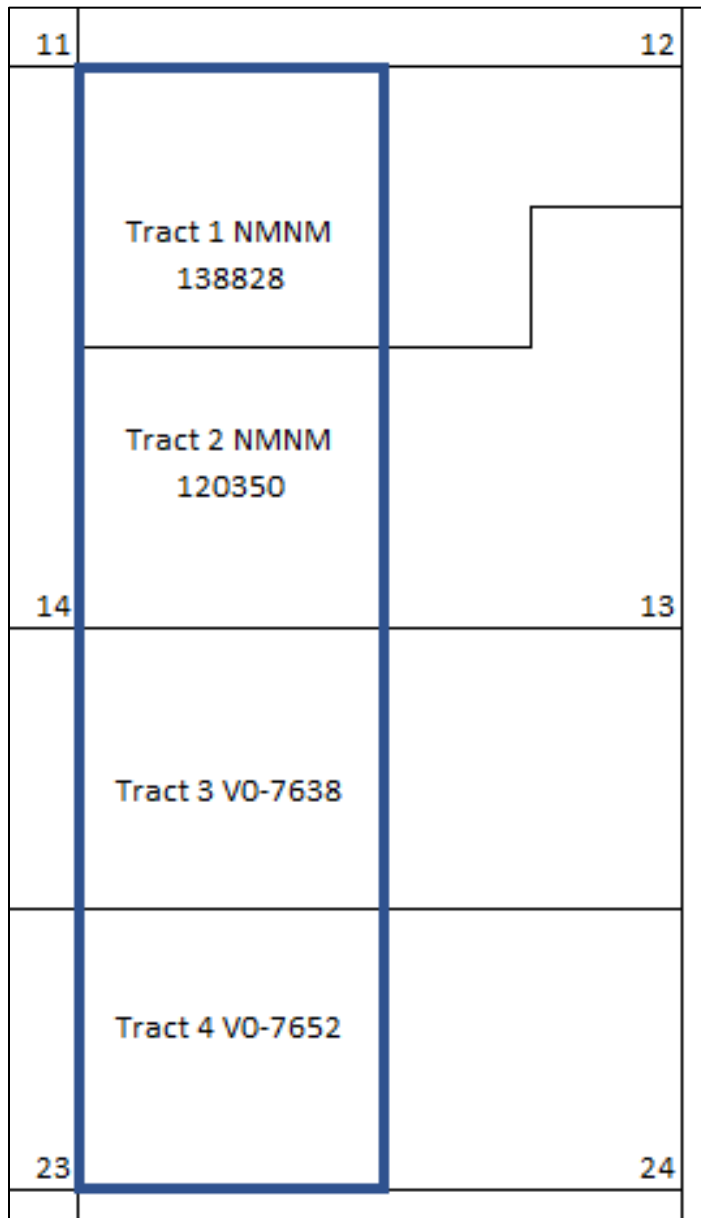


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	NMNM 138828	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 2

Lease Serial Number:	NMNM 120350	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 3

Lease Serial Number: V0-7638

Description of Land Committed: Township 26 South, Range 27 East,
N.M.P.M., Section 24: NW/4

Number of Acres: 160

Current Lessee of Record: Chevron U.S.A. Inc. 100%

Name of Working Interest Owners: Chevron U.S.A. Inc. 98.125%
Sharbro Energy LLC 1.875%

ORRI Owners: None

Tract No. 4

Lease Serial Number: V0-7652

Description of Land Committed: Township 26 South, Range 27 East,
N.M.P.M., Section 24: SW/4

Number of Acres: 160

Current Lessee of Record: Chevron U.S.A. Inc. 100%

Name of Working Interest Owners: Chevron U.S.A. Inc. 98.125%
Sharbro Energy LLC 1.875%

ORRI Owners: None

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	25%
2	160	25%
3	160	25%
4	160	25%
Total	640	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions W/2 _____,

Sect(s) 13 & 24, T 26S, R 27E, NMPM EDDY _____ County, NM

containing 640 _____ acres, more or less, and this agreement shall include only the

BONE SPRING _____ Formation

or pool, underlying said lands and the OIL AND GAS _____

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator CHEVRON U.S.A. INC. Lessees of Record CHEVRON U.S.A. INC.

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[\[Acknowledgments are on following page.\]](#)

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

(Signature of Authorized Agent)

State of)
)
) SS)
County of)

DateBy

Signature of Notarial Officer

My commission expires: _____

State of)
)
) SS)
County of)

Date:_____By: .

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 120350; CHEVRON U.S.A. INC. BY:
_____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on

DateBy

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on

Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: V0-7638; CHEVRON U.S.A. INC. BY:

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: V0-7652; CHEVRON U.S.A. INC. BY:
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on _____ DateBy
Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Exhibit Draft COMM Agreement

COMM for Sections 13 and 24

W2 State CA (Walkers)

NM State Land Office
Oil, Gas, & Minerals DivisionSTATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions W/2 _____,

Sect(s) 13 & 24, T 26S, R 27E, NMPM EDDY _____ County, NM

containing 640 _____ acres, more or less, and this agreement shall include only the

WOLFCAMP _____ Formation

or pool, underlying said lands and the OIL AND GAS _____

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator CHEVRON U.S.A. INC. Lessees of Record CHEVRON U.S.A. INC.

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[\[Acknowledgments are on following page.\]](#)

Acknowledgment in an Individual Capacity

State of TEXAS)

County of HARRIS) S S)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) S S)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

(Signature of Authorized Agent)

State of)
)
) SS)
County of)

DateBy

(Seal)

Signature of Notarial Officer

My commission expires: _____

State of)
)
) SS)
County of)

Date:_____By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: V0-7652; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ DateBy _____
Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: NMNM 138828; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

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

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: NMNM 120350; CHEVRON U.S.A. INC. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ DateBy _____
Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

EXHIBIT “A”

Plat of communitized area covering **640** acres in the W/2 Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

WALKERS 13 24 FEDERAL COM 430H

WALKERS 13 24 FEDERAL COM 431H

WALKERS 13 24 FEDERAL COM 432H

WALKERS 13 24 FEDERAL COM 433H

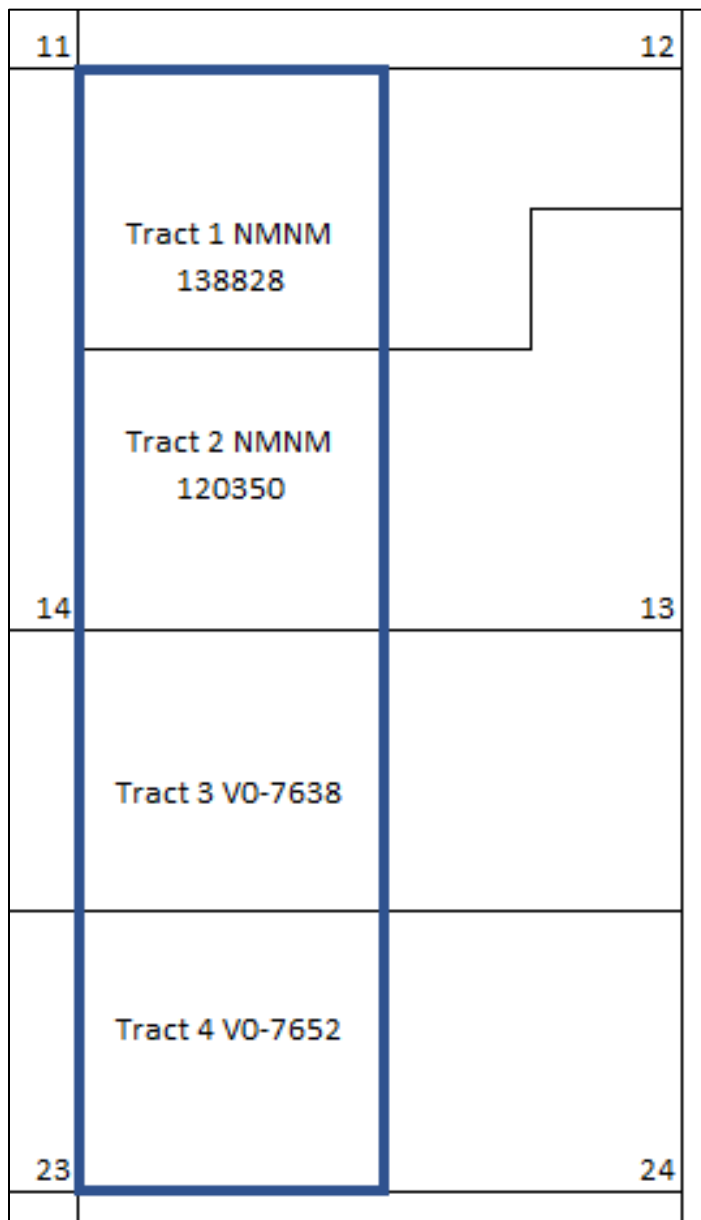


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 13 and 24, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	NMNM 138828	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 2

Lease Serial Number:	NMNM 120350	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 13: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

Tract No. 3

Lease Serial Number:	V0-7638	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: NW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

Tract No. 4

Lease Serial Number:	V0-7652	
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 24: SW/4	
Number of Acres:	160	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	98.125%
	Sharbro Energy LLC	1.875%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	25%
2	160	25%
3	160	25%
4	160	25%
 Total	 640	 100.00%

Federal Communitization Agreement

Contract No. _____

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

E/2 of Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **640** 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 Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

**CHEVRON MIDCONTINENT,
L.P., by Chevron Midcontinent
Operations LLC, its General Partner**

By: _____

Printed Name: _____

Title: _____

Date: _____

LESSEES OF RECORD

**CHISHOLM ENERGY
OPERATING, LLC**

By: _____

Printed Name: _____

Title: _____

Date: _____

OXY Y-1 COMPANY

By: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF _____§

This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

STATE OF TEXAS _____)
) ss.
COUNTY OF HARRIS _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as Attorney-in-Fact for **Chevron Midcontinent**
Operations LLC, a Delaware limited liability company, as General Partner of Chevron
Midcontinent, L.P., a Texas limited partnership, on behalf of said limited partnership.

Notary Public in and for The State of Texas

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chisholm
Energy Operating LLC**, a _____ limited liability company, on behalf of said
limited liability company.

Notary Public

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
OXY Y-1 Company, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

EXHIBIT “A”

Plat of communitized area covering **640** acres in the E/2 Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

FEW 16 21 FEDERAL COM 426H 30-015-53731
FEW 16 21 FEDERAL COM 427H 30-015-53699
FEW 16 21 FEDERAL COM 428H 30-015-53516
FEW 16 21 FEDERAL COM 429H 30-015-53581

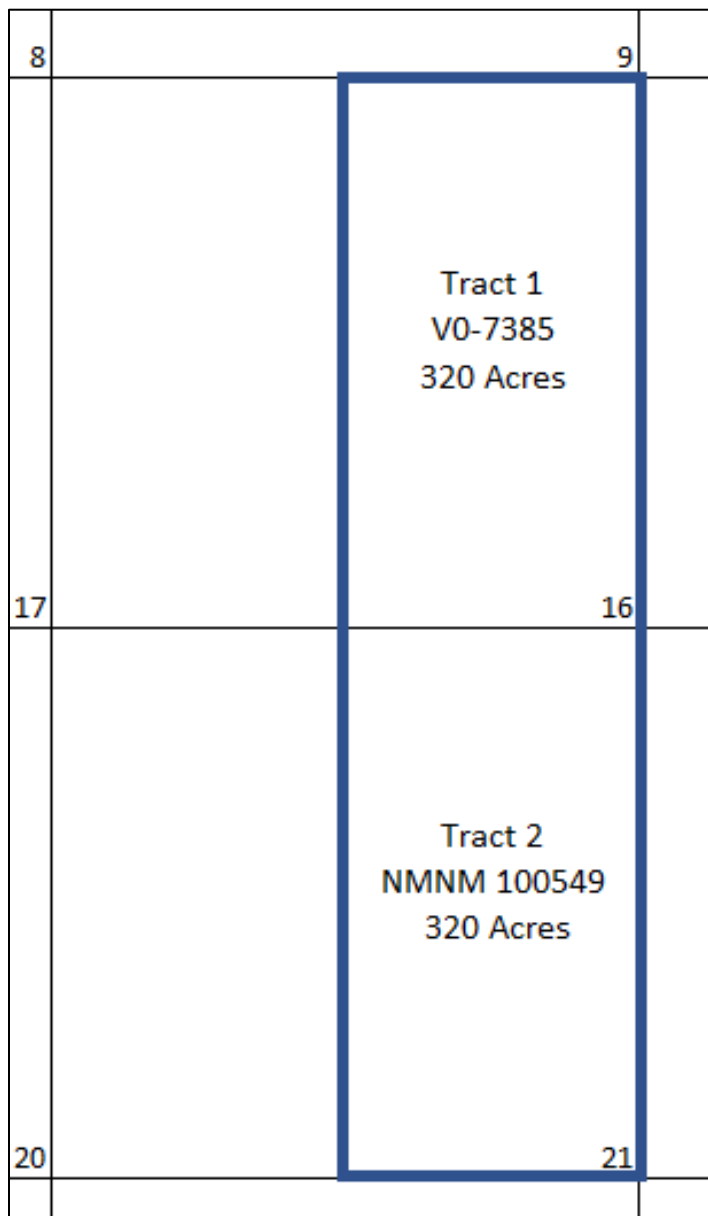


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	State of New Mexico V0-7385
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 16: E/2
Number of Acres:	320
Current Lessee of Record:	Chisholm Energy Operating, LLC 100%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 100%
ORRI Owners:	Nearburg Production Company Nearburg Exploration Company, LLC Nestegg Energy Corporation

Tract No. 2

Lease Serial Number:	NMNM 100549
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 21: E/2
Number of Acres:	320
Current Lessee of Record:	Chevron U.S.A. Inc. 59.4% Chevron Midcontinent, L.P. 30.6% Oxy Y-1 Company 10%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 69.4% Chevron Midcontinent, L.P. 30.6%
ORRI Owners:	Oxy Y-1 Company 0.75%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	50%
<u>2</u>	<u>320</u>	<u>50%</u>
Total	640	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0 15 - 53699

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions E/2,

Sect(s) 16 & 21, T 26S, R 27E, NMPM EDDY County, NM

containing 640 acres, more or less, and this agreement shall include only the

WOLFCAMP Formation

or pool, underlying said lands and the OIL AND GAS

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator CHEVRON U.S.A. INC. Lessees of Record CHEVRON U.S.A. INC.

By _____
Print name of person

CHEVRON MIDCONTINENT, L.P.
CHISHOLM ENERGY OPERATING, LLC
OXY Y-1 COMPANY

Type of authority

Attach additional page(s) if needed.

[\[Acknowledgments are on following page.\]](#)

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: V0-7385; CHISHOLM ENERGY OPERATING, LLC **BY:**

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
County of _____)
SS)

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

(Seal) _____
Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
County of _____)
SS)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal) _____
Signature of Notarial Officer

My commission expires: _____

EXHIBIT “A”

Plat of communitized area covering **640** acres in the E/2 Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

FEW 16 21 FEDERAL COM 426H 30-015-53731
FEW 16 21 FEDERAL COM 427H 30-015-53699
FEW 16 21 FEDERAL COM 428H 30-015-53516
FEW 16 21 FEDERAL COM 429H 30-015-53581

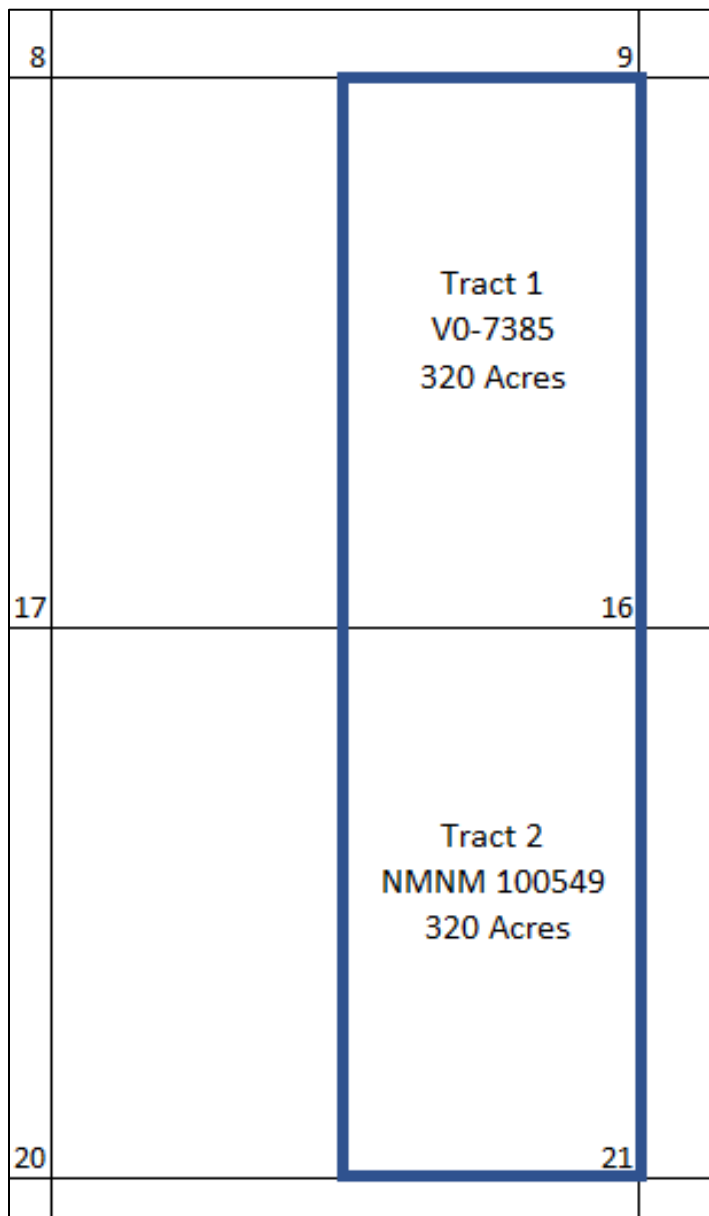


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	State of New Mexico V0-7385
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 16: E/2
Number of Acres:	320
Current Lessee of Record:	Chisholm Energy Operating, LLC 100%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 100%
ORRI Owners:	Nearburg Production Company Nearburg Exploration Company, LLC Nestegg Energy Corporation

Tract No. 2

Lease Serial Number:	NMNM 100549
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 21: E/2
Number of Acres:	320
Current Lessee of Record:	Chevron U.S.A. Inc. 59.4% Chevron Midcontinent, L.P. 30.6% Oxy Y-1 Company 10%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 69.4% Chevron Midcontinent, L.P. 30.6%
ORRI Owners:	Oxy Y-1 Company 0.75%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	50%
<u>2</u>	<u>320</u>	<u>50%</u>
Total	640	100.00%

Lease # and Lessee of Record: NMNM 100549; CHEVRON U.S.A. INC. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ DateBy _____
Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: NMNM 100549; CHEVRON MIDCONTINENT, L.P. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 100549; OXY Y-1 COMPANY BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ DateBy _____
Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

**Exhibit - Draft COMM Agreement
COMM for Sections 16 and 21
W2 FED CA (Rye One)**

Federal Communitization Agreement

Contract No. _____

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

W/2 of Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **640** 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 Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

**CHEVRON MIDCONTINENT,
L.P., by Chevron Midcontinent
Operations LLC, its General Partner**

By: _____

Printed Name: _____

Title: _____

Date: _____

LESSEES OF RECORD

**CONCHO OIL & GAS LLC /
COG OPERATING LLC**

By: _____

Printed Name: _____

Title: _____

Date: _____

OXY Y-1 COMPANY

By: _____

Printed Name: _____

Title: _____

Date: _____

[illegible]

Notary Public in and for The State of Texas

Notary Public in and for The State of Texas

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Concho
Oil & Gas LLC / COG Operating LLC**, a _____ limited liability company, on
behalf of said limited liability company.

Notary Public

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
OXY Y-1 Company, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

EXHIBIT “A”

Plat of communitized area covering 640 acres in the W/2 Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:
RYE ONE 16 21 FEDERAL COM 422H 30-015-53739
RYE ONE 16 21 FEDERAL COM 423H 30-015-53738
RYE ONE 16 21 FEDERAL COM 424H 30-015-53801
RYE ONE 16 21 FEDERAL COM 425H 30-015-53737

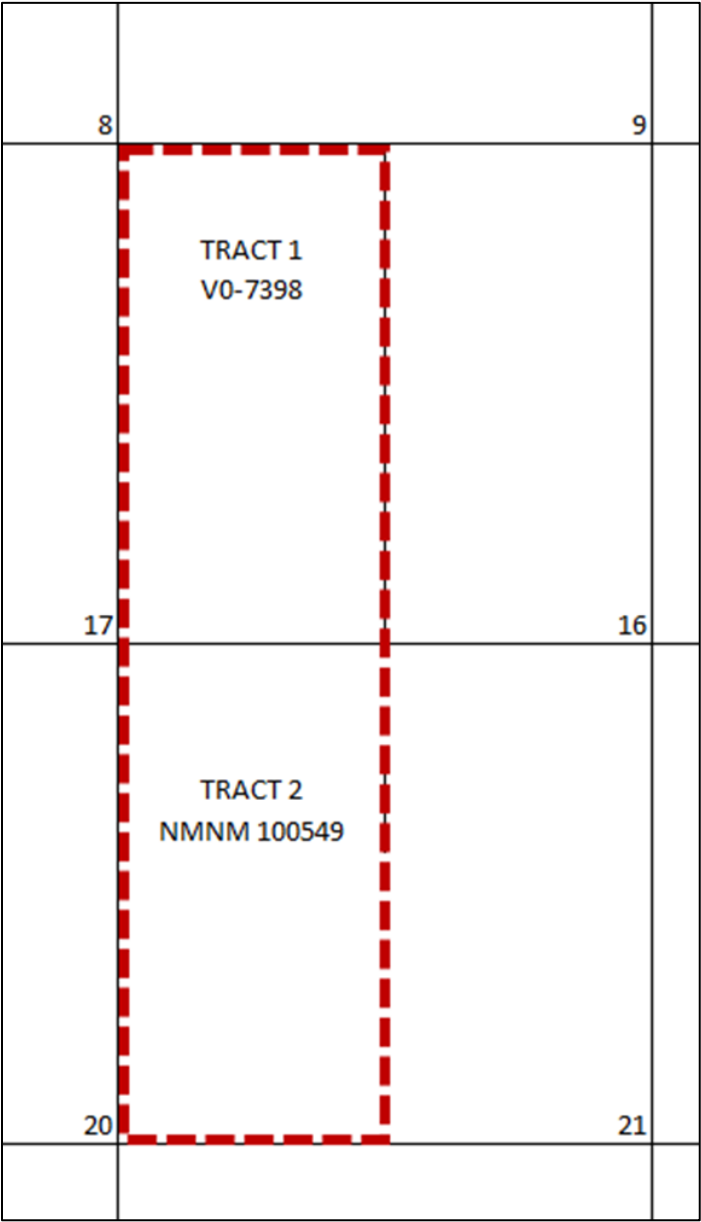


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	State of New Mexico V0-7398
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 16: W/2
Number of Acres:	320
Current Lessee of Record:	Concho Oil & Gas LLC / COG Operating LLC 100%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 100%
ORRI Owners:	Nestegg Energy Corporation

Tract No. 2

Lease Serial Number:	NMNM 100549
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 21: W/2
Number of Acres:	320
Current Lessee of Record:	Chevron U.S.A. Inc. 59.4% Chevron Midcontinent, L.P. 30.6% Oxy Y-1 Company 10%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 69.4% Chevron Midcontinent, L.P. 30.6%
ORRI Owners:	Oxy Y-1 Company 0.75%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	50%
<u>2</u>	<u>320</u>	<u>50%</u>
Total	640	100.00%

**COMM for Sections 16 and 21
W2 State CA (Rye One)
NM State Land Office
Oil, Gas, & Minerals Division****STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENTAPI Initial Well: 30-0 15 - 53738

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:Subdivisions W/2,Sect(s) 16 & 21, T 26S, R 27E, NMPM EDDY County, NMcontaining 640 acres, more or less, and this agreement shall include only theWOLFCAMP Formationor pool, underlying said lands and the OIL AND GAS

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator CHEVRON U.S.A. INC. Lessees of Record CHEVRON U.S.A. INC.

By _____
Print name of person

CHEVRON MIDCONTINENT, L.P.

Type of authority

CONCHO OIL & GAS LLC/COG OPERATING LLC
OXY Y-1 COMPANY

Attach additional page(s) if needed.

[\[Acknowledgments are on following page.\]](#)

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS}

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS}

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: V0-7398; CONCHO OIL & GAS LLC/COG OPERATING LLC **BY:**
_____**(Name and Title of Authorized Agent)**

_____**(Signature of Authorized Agent)**

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 100549; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____ SS)
County of _____)

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

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____ SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: NMNM 100549; CHEVRON MIDCONTINENT, L.P. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ DateBy _____
Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)
(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Lease # and Lessee of Record: NMNM 100549; OXY Y-1 COMPANY BY: _____
_____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on

DateBy

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on

Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

EXHIBIT "A"

Plat of communitized area covering **640** acres in the W/2 Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

RYE ONE 16 21 FEDERAL COM 422H 30-015-53739
RYE ONE 16 21 FEDERAL COM 423H 30-015-53738
RYE ONE 16 21 FEDERAL COM 424H 30-015-53801
RYE ONE 16 21 FEDERAL COM 425H 30-015-53737

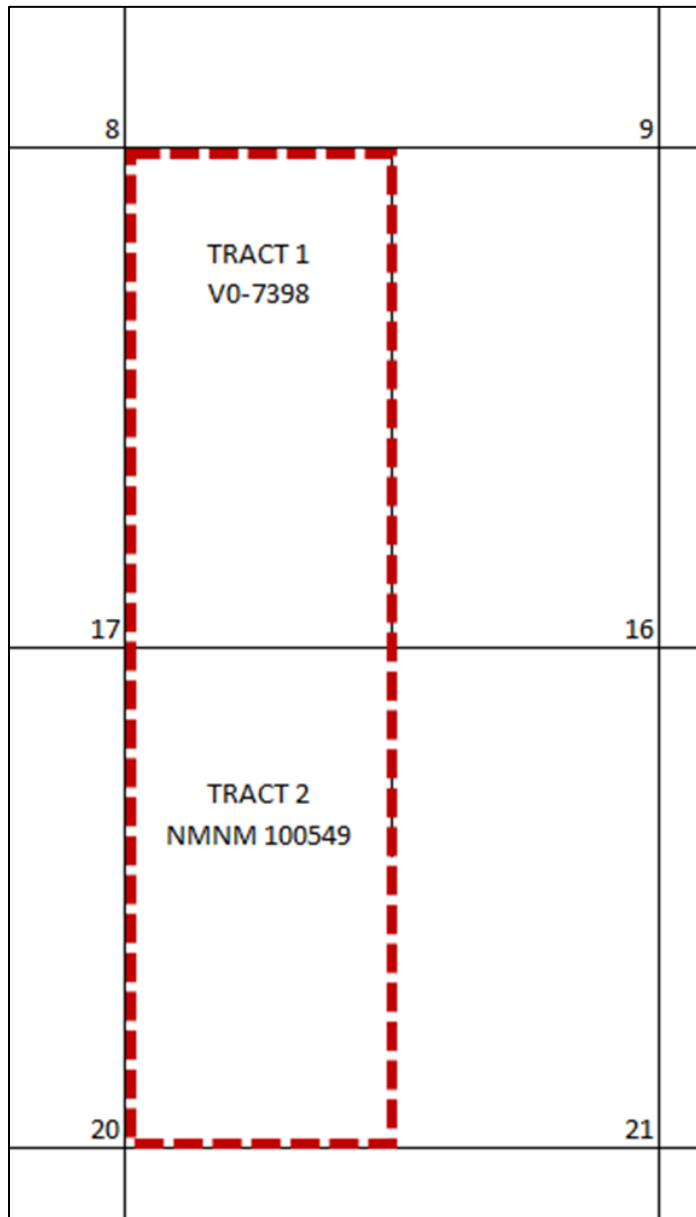


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Sections 16 and 21, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 640 acres, as to the Wolfcamp formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	State of New Mexico V0-7398
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 16: W/2
Number of Acres:	320
Current Lessee of Record:	Concho Oil & Gas LLC / COG Operating LLC 100%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 100%
ORRI Owners:	Nestegg Energy Corporation

Tract No. 2

Lease Serial Number:	NMNM 100549
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 21: W/2
Number of Acres:	320
Current Lessee of Record:	Chevron U.S.A. Inc. 59.4% Chevron Midcontinent, L.P. 30.6% Oxy Y-1 Company 10%
Name of Working Interest Owners:	Chevron U.S.A. Inc. 69.4% Chevron Midcontinent, L.P. 30.6%
ORRI Owners:	Oxy Y-1 Company 0.75%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	50%
<u>2</u>	<u>320</u>	<u>50%</u>
Total	640	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 ____ - ____

STATE OF NEW MEXICO) Well Name: SEE EXHIBIT A
SS)

COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) _____, 20__, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2

Of Sect(s): 25 & 36 Twp: 26S Rng: 27E NMPM EDDY County, NM

Containing 448.09 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. CHEVRON U.S.A. INC. shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by CHEVRON U.S.A. INC..

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: CHEVRON U.S.A. INC.

EXHIBIT "A"

Plat of communitized area covering 448.09 acres in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing only the Bone Spring formation.

BAILEYS 25 36 STATE COM 237H

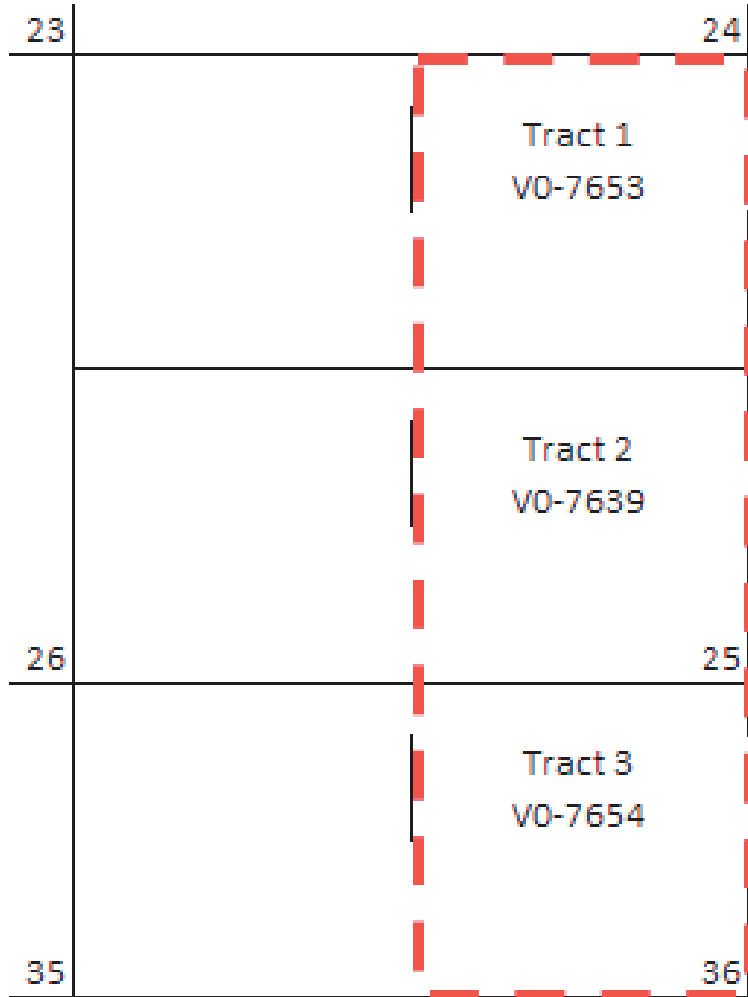


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 448.09 acres, limited to the Bone Spring formation only.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	V0-7653
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: NW/4
Number of Acres:	160
Current Lessee of Record:	EOG Resources
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 2

Lease Serial Number:	V0-7639
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: SW/4
Number of Acres:	160
Current Lessee of Record:	Chevron U.S.A. Inc.
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 3

Lease Serial Number: V0-7654

Description of Land Committed: Township 26 South, Range 27 East,
N.M.P.M., Section 36: W/2

Number of Acres: 128.09

Current Lessee of Record: Chevron U.S.A. Inc.

Name of Working Interest Owners: Chevron U.S.A. Inc.: 98.125%
Sharbro Energy LLC: 1.875%

ORRI Owners: None

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	35.71%
2	160	35.71%
3	<u>128.09</u>	<u>28.58%</u>
Total	448.09	100.0000%

Lease # and Lessee of Record: V0- 7653; EOG RESOURCES

BY: _____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date: _____

By: _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

NM State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 ____ - ____

STATE OF NEW MEXICO)
SS) Well Name: SEE EXHIBIT A

COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) _____, 20__, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2

Of Sect(s): 25 & 36 Twp: 26S Rng: 27E NMPM EDDY County, NM

Containing 448.09 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. CHEVRON U.S.A. INC. shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by CHEVRON U.S.A. INC..

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: CHEVRON U.S.A. INC.

(Signature of Authorized Agent)

EXHIBIT "A"

Plat of communitized area covering 448.09 acres in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing only the Wolfcamp formation.

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JIM BEAM 25 36 STATE COM 539H
JIM BEAM 25 36 STATE COM 640H
JIM BEAM 25 36 STATE COM 540H

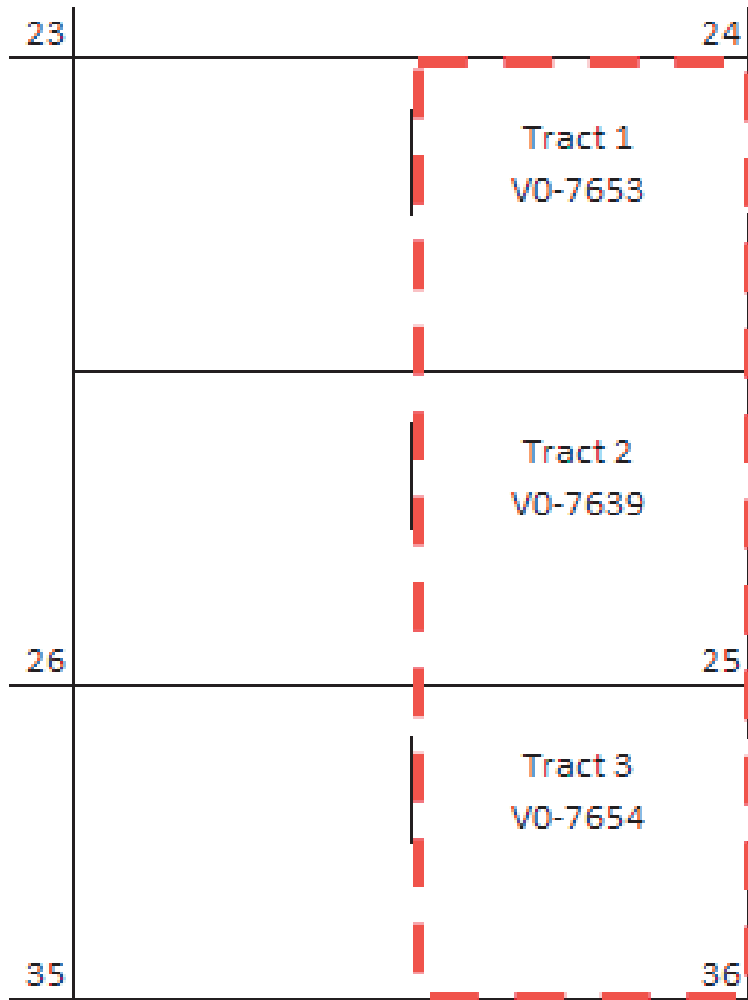


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 448.09 acres, limited to the Wolfcamp formation only.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	V0-7653
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: NW/4
Number of Acres:	160
Current Lessee of Record:	EOG Resources
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 2

Lease Serial Number:	V0-7639
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: SW/4
Number of Acres:	160
Current Lessee of Record:	Chevron U.S.A. Inc.
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 3

Lease Serial Number: V0-7654

Description of Land Committed: Township 26 South, Range 27 East,
N.M.P.M., Section 36: W/2

Number of Acres: 128.09

Current Lessee of Record: Chevron U.S.A. Inc.

Name of Working Interest Owners: Chevron U.S.A. Inc.: 98.125%
Sharbro Energy LLC: 1.875%

ORRI Owners: None

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	35.71%
2	160	35.71%
3	<u>128.09</u>	<u>28.58%</u>
Total	448.09	100.0000%

Lease # and Lessee of Record: V0- 7653; EOG RESOURCES

BY: _____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date: _____

By: _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

NM State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 ____ - ____

STATE OF NEW MEXICO)
SS) Well Name: SEE EXHIBIT A

COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) _____, 20__, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W/2

Of Sect(s): 25 & 36 Twp: 26S Rng: 27E NMPM EDDY County, NM

Containing 448.31 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. CHEVRON U.S.A. INC. shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by CHEVRON U.S.A. INC..

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: CHEVRON U.S.A. INC.

OPERATOR: CHEVRON U.S.A. INC.

BY: _____ (Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
County of _____)
SS)

This instrument was acknowledged before me on _____ Date _____

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires:

Acknowledgment in an Representative Capacity

State of)
County of)
SS)

This instrument was acknowledged before me on _____ Date : _____

By: _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

EXHIBIT "A"

Plat of communitized area covering 448.31 acres in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing only the Bone Spring formation.

BAILEYS 25 36 STATE COM 234H
BAILEYS 25 36 STATE COM 235H
BAILEYS 25 36 STATE COM 236H

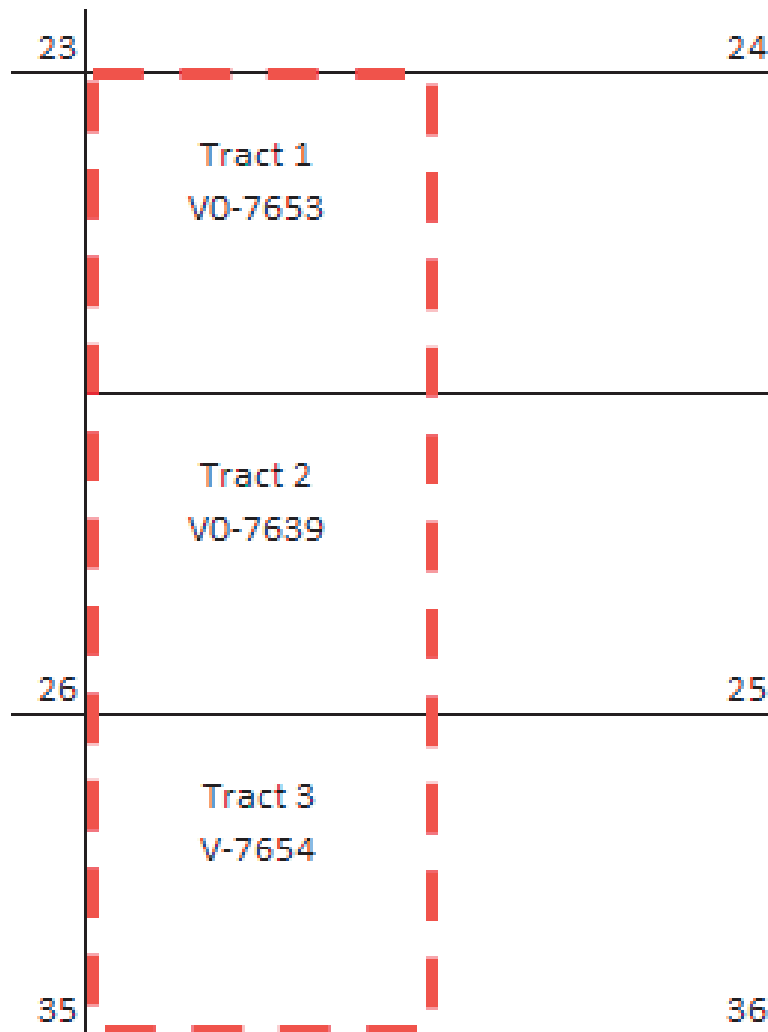


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 448.31 acres, limited to the Bone Spring formation only.

Operator of Communitized Area: Chevron U.S.A. Inc.

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

Lease Serial Number:	V0-7653
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: NW/4
Number of Acres:	160
Current Lessee of Record:	EOG Resources
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 2

Lease Serial Number:	V0-7639
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: SW/4
Number of Acres:	160
Current Lessee of Record:	Chevron U.S.A. Inc.
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 3

Lease Serial Number: V0-7654

Description of Land Committed: Township 26 South, Range 27 East,
N.M.P.M., Section 36: W/2

Number of Acres: 128.31

Current Lessee of Record: Chevron U.S.A. Inc.

Name of Working Interest Owners: Chevron U.S.A. Inc.: 98.125%
Sharbro Energy LLC: 1.875%

ORRI Owners: None

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	35.69%
2	160	35.69%
3	<u>128.31</u>	<u>28.62%</u>
Total	448.31	100.0000%

Lease # and Lessee of Record: V0- 7653; EOG RESOURCES

BY: _____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date: _____

By: _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

NM State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 ____ - ____

STATE OF NEW MEXICO)
SS) Well Name: SEE EXHIBIT A

COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) _____, 20__, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W/2
 Of Sect(s): 25 & 36 Twp: 26S Rng: 27E NMPM EDDY County, NM

Containing 448.31 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. CHEVRON U.S.A. INC. shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by CHEVRON U.S.A. INC..

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: CHEVRON U.S.A. INC.

BY: _____ (Name and Title of Authorized Agent)

(Signature of Authorized Agent)

State of _____)
County of _____)
SS)

This instrument was acknowledged before me on

Date _____

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires:

State of)
County of)
SS)

This instrument was acknowledged before me on

Date :

By: _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires:

EXHIBIT "A"

Plat of communitized area covering 448.31 acres in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing only the Wolfcamp formation.

KESSLER 25 36 STATE COM 438H
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KESSLER 25 36 STATE COM 638H
KESSLER 25 36 STATE COM 538H
KESSLER 25 36 STATE COM 639H

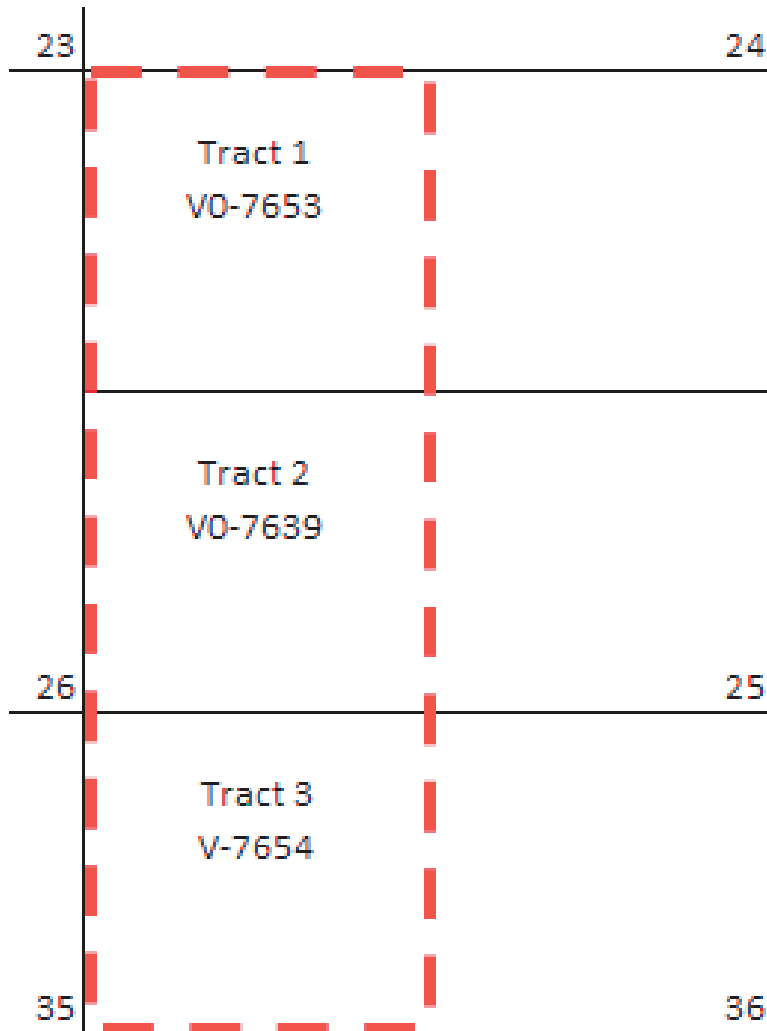


EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in Section 25 and 36, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 448.31 acres, limited to the Wolfcamp formation only.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	V0-7653
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: NW/4
Number of Acres:	160
Current Lessee of Record:	EOG Resources
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 2

Lease Serial Number:	V0-7639
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 25: SW/4
Number of Acres:	160
Current Lessee of Record:	Chevron U.S.A. Inc.
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

Tract No. 3

Lease Serial Number:	V0-7654
Description of Land Committed:	Township 26 South, Range 27 East, N.M.P.M., Section 36: W/2
Number of Acres:	128.31
Current Lessee of Record:	Chevron U.S.A. Inc.
Name of Working Interest Owners:	Chevron U.S.A. Inc.: 98.125% Sharbro Energy LLC: 1.875%
ORRI Owners:	None

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	35.69%
2	160	35.69%
3	<u>128.31</u>	<u>28.62%</u>
Total	448.31	100.0000%

Lease # and Lessee of Record: V0- 7653; EOG RESOURCES

BY: _____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on

Date: _____

By: _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

**COMM for N/2 Section 35 & the NW/4 and W/2NE/4 Section 36
N2 FED CA (Patron)**

Federal Communitization Agreement

Contract No. _____

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

N/2 of Section 35 and NW/4 and W/2 of NE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **560** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

LESSEES OF RECORD

MEWBOURNE OIL COMPANY

By: _____

Printed Name: _____

Title: _____

Date: _____

OXY Y-1 COMPANY

By: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF _____§

This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron
U.S.A. Inc.**, a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

STATE OF _____§
 §
COUNTY OF _____§

This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
Mewbourne Oil Company, a _____ corporation, on behalf of said
corporation.

Notary Public

STATE OF TEXAS §
 §
COUNTY OF _____§

This instrument was acknowledged before me on _____,
20____, by _____, as _____ for
OXY Y-1 Company, a _____ corporation, on behalf of said corporation.

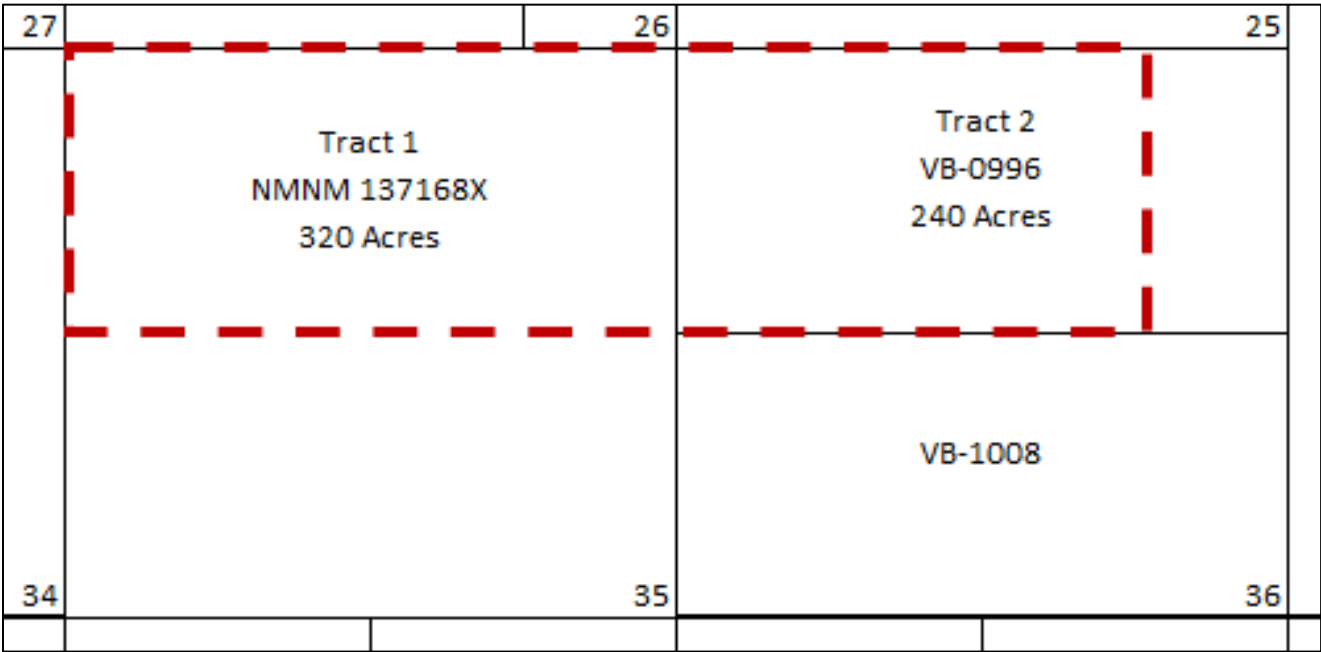
Notary Public in and for The State of Texas

EXHIBIT “A”

Plat of communitized area covering **560** acres in the N/2 Section 35 and NW/4 and W/2 of NE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

PATRON 35 36 FEDERAL COM 229H	30-015-53600
PATRON 35 36 FEDERAL COM 230H	30-015-50067



Section 35 is part of the Cicada Unit (NMNM 137168X). Chevron U.S.A. Inc. is the Operator of said unit.

EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in the N/2 Section 35 and NW/4 and W/2 of NE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 560 acres, as to the Bone Spring formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	Cicada Unit NMNM 137168X	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 35: N/2	
Number of Acres:	320	
Current Lessee of Record: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc.	97.5%
	Mewbourne Oil Company	1.67%
	OXY Y-1 Company	0.83%
Name of Working Interest Owners: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc.	100%
ORRI Owners: (Cicada Unit NMNM 137168X)	OXY Y-1 Company	0.104%
	EOG Resources Inc.	0.0833%
	Horton Royalty, LLC	0.0059%
	John & Theresa Hillman Family Properties, LP	0.0059%
	Robert G. Shelton	0.0059%
	Doug Schutz	0.0059%

Tract No. 2

Lease Serial Number:	State of NM VB-0996	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 36: N/2	
Number of Acres:	240	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	57.14%
<u>2</u>	<u>240</u>	<u>42.86%</u>
Total	560	100.00%

**Exhibit Draft COMM Agreement
COMM for N/2 Section 35 & the NW/4 and W/2NE/4 Section 36
N2 State CA (Patron)**

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

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions N/2 of Section 35 and NW/4 and W/2 NE/4 of Section 36,

Sect(s) 35 & 36, T 25S, R 27E, NMPM EDDY County, NM

containing 560 acres, more or less, and this agreement shall include only the

BONE SPRING Formation

or pool, underlying said lands and the OIL AND GAS

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

Operator	Lessees of Record
<u>CHEVRON U.S.A. INC.</u>	<u>CHEVRON U.S.A. INC.</u>
By _____ Print name of person	<u>MEWBOURNE OIL COMPANY</u>
_____ Type of authority	<u>OXY Y-1 COMPANY</u>

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

EXHIBIT “A”

Plat of communitized area covering **560** acres in the N/2 Section 35 and NW/4 and W/2 of NE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

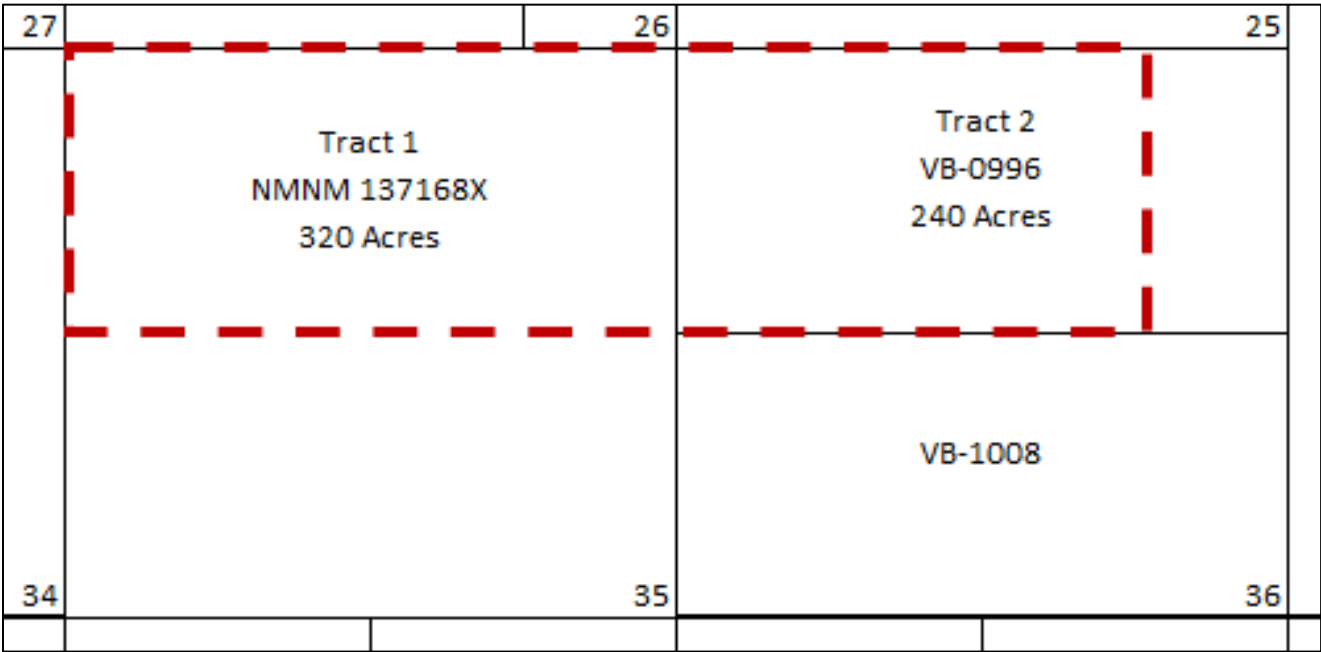
Wells:

PATRON 35 36 FEDERAL COM 229H

PATRON 35 36 FEDERAL COM 230H

30-015-53600

30-015-50067



Section 35 is part of the Cicada Unit (NMNM 137168X). Chevron U.S.A. Inc. is the Operator of said unit.

EXHIBIT "B"

To Communitization Agreement Dated _____ embracing the following described land in the N/2 Section 35 and NW/4 and W/2 of NE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 560 acres, as to the Bone Spring formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	Cicada Unit NMNM 137168X	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 35: N/2	
Number of Acres:	320	
Current Lessee of Record: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc.	97.5%
	Mewbourne Oil Company	1.67%
	OXY Y-1 Company	0.83%
Name of Working Interest Owners: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc.	100%
ORRI Owners: (Cicada Unit NMNM 137168X)	OXY Y-1 Company	0.104%
	EOG Resources Inc.	0.0833%
	Horton Royalty, LLC	0.0059%
	John & Theresa Hillman Family Properties, LP	0.0059%
	Robert G. Shelton	0.0059%
	Doug Schutz	0.0059%

Tract No. 2

Lease Serial Number:	State of NM VB-0996	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 36: N/2	
Number of Acres:	240	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	57.14%
<u>2</u>	<u>240</u>	<u>42.86%</u>
Total	560	100.00%

Lease # and Lessee of Record: NMNM 137168X; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
SS)
County of _____)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 137168X; MEWBOURNE OIL COMPANY BY:
_____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on

DateBy

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of)
SS)
County of)

This instrument was acknowledged before me on

Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

(Signature of Authorized Agent)

State of)
)
) SS)
County of)

DateBy

Signature of Notarial Officer

My commission expires: _____

State of)
)
) SS)
County of)

Date:_____By: .

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: VB-0996; CHEVRON U.S.A. INC. BY: _____

(Name and Title of Authorized Agent)

(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal) _____ Signature of Notarial Officer
My commission expires: _____

Exhibit - Draft COMM Agreement

COMM for S/2 Section 35 & the SW/4 and W/2SE/4 Section 36

S2 FED CA (Patron)

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of _____, 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/2 of Section 35 and the SW/4 and W/2 of SE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Containing **560** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Chevron U.S.A. Inc., with an address at 1400 Smith Street, Houston, Texas 77002. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

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

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, 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.

CHEVRON U.S.A. INC.
Operator

Date

By: _____
Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

 This instrument was acknowledged before me on _____,
20____, by _____, as Attorney-in-Fact for **Chevron**
U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for The State of Texas

WORKING INTEREST OWNERS and/or LESSEES OF RECORD

CHEVRON U.S.A. INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

LESSEES OF RECORD

MEWBOURNE OIL COMPANY

By: _____

Printed Name: _____

Title: _____

Date: _____

OXY Y-1 COMPANY

By: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
 COUNTY OF _____§

This instrument was acknowledged before me on _____,
 20____, by _____, as Attorney-in-Fact for **Chevron
 U.S.A. Inc.**, a Pennsylvania corporation, on behalf of said corporation.

 Notary Public in and for The State of Texas

STATE OF _____§
 §
 COUNTY OF _____§

This instrument was acknowledged before me on _____,
 20____, by _____, as _____ for
Mewbourne Oil Company, a _____ corporation, on behalf of said
 corporation.

 Notary Public

STATE OF TEXAS §
 §
 COUNTY OF _____§

This instrument was acknowledged before me on _____,
 20____, by _____, as _____ for
OXY Y-1 Company, a _____ corporation, on behalf of said corporation.

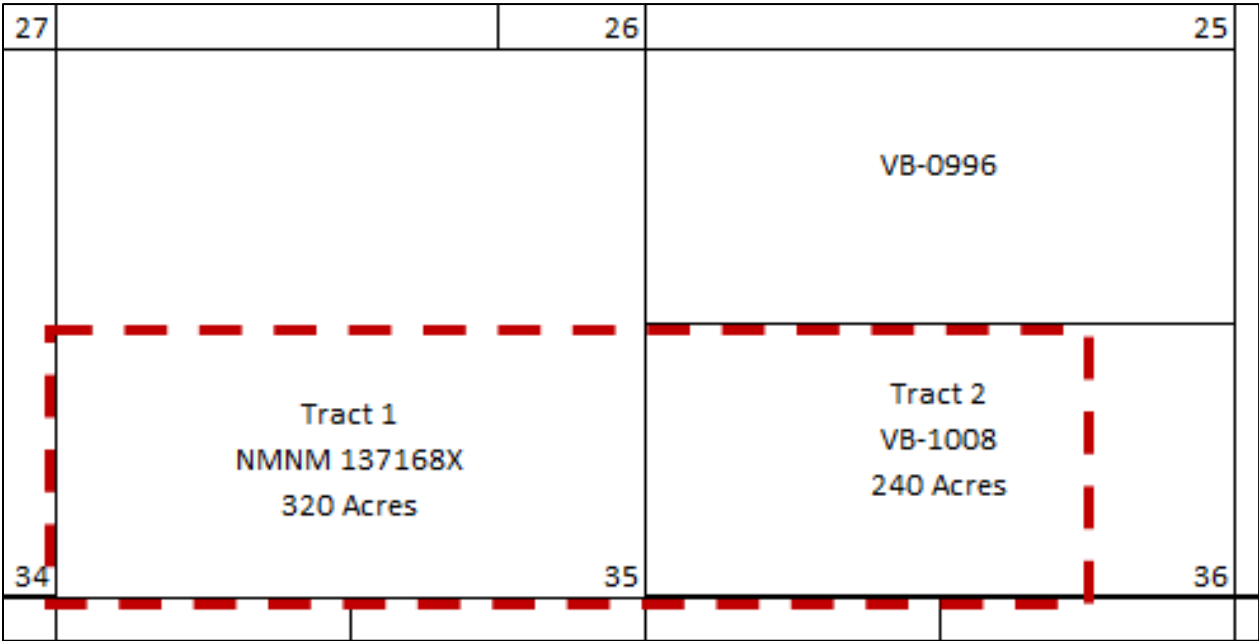
 Notary Public in and for The State of Texas

EXHIBIT “A”

Plat of communitized area covering **560** acres in the S/2 of Section 35 and the SW/4 and W/2 of SE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

PATRON 35 36 FEDERAL COM 231H	30-015-53601
PATRON 35 36 FEDERAL COM 232H	30-015-50177
PATRON 35 36 FEDERAL COM 233H	30-015-50068



Section 35 is part of the Cicada Unit (NMNM 137168X). Chevron U.S.A. Inc. is the Operator of said unit.

EXHIBIT “B”

To Communitization Agreement Dated _____ embracing the following described land in S/2 of Section 35 and the SW/4 and W/2 of SE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 560 acres, as to the Bone Spring formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	Cicada Unit NMNM 137168X	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 35: SW/4	
Number of Acres:	320	
Current Lessee of Record: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc. Mewbourne Oil Company OXY Y-1 Company	97.5% 1.67% 0.83%
Name of Working Interest Owners: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc.	100%
ORRI Owners: (Cicada Unit NMNM 137168X)	OXY Y-1 Company EOG Resources Inc. Horton Royalty, LLC John & Theresa Hillman Family Properties, LP Robert G. Shelton Doug Schutz	0.104% 0.0833% 0.0059% 0.0059% 0.0059% 0.0059%

Tract No. 2

Lease Serial Number:	State of NM VB-1008	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 36: S/2	
Number of Acres:	240	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	57.14%
<u>2</u>	<u>240</u>	<u>42.86%</u>
Total	560	100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160	28.57%
2	160	28.57%
<u>3</u>	<u>240</u>	<u>42.86%</u>
Total	560	100.00%

**COMM for S/2 Section 35 and the SW/4 and W/2SE/4 Section 36
S2 State CA (Patron)****NM State Land Office
Oil, Gas, & Minerals Division****STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:Subdivisions S/2 of Section 35 and SW/4 and W/2 of SE/4 of Section 36,Sect(s) 35 & 36, T 25S, R 27E, NMPM EDDY County, NMcontaining 560 acres, more or less, and this agreement shall include only theBONE SPRING Formationor pool, underlying said lands and the OIL AND GAS

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____ Month _____ Day, _____ Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

Operator	Lessees of Record
<u>CHEVRON U.S.A. INC.</u>	<u>CHEVRON U.S.A. INC.</u>
By _____ Print name of person	<u>MEWBOURNE OIL COMPANY</u>
_____ Type of authority	<u>OXY Y-1 COMPANY</u>

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) ^{SS})

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

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

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

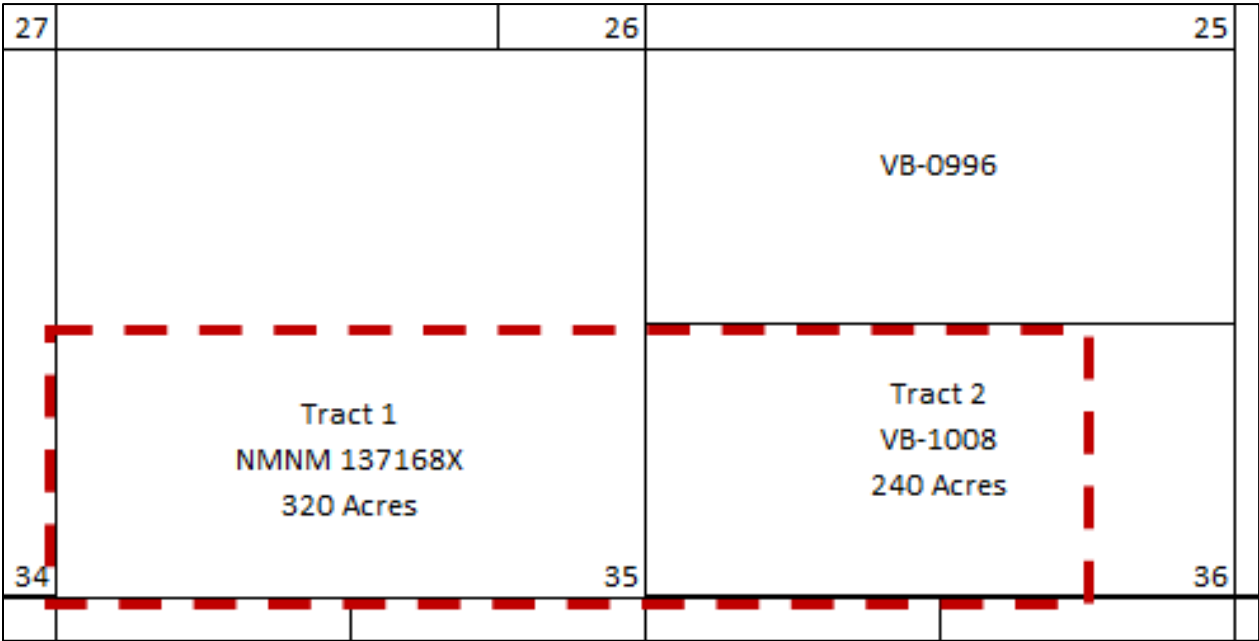
My commission expires: _____

EXHIBIT “A”

Plat of communitized area covering **560** acres in the S/2 of Section 35 and the SW/4 and W/2 of SE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Wells:

PATRON 35 36 FEDERAL COM 231H	30-015-53601
PATRON 35 36 FEDERAL COM 232H	30-015-50177
PATRON 35 36 FEDERAL COM 233H	30-015-50068



Section 35 is part of the Cicada Unit (NMNM 137168X). Chevron U.S.A. Inc. is the Operator of said unit.

EXHIBIT “B”

To Communitization Agreement Dated _____ embracing the following described land in S/2 of Section 35 and the SW/4 and W/2 of SE/4 of Section 36, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, containing 560 acres, as to the Bone Spring formation.

Operator of Communitized Area: Chevron U.S.A. Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	Cicada Unit NMNM 137168X	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 35: SW/4	
Number of Acres:	320	
Current Lessee of Record: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc. Mewbourne Oil Company OXY Y-1 Company	97.5% 1.67% 0.83%
Name of Working Interest Owners: (Cicada Unit NMNM 137168X)	Chevron U.S.A. Inc.	100%
ORRI Owners: (Cicada Unit NMNM 137168X)	OXY Y-1 Company EOG Resources Inc. Horton Royalty, LLC John & Theresa Hillman Family Properties, LP Robert G. Shelton Doug Schutz	0.104% 0.0833% 0.0059% 0.0059% 0.0059% 0.0059%

Tract No. 2

Lease Serial Number:	State of NM VB-1008	
Description of Land Committed:	Township 25 South, Range 27 East, N.M.P.M., Section 36: S/2	
Number of Acres:	240	
Current Lessee of Record:	Chevron U.S.A. Inc.	100%
Name of Working Interest Owners:	Chevron U.S.A. Inc.	100%
ORRI Owners:	None	

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	57.14%
<u>2</u>	<u>240</u>	<u>42.86%</u>
Total	560	100.00%

Lease # and Lessee of Record: NMNM 137168X; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____ SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____ SS)
County of _____)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 137168X; MEWBOURNE OIL COMPANY BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____) SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____) SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: NMNM 137168X; OXY Y-1 COMPANY BY: _____
_____(Name and Title of Authorized Agent)

_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
_____ SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
_____ SS)
County of _____)

This instrument was acknowledged before me on _____ Date:_____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Lease # and Lessee of Record: VB-1008; CHEVRON U.S.A. INC. BY: _____
_____(Name and Title of Authorized Agent)
_____(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
SS)
County of _____)

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

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of _____)
SS)
County of _____)

This instrument was acknowledged before me on _____ Date: _____ By: .

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Exhibit V - Approved PLC-887A

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY CHEVRON USA, INC.**

ORDER NO. PLC-887-A

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. Chevron USA, Inc. (“Applicant”) submitted a complete application to surface commingle the gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the 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 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 gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the 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, 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.

CONCLUSIONS OF LAW

8. 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.
9. 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.

10. 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.
11. 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.
12. Commingling of 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.
13. 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.
14. 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 gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure 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 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 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. This Order supersedes Order PLC-887.
3. The allocation of 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 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 allocation of gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production

period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. 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.
6. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 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.

8. 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.
9. 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 gas production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).
12. 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 (ACTING)

DATE: 3/30/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-887-A
Operator: Chevron USA, Inc. (4323)
Central Tank Battery: Hayhurst Central Tank Battery 10
Central Tank Battery Location: UL A, Section 10, Township 26 South, Range 27 East
Central Tank Battery: Hayhurst Central Tank Battery 35
Central Tank Battery Location: UL A, Section 35, Township 25 South, Range 27 East
Central Tank Battery: Hayhurst Central Tank Battery 12
Central Tank Battery Location: UL G, Section 12, Township 26 South, Range 27 East
Central Tank Battery: Hayhurst Central Tank Battery 9
Central Tank Battery Location: UL M, Section 9, Township 26 South, Range 27 East
Gas Title Transfer Meter Location: UL A, Section 10, Township 26 South, Range 27 East

Pools

Pool Name	Pool Code
DELAWARE RIVER; BONE SPRING	16800
HAY HOLLOW; BONE SPRING, NORTH	30216
WELCH; BONE SPRING	64010
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PA Wolfcamp NMNM 137168A	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
	All	15-26S-27E
PA Bone Spring for NMNM 137168X	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
	All	15-26S-27E
CA Wolfcamp NMNM 138618	All	5-26S-27E
	All	8-26S-27E
	All	17-26S-27E
	All	20-26S-27E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-43929	Cicada Unit #1H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43930	Cicada Unit #2H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43937	Cicada Unit #3H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43936	Cicada Unit #4H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43926	Cicada Unit #5H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43932	Cicada Unit #6H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44367	Cicada Unit #13H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44371	Cicada Unit #14H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44353	Cicada Unit #15H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44351	Cicada Unit #16H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44354	Cicada Unit #17H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44352	Cicada Unit #18H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-46468	Cicada Unit #27H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46469	Cicada Unit #28H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46470	Cicada Unit #29H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46898	Cicada Unit #30H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46901	Cicada Unit #31H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46913	Cicada Unit #32H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-49001	Cicada Unit #51H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-49000	Cicada Unit #52H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-48999	Cicada Unit #53H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-44347	Cicada Unit #7H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44346	Cicada Unit #8H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	

30-015-44350	Cicada Unit #9H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44349	Cicada Unit #10H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44345	Cicada Unit #11H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44348	Cicada Unit #12H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-45602	Cicada Unit #23H	E/2 E/2	23-25S-27E 26-25S-27E	98220
30-015-45720	Cicada Unit #24H	E/2 E/2	23-25S-27E 26-25S-27E	98220
30-015-45601	Cicada Unit #25H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45600	Cicada Unit #26H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45426	Cicada Unit #19H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45425	Cicada Unit #20H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45424	Cicada Unit #21H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45423	Cicada Unit #22H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-46342	Cicada Unit #33H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46343	Cicada Unit #34H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46344	Cicada Unit #35H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-46345	Cicada Unit #36H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-46346	Cicada Unit #37H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46347	Cicada Unit #38H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46348	Cicada Unit #39H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-48782	Cicada Unit #41H	E/2 E/2 NE/4	23-25S-27E 26-25S-27E 35-25S-27E	98220
30-015-48783	Cicada Unit #43H	E/2 E/2 NE/4	23-25S-27E 26-25S-27E 35-25S-27E	98220
30-015-49465	Cicada Unit #45H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49466	Cicada Unit #47H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49467	Cicada Unit #48H	E/2 E/2	11-26S-27E 14-26S-27E	98220

30-015-49468	Cicada Unit #50H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49469	Cicada Unit #56H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49470	Cicada Unit #57H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49471	Cicada Unit #58H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49472	Cicada Unit #59H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49624	Cicada Unit #60H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49625	Cicada Unit #61H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49626	Cicada Unit #62H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49627	Cicada Unit #63H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-45100	HH SO 17 20 Federal 1 #1H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45101	HH SO 17 20 Federal 1 #2H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45154	HH SO 17 20 Federal 1 #3H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45155	HH SO 17 20 Federal 1 #4H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45102	HH SO 17 20 Federal 1 #5H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45103	HH SO 17 20 Federal 1 #6H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45115	HH SO 8 5 Federal 3 #1H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45116	HH SO 8 5 Federal 3 #2H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45117	HH SO 8 5 Federal 3 #3H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45118	HH SO 8 5 Federal 3 #4H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45119	HH SO 8 5 Federal 3 #5H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45120	HH SO 8 5 Federal 3 #6H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-43935	HH SO 8 P2 #5H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43934	HH SO 8 P2 #6H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43933	HH SO 8 P2 #13H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43931	HH SO 8 P2 #14H	W/2 W/2	5-26S-27E 8-26S-27E	98220

30-015-43927	HH SO 8 P2 #21H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43928	HH SO 8 P2 #22H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45104	HH SO 17 20 Federal 2 #1H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45105	HH SO 17 20 Federal 2 #2H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45106	HH SO 17 20 Federal 2 #3H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45107	HH SO 17 20 Federal 2 #4H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45108	HH SO 17 20 Federal 2 #5H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45109	HH SO 17 20 Federal 2 #6H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45987	HH SO 8 5 Federal 4 #1H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45988	HH SO 8 5 Federal 4 #2H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45989	HH SO 8 5 Federal 4 #3H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45990	HH SO 8 5 Federal 4 #4H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45991	HH SO 8 5 Federal 4 #5H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45992	HH SO 8 5 Federal 4 #6H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-48353	HH SO 17 20 Federal 3 #401H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48356	HH SO 17 20 Federal 3 #402H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48355	HH SO 17 20 Federal 3 #403H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48354	HH SO 17 20 Federal 3 #404H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-50181	Macallan 12 1 Federal State Com 23 #1H	W/2 W/2	1-26S-27E 12-26S-27E	16800
30-015-49598	Macallan 12 1 Federal State Com 23 #2H	W/2 W/2	1-26S-27E 12-26S-27E	16800
30-015-49603	Wild Turkey 12 1 Federal Com 24 #1H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49602	Wild Turkey 12 1 Federal Com 24 #2H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49604	Wild Turkey 12 1 Federal Com 24 #3H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49684	Tito 26 23 Federal State Com 25 #1H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49685	Tito 26 23 Federal State Com 25 #2H	W/2 W/2	23-25S-27E 26-25S-27E	30216

30-015-49686	Tito 26 23 Federal State Com 25 #3H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49687	Tito 26 23 Federal State Com 25 #4H	W/2 E/2 W/2 E/2	23-25S-27E 26-25S-27E	30216
30-015-50182	Smoke Wagon 10 15 Federal Com 28 #1H	E/2 E/2	10-26S-27E 15-26S-27E	64010
30-015-50183	Smoke Wagon 10 15 Federal Com 28 #2H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-53225	Eagle Rare 11 14 Federal 30 #1H	W/2 W/2	11-26S-27E 14-26S-27E	16800
30-015-53224	Eagle Rare 11 14 Federal 30 #2H	W/2 W/2	11-26S-27E 14-26S-27E	16800
30-015-53226	Eagle Rare 11 14 Federal 30 #3H	W/2 W/2	11-26S-27E 14-26S-27E	16800
30-015-53393	Buffalo Trace 11 14 Federal 31 #1H	E/2 E/2	11-26S-27E 14-26S-27E	16800
30-015-53599	Buffalo Trace 11 14 Federal 31 #2H	E/2 E/2	11-26S-27E 14-26S-27E	16800

EXHIBIT W

Chevron - Cicada Commingling
Postal Delivery Report

9402811898765496255728	New Mexico State Land Office	310 OLD SANTA FE TRL	SANTA FE	NM	87501-2708	Your item arrived at our USPS facility in ALBUQUERQUE NM DISTRIBUTION CENTER ANNEX on December 14, 2023 at 6:59 pm. The item is currently in transit to the destination.
9402811898765496255742	New Mexico State Land Office	PO BOX 1148	SANTA FE	NM	87504-1148	Your item arrived at our USPS facility in ALBUQUERQUE NM DISTRIBUTION CENTER ANNEX on December 14, 2023 at 6:59 pm. The item is currently in transit to the destination.
9402811898765496255780	OXY Y-1 Company	5 GREENWAY PLZ STE 110	HOUSTON	TX	77046-0521	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.
9402811898765496255735	EOG Resources, Inc.	5509 CHAMPIONS DR	MIDLAND	TX	79706-2843	Your item departed our USPS facility in AURORA, CO 80018 on December 14, 2023 at 6:38 am. The item is currently in transit to the destination.
9402811898765496255773	Horton Royalty, LLC	PO BOX 50938	MIDLAND	TX	79710-0938	Your item arrived at our USPS facility in LUBBOCK TX DISTRIBUTION CENTER on December 14, 2023 at 9:53 pm. The item is currently in transit to
9402811898765496255919	John and Theresa Hillman Family Properties, LP	PO BOX 1981	MIDLAND	TX	79702-1981	Your item departed our USPS facility in AURORA, CO 80018 on December 14, 2023 at 6:38 am. The item is currently in transit to the destination.
9402811898765496255957	Robert G. Shelton	2200 N L ST	MIDLAND	TX	79705-8636	Your item arrived at our USPS facility in LUBBOCK TX DISTRIBUTION CENTER on December 14, 2023 at 9:53 pm. The item is currently in transit to

Chevron - Cicada Commingling
Postal Delivery Report

9402811898765496255964	Doug Shultz	PO BOX 973	SANTA FE	NM	87504-0973	Your item arrived at our USPS facility in ALBUQUERQUE NM DISTRIBUTION CENTER ANNEX on December 14, 2023 at 6:35 pm. The item is currently in transit to the destination.
9402811898765496255926	Bureau of Land Management	301 DINOSAUR TRL	SANTA FE	NM	87508-1560	Your item arrived at our USPS facility in ALBUQUERQUE NM DISTRIBUTION CENTER ANNEX on December 14, 2023 at 6:35 pm. The item is currently in transit to the destination.
9402811898765496255902	New Mexico State Land Office	310 OLD SANTA FE TRL	SANTA FE	NM	87501-2708	Your item arrived at our USPS facility in ALBUQUERQUE NM DISTRIBUTION CENTER ANNEX on December 14, 2023 at 6:35 pm. The item is currently in transit to the destination.
9402811898765496255995	Sharbro Energy LLC	PO BOX 840	ARTESIA	NM	88211-0840	Your item departed our USPS facility in AURORA, CO 80018 on December 14, 2023 at 6:38 am. The item is currently in transit to the destination.
9402811898765496255988	Nearburg Production Company	PO BOX 823085	DALLAS	TX	75382-3085	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.
9402811898765496255933	Nearburg Exploration Company, LLC	PO BOX 823085	DALLAS	TX	75382-3085	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.
9402811898765496255971	Nestegg Energy Corporation	2308 SIERRA VISTA RD	ARTESIA	NM	88210-9409	Your item arrived at our USPS facility in LUBBOCK TX DISTRIBUTION CENTER on December 14, 2023 at 9:53 pm. The item is currently in transit to

Chevron - Cicada Commingling
Postal Delivery Report

9402811898765496255612	Concho Oil & Gas LLC / COG Operating LLC	600 W ILLINOIS AVE	MIDLAND	TX	79701-4882	Your item arrived at our USPS facility in LUBBOCK TX DISTRIBUTION CENTER on December 14, 2023 at 9:53 pm. The item is currently in transit to
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From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Adler, Carol](#); [Devery, Deirdre](#); [Paula M. Vance](#); [Fleming, Alexandra \(Zandra\)](#)
Cc: [McClure, Dean, EMNRD](#); [Lowe, Leonard, EMNRD](#); [Rikala, Ward, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Lamkin, Baylen L](#)
Subject: Approved Administrative Order PLC-887-B
Date: Friday, August 9, 2024 8:51:33 AM
Attachments: [PLC887B Order.pdf](#)

NMOCD has issued Administrative Order PLC-887-B which authorizes Chevron USA, Inc. (4323) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-43929	Cicada Unit #1H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43930	Cicada Unit #2H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43937	Cicada Unit #3H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43936	Cicada Unit #4H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43926	Cicada Unit #5H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43932	Cicada Unit #6H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44367	Cicada Unit #13H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44371	Cicada Unit #14H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44353	Cicada Unit #15H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44351	Cicada Unit #16H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44354	Cicada Unit #17H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44352	Cicada Unit #18H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-46468	Cicada Unit #27H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46469	Cicada Unit #28H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46470	Cicada Unit #29H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46898	Cicada Unit #30H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46901	Cicada Unit #31H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46913	Cicada Unit #32H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-49001	Cicada Unit #51H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
		W/2	10-26S-27E	

30-015-49000	Cicada Unit #52H	W/2	15-26S-27E	64010
30-015-48999	Cicada Unit #53H	W/2	10-26S-27E	64010
30-015-44347	Cicada Unit #7H	W/2	15-26S-27E	64010
30-015-44346	Cicada Unit #8H	E/2	35-25S-27E	98220
30-015-44350	Cicada Unit #9H	E/2	2-26S-27E	98220
30-015-44349	Cicada Unit #10H	E/2	35-25S-27E	98220
30-015-44345	Cicada Unit #11H	E/2	2-26S-27E	98220
30-015-44348	Cicada Unit #12H	E/2	35-25S-27E	98220
30-015-45602	Cicada Unit #23H	E/2	2-26S-27E	98220
30-015-45720	Cicada Unit #24H	E/2	23-25S-27E	98220
30-015-45601	Cicada Unit #25H	E/2	26-25S-27E	98220
30-015-45600	Cicada Unit #26H	W/2	23-25S-27E	98220
30-015-45426	Cicada Unit #19H	W/2	26-25S-27E	98220
30-015-45425	Cicada Unit #20H	W/2	23-25S-27E	98220
30-015-45424	Cicada Unit #21H	W/2	26-25S-27E	98220
30-015-45423	Cicada Unit #22H	W/2	23-25S-27E	98220
30-015-46342	Cicada Unit #33H	W/2	26-25S-27E	98220
30-015-46343	Cicada Unit #34H	W/2	35-25S-27E	98220
30-015-46344	Cicada Unit #35H	W/2	2-26S-27E	98220
30-015-46345	Cicada Unit #36H	E/2	35-25S-27E	98220
30-015-46346	Cicada Unit #37H	E/2	2-26S-27E	98220
30-015-46347	Cicada Unit #38H	W/2	35-25S-27E	98220
30-015-46348	Cicada Unit #39H	W/2	2-26S-27E	98220
30-015-48782	Cicada Unit #41H	E/2	23-25S-27E	98220
30-015-48783	Cicada Unit #43H	E/2	26-25S-27E	98220
		NE/4	35-25S-27E	
		E/2	23-25S-27E	
		E/2	26-25S-27E	

		NE/4	35-25S-27E	
30-015-49465	Cicada Unit #45H	E/2	11-26S-27E	98220
		E/2	14-26S-27E	
30-015-49466	Cicada Unit #47H	E/2	11-26S-27E	98220
		E/2	14-26S-27E	
30-015-49467	Cicada Unit #48H	E/2	11-26S-27E	98220
		E/2	14-26S-27E	
30-015-49468	Cicada Unit #50H	E/2	11-26S-27E	98220
		E/2	14-26S-27E	
30-015-49469	Cicada Unit #56H	W/2	1-26S-27E	98220
		W/2	12-26S-27E	
30-015-49470	Cicada Unit #57H	W/2	1-26S-27E	98220
		W/2	12-26S-27E	
30-015-49471	Cicada Unit #58H	W/2	1-26S-27E	98220
		W/2	12-26S-27E	
30-015-49472	Cicada Unit #59H	W/2	1-26S-27E	98220
		W/2	12-26S-27E	
30-015-49624	Cicada Unit #60H	E/2	1-26S-27E	98220
		E/2	12-26S-27E	
30-015-49625	Cicada Unit #61H	E/2	1-26S-27E	98220
		E/2	12-26S-27E	
30-015-49626	Cicada Unit #62H	E/2	1-26S-27E	98220
		E/2	12-26S-27E	
30-015-49627	Cicada Unit #63H	E/2	1-26S-27E	98220
		E/2	12-26S-27E	
30-015-45100	HH SO 17 20 Federal 1 #1H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-45101	HH SO 17 20 Federal 1 #2H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-45154	HH SO 17 20 Federal 1 #3H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-45155	HH SO 17 20 Federal 1 #4H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-45102	HH SO 17 20 Federal 1 #5H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-45103	HH SO 17 20 Federal 1 #6H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-45115	HH SO 8 5 Federal 3 #1H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-45116	HH SO 8 5 Federal 3 #2H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-45117	HH SO 8 5 Federal 3 #3H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-45118	HH SO 8 5 Federal 3 #4H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-45119	HH SO 8 5 Federal 3 #5H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-45120	HH SO 8 5 Federal 3 #6H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-43935	HH SO 8 P2 #5H	W/2	5-26S-27E	98220

		W/2	8-26S-27E	
30-015-43934	HH SO 8 P2 #6H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-43933	HH SO 8 P2 #13H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-43931	HH SO 8 P2 #14H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-43927	HH SO 8 P2 #21H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-43928	HH SO 8 P2 #22H	W/2	5-26S-27E	98220
		W/2	8-26S-27E	
30-015-45104	HH SO 17 20 Federal 2 #1H	E/2	17-26S-27E	98220
		E/2	20-26S-27E	
30-015-45105	HH SO 17 20 Federal 2 #2H	E/2	17-26S-27E	98220
		E/2	20-26S-27E	
30-015-45106	HH SO 17 20 Federal 2 #3H	E/2	17-26S-27E	98220
		E/2	20-26S-27E	
30-015-45107	HH SO 17 20 Federal 2 #4H	E/2	17-26S-27E	98220
		E/2	20-26S-27E	
30-015-45108	HH SO 17 20 Federal 2 #5H	E/2	17-26S-27E	98220
		E/2	20-26S-27E	
30-015-45109	HH SO 17 20 Federal 2 #6H	E/2	17-26S-27E	98220
		E/2	20-26S-27E	
30-015-45987	HH SO 8 5 Federal 4 #1H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-45988	HH SO 8 5 Federal 4 #2H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-45989	HH SO 8 5 Federal 4 #3H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-45990	HH SO 8 5 Federal 4 #4H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-45991	HH SO 8 5 Federal 4 #5H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-45992	HH SO 8 5 Federal 4 #6H	E/2	5-26S-27E	98220
		E/2	8-26S-27E	
30-015-48353	HH SO 17 20 Federal 3 #401H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-48356	HH SO 17 20 Federal 3 #402H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-48355	HH SO 17 20 Federal 3 #403H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-48354	HH SO 17 20 Federal 3 #404H	W/2	17-26S-27E	98220
		W/2	20-26S-27E	
30-015-50181	Cicada Unit #64H	W/2	1-26S-27E	16800
		W/2	12-26S-27E	
30-015-49598	Cicada Unit #65H	W/2	1-26S-27E	16800
		W/2	12-26S-27E	
30-015-49603	Wild Turkey 12 1 Federal Com 24 #1H	E/2	1-26S-27E	16800
		E/2	12-26S-27E	
30-015-49602	Cicada Unit #67H	E/2	1-26S-27E	16800

		E/2	12-26S-27E	
30-015-49604	Cicada Unit #68H	E/2	1-26S-27E	16800
		E/2	12-26S-27E	
30-015-49684	Cicada Unit #69H	W/2	23-25S-27E	30216
		W/2	26-25S-27E	
30-015-49685	Cicada Unit #70H	W/2	23-25S-27E	30216
		W/2	26-25S-27E	
30-015-49686	Cicada Unit #71H	E/2 W/2	23-25S-27E	30216
		B C G J O	26-25S-27E	
30-015-49687	Cicada Unit #72H	W/2 E/2	23-25S-27E	30216
		A B H I P	26-25S-27E	
30-015-50182	Smoke Wagon 10 15 Federal Com 28 #1H	E/2	10-26S-27E	64010
		E/2	15-26S-27E	
30-015-50183	Smoke Wagon 10 15 Federal Com 28 #2H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-53225	Cicada Unit #80H	W/2	11-26S-27E	16800
		W/2	14-26S-27E	
30-015-53224	Cicada Unit #81H	W/2	11-26S-27E	16800
		W/2	14-26S-27E	
30-015-53226	Cicada Unit #82H	W/2	11-26S-27E	16800
		W/2	14-26S-27E	
30-015-53393	Cicada Unit #83H	E/2	11-26S-27E	16800
		E/2	14-26S-27E	
30-015-53599	Cicada Unit #84H	E/2	11-26S-27E	16800
		E/2	14-26S-27E	
30-015-53600	Patron 35 36 Federal State Com 29 #1H	N/2	35-25S-27E	16800
		B C D E F G	36-25S-27E	
30-015-50067	Patron 35 36 Federal State Com 29 #2H	N/2	35-25S-27E	16800
		B C D E F G	36-25S-27E	
30-015-53601	Patron 35 36 Federal State Com 29 #3H	S/2	35-25S-27E	16800
		J K L M N O	36-25S-27E	
30-015-50177	Patron 35 36 Federal State Com 29 #4H	S/2	35-25S-27E	16800
		J K L M N O	36-25S-27E	
30-015-50068	Patron 35 36 Federal State Com 29 #5H	S/2	35-25S-27E	16800
		J K L M N O	36-25S-27E	
30-015-53752	Whistle Pig 9 4 Federal Com 21 #1H	W/2	9-26S-27E	98220
30-015-53753	Whistle Pig 9 4 Federal Com 21 #2H	W/2	9-26S-27E	98220
30-015-53754	Whistle Pig 9 4 Federal Com 21 #3H	W/2	9-26S-27E	98220
30-015-53884	Whistle Pig 9 4 Federal Com 21 #4H	W/2	9-26S-27E	98220
30-015-53802	Four Roses 9 4 Federal Com 22 #1H	E/2	9-26S-27E	98220
30-015-53803	Four Roses 9 4 Federal Com 22 #2H	E/2	9-26S-27E	98220
30-015-53804	Four Roses 9 4 Federal Com 22 #3H	E/2	9-26S-27E	98220
30-015-53805	Four Roses 9 4 Federal Com 22 #4H	E/2	9-26S-27E	98220

30-015-53739	Rye One 16 21 Federal State Com P40 #1H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53738	Rye One 16 21 Federal State Com P40 #2H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53801	Rye One 16 21 Federal State Com P40 #3H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53737	Rye One 16 21 Federal State Com P40 #4H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53731	Few 16 21 Federal State Com P41 #1H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-53699	Few 16 21 Federal State Com P41 #2H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-53516	Few 16 21 Federal State Com P41 #3H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-53581	Few 16 21 Federal State Com P41 #4H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-54248	Bulleit 13 24 Federal State Com 32 #1H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54249	Bulleit 13 24 Federal State Com 32 #2H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54257	Bulleit 13 24 Federal State Com 32 #3H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54250	Bulleit 13 24 Federal State Com 32 #4H	E/2 E/2	13-26S-27E 24-26S-27E	30215
30-015-54374	Walkers 13 24 Federal Com #430H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54375	Walkers 13 24 Federal Com #431H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54376	Walkers 13 24 Federal Com #432H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54377	Walkers 13 24 Federal Com #433H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54231	Jameson 13 24 Federal Com #434H	E/2 E/2	13-26S-27E 24-26S-27E	98220
30-015-54232	Jameson 13 24 Federal Com #435H	E/2 E/2	13-26S-27E 24-26S-27E	98220
30-015-54233	Jameson 13 24 Federal Com #436H	E/2 E/2	13-26S-27E 24-26S-27E	98220
30-015-54234	Jameson 13 24 Federal Com #437H	E/2 E/2	13-26S-27E 24-26S-27E	98220
30-015-54251	Bulleit 13 24 Federal Com #155H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54252	Bulleit 13 24 Federal Com #156H	E/2 E/2	13-26S-27E 24-26S-27E	30215
30-015-54253	Bulleit 13 24 Federal Com #255H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54254	Bulleit 13 24 Federal Com #256H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54255	Bulleit 13 24 Federal Com #257H	E/2 E/2	13-26S-27E 24-26S-27E	30215

30-015-54256	Bulleit 13 24 Federal Com #258H	E/2 E/2	13-26S-27E 24-26S-27E	30215
30-015-49954	Kessler 25 36 State Com #438H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49941	Kessler 25 36 State Com #439H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49943	Kessler 25 36 State Com #440H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49940	Kessler 25 36 State Com #441H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49955	Jim Beam 25 36 State Com #442H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49824	Jim Beam 25 36 State Com #443H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49956	Jim Beam 25 36 State Com #444H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49957	Jim Beam 25 36 State Com #445H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49953	Baileys 25 36 State Com #234H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-53288	Baileys 25 36 State Com #235H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-49952	Baileys 25 36 State Com #236H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-49951	Baileys 25 36 State Com #237H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-54067	Kessler 25 36 State Com #638H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-54066	Kessler 25 36 State Com #538H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-54068	Kessler 25 36 State Com #639H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-53997	Jim Beam 25 36 State Com #539H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-53999	Jim Beam 25 36 State Com #640H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-53998	Jim Beam 25 36 State Com #540H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-53964	Baileys 25 36 State Com #136H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53962	Baileys 25 36 State Com #261H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53968	Baileys 25 36 State Com #137H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53965	Baileys 25 36 State Com #262H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53969	Baileys 25 36 State Com #134H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-53967	Baileys 25 36 State Com #259H	W/2 NW/4	25-26S-27E 36-26S-27E	30215

30-015-53963	Baileys 25 36 State Com #135H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-53966	Baileys 25 36 State Com #260H	W/2 NW/4	25-26S-27E 36-26S-27E	30215

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

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005866282

This is not an invoice

HOLLAND AND HART

PO BOX 2208

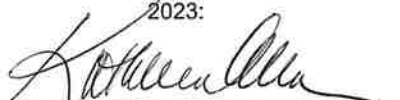
SANTA FE, NM 87504-2208

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

12/15/2023


Legal Clerk

Subscribed and sworn before me this December 15, 2023:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005866282
PO #: 0005866282
of Affidavits 1

This is not an invoice

Legal Notice (Publication)

To: All affected parties, including: New Mexico State Land Office; OXY Y-1 Company; EOG Resources, Inc.; Horton Royalty, LLC; John and Theresa Hillman Family Properties, LP; Robert G. Shelton, his heirs and devisees; Doug Shultz, his heirs and devisees; Bureau of Land Management; Sharbro Energy LLC; Nearburg Production Company; Nearburg Exploration Company, LLC; Nestegg Energy Corporation, and Concho Oil & Gas LLC / COG Operating LLC.

Application of Chevron U.S.A. Inc (OGRID No. 4323) ("Chevron") to amend NMOCD Order PLC-887-A and for administrative approval to surface commingle (pool and lease) oil and gas production from the Cicada Unit and non-unit production comprised of Sections 23, 26, 35 and 36, Township 25 South, Range 27 East, and Sections 1, 2, 5, 8-17, 20, 21, 24, 25, and 36, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Lands"). Order PLC-887-A authorizes pool and lease gas commingling, off-lease measurement, and off-lease storage at various Hayhurst Tank Batteries (CTB 10, CTB 35, CTB 12, and CTB 9) of production from all existing and future infill wells drilled in the following "leases":

(a) The 6,400-acre Cicada Unit PA Wolfcamp NMNM 137168A comprised of Sections 23, 26, 35, Township 25 South, Range 27 East, and Sections 1, 2, 10-12, 14 and 15, Township 26 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220];

(b) The 6,400-acre Cicada Unit PA Bone Spring (pending) comprised of Sections 23, 26, 35, Township 25 South, Range 27 East, and Sections 1, 2, 10-12, 14 and 15, Township 26 South, Range 27 East, in the Welch; Bone Spring (oil) [64010], Delaware River; Bone Spring (oil) [16800]; and North Hay Hollow; Bone Spring (oil) [30216];

(c) The 2,560-acre CA Wolfcamp NMNM 138618 comprised of Sections 5, 8, 17, and 20, Township 26 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220];

Pursuant to 19.15.12.10.C(4)(g), Chevron seeks to amend the terms of Order PLC-887-A to add to the terms of the order the Hayhurst Tank Battery Sec. CTB 25, located in the SE/4 NW/4 of Section 25, Township 26 South, Range 27 East, and the production (oil and gas) from all existing and future infill wells drilled in the following "leases":

(a) The 640-acre spacing unit comprised of the E/2 of Sections 16 & 21, Township 26 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220];

(b) The 640-acre spacing unit comprised of the W/2 of Sections 16 & 21, Township 26 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220];

(c) The 640-acre spacing unit comprised of the E/2 of Sections 13 & 24, Township 26 South, Range 27 East in the Delaware River; Bone Spring [16800]; Hay Hollow; Bone Spring (oil) [30215];

(d) The 640-acre spacing unit comprised of the W/2 of Sections 13 & 24, Township 26 South, Range 27 East in the Delaware River; Bone Spring [16800]; Hay

Hollow; Bone Spring (oil)
[30215];

(e) The 640-acre spacing unit comprised of the E/2 of Sections 13 & 24, Township 26 South, Range 27 East in the Purple Sage; Wolfcamp (gas) [98220];

(f) The 640-acre spacing unit comprised of the W/2 of Sections 13 & 24, Township 26 South, Range 27 East in the Purple Sage; Wolfcamp (gas) [98220];

(g) The 448.09-acre spacing unit comprised of the E/2 of Sections 25 & 36, Township 26 South, Range 27 East in the Hay Hollow; Bone Spring (oil) [30215];

(h) The 448.31-acre spacing unit comprised of the W/2 of Sections 25 & 36, Township 26 South, Range 27 East in the Hay Hollow; Bone Spring (oil) [30215];

(i) The 448.09-acre spacing unit comprised of the E/2 of Sections 25 & 36, Township 26 South, Range 27 East in the Purple Sage; Wolfcamp (gas) [98220];

(j) The 448.31-acre spacing unit comprised of the W/2 of Sections 25 & 36, Township 26 South, Range 27 East in the Purple Sage; Wolfcamp (gas) [98220];

(k) The 560-acre spacing unit comprised of the N/2 of Sections 35 & 36, Township 25 South, Range 27 East in the North Hay Hollow; Bone Spring (oil) [30216];

(l) The 560-acre spacing unit comprised of the S/2 of Sections 35 & 36, Township 25 South, Range 27 East in the North Hay Hollow; Bone Spring (oil) [30216];

(m) The 320-acre spacing unit comprised of the E/2 of Section 9, Township 26 South, Range 27 East in the Purple Sage; Wolfcamp (gas) [98220];

(n) The 320-acre spacing unit comprised of the W/2 of Section 9, Township 26 South, Range 27 East in the Purple Sage; Wolfcamp (gas) [98220];

(o) The 160-acre spacing unit comprised of the S/2 N/2 of Section 21, Township 26 South, Range 27 East in the Wildcat-015 G-04 5262625B [98018]; and

(p) The 320-acre spacing unit comprised of the S/2 of Section 21, Township 26 South, Range 27 East in the Wildcat-015 G-04 5262625B [98018].

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 Deirdre Devery, Chevron U.S.A. Inc, 6301 Deauville Blvd, Midland, TX, 79706, DeirdreDevery@chevron.com.

#5866282, Current Argus,
December 15, 2023

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 Road, 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

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

¹ API Number	² Pool Code 30216	³ Pool Name NORTH HAY HOLLOW: BONE SPRING
⁴ Property Code	⁵ Property Name PATRON 35 36 FEDERAL COM	⁶ Well Number 229H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3219'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	25 SOUTH	27 EAST, N.M.P.M.		2421'	NORTH	150'	WEST	EDDY

¹¹ 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
B	36	25 SOUTH	27 EAST, N.M.P.M.		330'	NORTH	1345'	EAST	EDDY
¹² Dedicated Acres 560	¹³ Joint or Infill INFILL	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶		¹⁷ 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 _____ Date _____ Printed Name _____ E-mail Address _____		
¹⁸ 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.		
07/20/2021 Date of Survey Signature and Seal of Professional Surveyor _____ Certificate Number _____		

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 30216	³ Pool Name NORTH HAY HOLLOW: BONE SPRING
⁴ Property Code	⁵ Property Name PATRON 35 36 FEDERAL COM	⁶ Well Number 230H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3219'

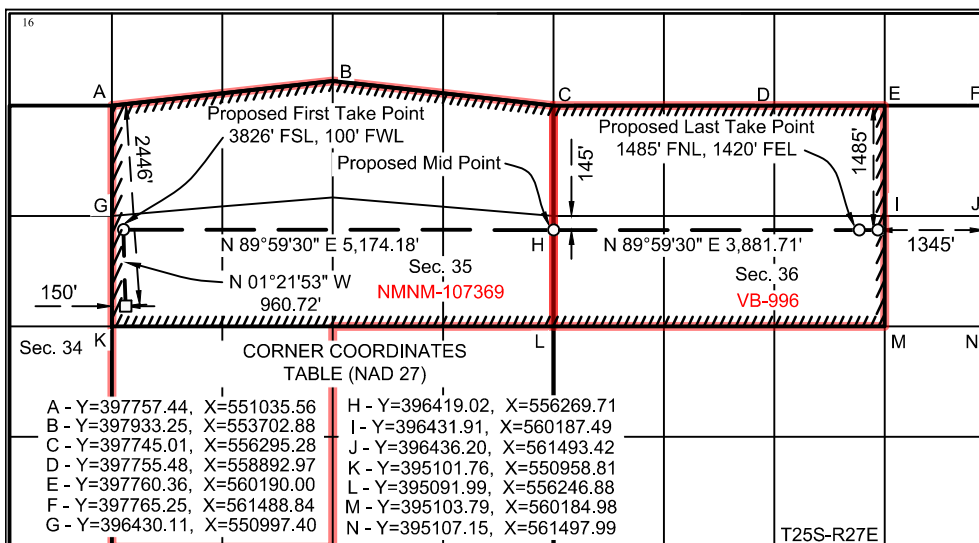
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	25 SOUTH	27 EAST, N.M.P.M.		2446'	NORTH	150'	WEST	EDDY

¹¹ 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	36	25 SOUTH	27 EAST, N.M.P.M.		1485'	NORTH	1345'	EAST	EDDY
¹² Dedicated Acres 560	¹³ Joint or Infill DEFINING	¹⁴ Consolidation Code	¹⁵ 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.



¹⁷ 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 _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ 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.

07/20/2021

Date of Survey

Signature and Seal of Professional Surveyor:

23006 01/09/2024

Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (575) 393-0720

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 30216	³ Pool Name NORTH HAY HOLLOW: BONE SPRING
⁴ Property Code	⁵ Property Name PATRON 35 36 FEDERAL COM		⁶ Well Number 231H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.		⁹ Elevation 3219'

¹⁰ Surface Location

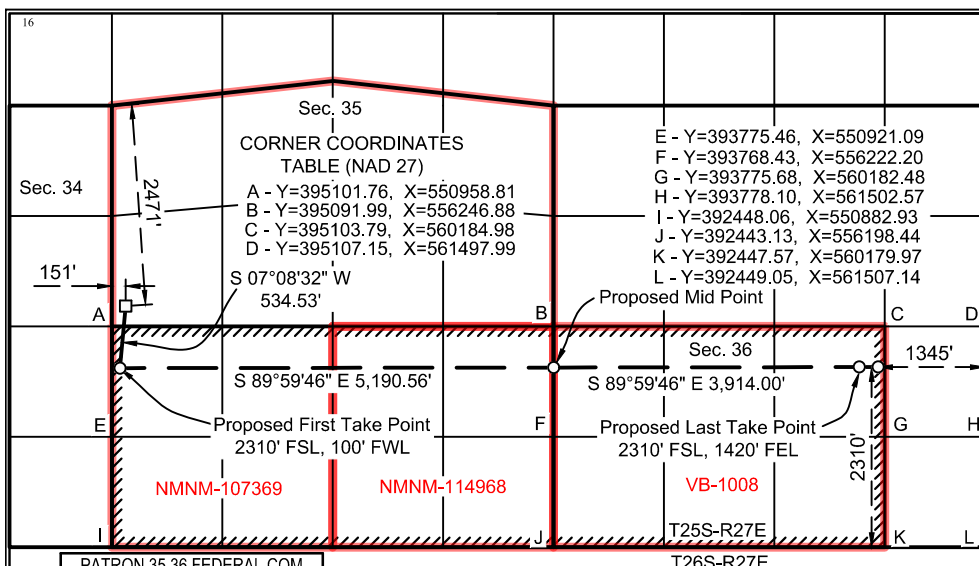
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	25 SOUTH	27 EAST, N.M.P.M.		2471'	NORTH	151'	WEST	EDDY

¹¹ 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
J	36	25 SOUTH	27 EAST, N.M.P.M.		2310'	SOUTH	1345'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
560	INFILL		

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.



PATRON 35 36 FEDERAL COM			
NO 231H WELL			
X=	551,116'		
Y=	395,288'		
LAT.	32.086655° N		NAD 27
LONG.	104.168285° W		
X=	592,300'		
Y=	395,345'		
LAT.	32.086777° N		NAD83/86
LONG.	104.168778° W		
PROPOSED FIRST TAKE POINT			
X=	551,049'		
Y=	394,758'		
LAT.	32.085198° N		NAD 27
LONG.	104.168503° W		
X=	592,233'		
Y=	394,815'		
LAT.	32.085319° N		NAD83/86
LONG.	104.168995° W		

PROPOSED MID POINT		
X=	556,240'	
Y=	394,757'	
LAT.	32.085174° N	NAD 27
LONG.	104.151743° W	
X=	597,424'	
Y=	394,815'	
LAT.	32.085296° N	NAD83/86
LONG.	104.152235° W	
PROPOSED LAST TAKE POINT		
X=	560,079'	
Y=	394,757'	
LAT.	32.085155° N	NAD 27
LONG.	104.139348° W	
X=	601,263'	
Y=	394,814'	
LAT.	32.085277° N	NAD83/86
LONG.	104.139839° W	

PROPOSED BOTTOM HOLE LOCATION		
X=	560,154'	NAD 27
Y=	394,757'	
LAT.	32.085154° N	
LONG.	104.139106° W	
X=	601,338'	NAD83/86
Y=	394,814'	
LAT.	32.085276° N	
LONG.	104.139597° W	

17 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 _____
Date _____

Printed Name _____

E-mail Address

18 **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.

07/20/2021

Date of Survey _____

Signature and Seal of Professional Surveyor:

23006 01/09/2024

Certificate Number

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⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3220'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	25 SOUTH	27 EAST, N.M.P.M.		2496'	NORTH	152'	WEST	EDDY

¹¹ 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
J	36	25 SOUTH	27 EAST, N.M.P.M.		1380'	SOUTH	1345'	EAST	EDDY
¹² Dedicated Acres 560	¹³ Joint or Infill DEFINING	¹⁴ Consolidation Code	¹⁵ 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.

<p>¹⁶</p> <p>Sec. 35 CORNER COORDINATES TABLE (NAD 27) A - Y=395101.76, X=550958.81 B - Y=395091.99, X=556246.88 C - Y=395103.79, X=560184.98 D - Y=395107.15, X=561497.99</p> <p>Sec. 36 Proposed Mid Point Proposed Last Take Point 1380' FSL, 1420' FEL</p> <p>NMNM-107369 NMNM-114968</p> <p>Proposed First Take Point 1380' FSL, 100' FWL</p> <p>Sec. 34</p> <p>Sec. 36</p> <p>VB-1008</p> <p>1345'</p> <p>1380'</p> <p>T26S-R27E</p>					
<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>					
<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>07/20/2021 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>23006 01/09/2024</p> <p>Certificate Number</p>					

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 Road, 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

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

¹ API Number	² Pool Code 30216	³ Pool Name NORTH HAY HOLLOW: BONE SPRING
⁴ Property Code	⁵ Property Name PATRON 35 36 FEDERAL COM	⁶ Well Number 233H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3220'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	25 SOUTH	27 EAST, N.M.P.M.		2521'	NORTH	153'	WEST	EDDY

¹¹ 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
O	36	25 SOUTH	27 EAST, N.M.P.M.		330'	SOUTH	1345'	EAST	EDDY
¹² Dedicated Acres 560	¹³ Joint or Infill INFILL	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶								
¹⁷ 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			Date					
Printed Name								
E-mail Address								
¹⁸ 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.								
07/20/2021								
Date of Survey								
Signature and Seal of Professional Surveyor:								
Certificate Number								

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY CHEVRON USA, INC.**

ORDER NO. PLC-887-B

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. Chevron USA, Inc. (“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. This Order supersedes Order PLC-887-A.
3. 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.

4. 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.
5. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

6. 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.
7. 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.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
9. 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.
10. 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.

11. 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.
12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. 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).
14. 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**



**GERASIMOS RAZATOS
DIRECTOR (ACTING)**

DATE: 8/9/2024

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-887-B**

Operator: **Chevron USA, Inc. (4323)**

Central Tank Battery: **Hayhurst Central Tank Battery 10**

Central Tank Battery Location: **UL A, Section 10, Township 26 South, Range 27 East**

Central Tank Battery: **Hayhurst Central Tank Battery 35**

Central Tank Battery Location: **UL A, Section 35, Township 25 South, Range 27 East**

Central Tank Battery: **Hayhurst Central Tank Battery 12**

Central Tank Battery Location: **UL G, Section 12, Township 26 South, Range 27 East**

Central Tank Battery: **Hayhurst Central Tank Battery 9**

Central Tank Battery Location: **UL M, Section 9, Township 26 South, Range 27 East**

Central Tank Battery: **Hayhurst Central Tank Battery 25**

Central Tank Battery Location: **UL F, Section 25, Township 26 South, Range 27 East**

Gas Title Transfer Meter Location: **UL A, Section 10, Township 26 South, Range 27 East**

Pools

Pool Name	Pool Code
DELAWARE RIVER; BONE SPRING	16800
HAY HOLLOW; BONE SPRING	30215
HAY HOLLOW; BONE SPRING, NORTH	30216
WELCH; BONE SPRING	64010
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PA Wolfcamp NMNM 137168A	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
	All	15-26S-27E
PA Bone Spring for NMNM 137168X	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
	All	15-26S-27E

CA Wolfcamp NMNM 105736925 (138618)	All	5-26S-27E
	All	8-26S-27E
	All	17-26S-27E
	All	20-26S-27E
V0 7385 0004	E/2	16-26S-27E
V0 7398 0001	W/2	16-26S-27E
NMNM 105553251 (100549)	All	21-26S-27E
NMNM 105691144 (138828)	N/2 minus H	13-26S-27E
NMNM 105679645 (120350)	S/2, H	13-26S-27E
V0 7638 0002	N/2	24-26S-27E
V0 7652 0002	S/2	24-26S-27E
NMNM 105691143 (138827)	All	9-26S-27E
CA Wolfcamp SLO 204960 PUN 0	W/2	25-26S-27E
	NW/4	36-26S-27E
V0 7653 0001	N/2	25-26S-27E
V0 7639 0002	S/2	25-26S-27E
V0 7654 0002	N/2	36-26S-27E
VB 0996 0002	B C D E F G	36-25S-27E
VB 1008 0002	J K L M N O	36-25S-27E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-43929	Cicada Unit #1H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43930	Cicada Unit #2H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43937	Cicada Unit #3H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43936	Cicada Unit #4H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43926	Cicada Unit #5H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43932	Cicada Unit #6H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44367	Cicada Unit #13H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44371	Cicada Unit #14H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44353	Cicada Unit #15H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44351	Cicada Unit #16H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44354	Cicada Unit #17H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44352	Cicada Unit #18H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-46468	Cicada Unit #27H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	

30-015-46469	Cicada Unit #28H	E/2 E/2	10-26S-27E 15-26S-27E	98220
30-015-46470	Cicada Unit #29H	E/2 E/2	10-26S-27E 15-26S-27E	98220
30-015-46898	Cicada Unit #30H	W/2 W/2	11-26S-27E 14-26S-27E	98220
30-015-46901	Cicada Unit #31H	W/2 W/2	11-26S-27E 14-26S-27E	98220
30-015-46913	Cicada Unit #32H	W/2 W/2	11-26S-27E 14-26S-27E	98220
30-015-49001	Cicada Unit #51H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-49000	Cicada Unit #52H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-48999	Cicada Unit #53H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-44347	Cicada Unit #7H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44346	Cicada Unit #8H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44350	Cicada Unit #9H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44349	Cicada Unit #10H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44345	Cicada Unit #11H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44348	Cicada Unit #12H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-45602	Cicada Unit #23H	E/2 E/2	23-25S-27E 26-25S-27E	98220
30-015-45720	Cicada Unit #24H	E/2 E/2	23-25S-27E 26-25S-27E	98220
30-015-45601	Cicada Unit #25H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45600	Cicada Unit #26H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45426	Cicada Unit #19H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45425	Cicada Unit #20H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45424	Cicada Unit #21H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45423	Cicada Unit #22H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-46342	Cicada Unit #33H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46343	Cicada Unit #34H	W/2 W/2	35-25S-27E 2-26S-27E	98220

30-015-46344	Cicada Unit #35H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-46345	Cicada Unit #36H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-46346	Cicada Unit #37H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46347	Cicada Unit #38H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46348	Cicada Unit #39H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-48782	Cicada Unit #41H	E/2 E/2 NE/4	23-25S-27E 26-25S-27E 35-25S-27E	98220
30-015-48783	Cicada Unit #43H	E/2 E/2 NE/4	23-25S-27E 26-25S-27E 35-25S-27E	98220
30-015-49465	Cicada Unit #45H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49466	Cicada Unit #47H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49467	Cicada Unit #48H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49468	Cicada Unit #50H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49469	Cicada Unit #56H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49470	Cicada Unit #57H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49471	Cicada Unit #58H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49472	Cicada Unit #59H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49624	Cicada Unit #60H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49625	Cicada Unit #61H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49626	Cicada Unit #62H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49627	Cicada Unit #63H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-45100	HH SO 17 20 Federal 1 #1H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45101	HH SO 17 20 Federal 1 #2H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45154	HH SO 17 20 Federal 1 #3H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45155	HH SO 17 20 Federal 1 #4H	W/2 W/2	17-26S-27E 20-26S-27E	98220

30-015-45102	HH SO 17 20 Federal 1 #5H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45103	HH SO 17 20 Federal 1 #6H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45115	HH SO 8 5 Federal 3 #1H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45116	HH SO 8 5 Federal 3 #2H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45117	HH SO 8 5 Federal 3 #3H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45118	HH SO 8 5 Federal 3 #4H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45119	HH SO 8 5 Federal 3 #5H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45120	HH SO 8 5 Federal 3 #6H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-43935	HH SO 8 P2 #5H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43934	HH SO 8 P2 #6H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43933	HH SO 8 P2 #13H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43931	HH SO 8 P2 #14H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43927	HH SO 8 P2 #21H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43928	HH SO 8 P2 #22H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45104	HH SO 17 20 Federal 2 #1H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45105	HH SO 17 20 Federal 2 #2H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45106	HH SO 17 20 Federal 2 #3H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45107	HH SO 17 20 Federal 2 #4H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45108	HH SO 17 20 Federal 2 #5H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45109	HH SO 17 20 Federal 2 #6H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45987	HH SO 8 5 Federal 4 #1H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45988	HH SO 8 5 Federal 4 #2H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45989	HH SO 8 5 Federal 4 #3H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45990	HH SO 8 5 Federal 4 #4H	E/2 E/2	5-26S-27E 8-26S-27E	98220

30-015-45991	HH SO 8 5 Federal 4 #5H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45992	HH SO 8 5 Federal 4 #6H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-48353	HH SO 17 20 Federal 3 #401H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48356	HH SO 17 20 Federal 3 #402H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48355	HH SO 17 20 Federal 3 #403H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48354	HH SO 17 20 Federal 3 #404H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-50181	Cicada Unit #64H	W/2 W/2	1-26S-27E 12-26S-27E	16800
30-015-49598	Cicada Unit #65H	W/2 W/2	1-26S-27E 12-26S-27E	16800
30-015-49603	Wild Turkey 12 1 Federal Com 24 #1H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49602	Cicada Unit #67H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49604	Cicada Unit #68H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49684	Cicada Unit #69H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49685	Cicada Unit #70H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49686	Cicada Unit #71H	E/2 W/2 B C G J O	23-25S-27E 26-25S-27E	30216
30-015-49687	Cicada Unit #72H	W/2 E/2 A B H I P	23-25S-27E 26-25S-27E	30216
30-015-50182	Smoke Wagon 10 15 Federal Com 28 #1H	E/2 E/2	10-26S-27E 15-26S-27E	64010
30-015-50183	Smoke Wagon 10 15 Federal Com 28 #2H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-53225	Cicada Unit #80H	W/2 W/2	11-26S-27E 14-26S-27E	16800
30-015-53224	Cicada Unit #81H	W/2 W/2	11-26S-27E 14-26S-27E	16800
30-015-53226	Cicada Unit #82H	W/2 W/2	11-26S-27E 14-26S-27E	16800
30-015-53393	Cicada Unit #83H	E/2 E/2	11-26S-27E 14-26S-27E	16800
30-015-53599	Cicada Unit #84H	E/2 E/2	11-26S-27E 14-26S-27E	16800
30-015-53600	Patron 35 36 Federal State Com 29 #1H	N/2 B C D E F G	35-25S-27E 36-25S-27E	16800
30-015-50067	Patron 35 36 Federal State Com 29 #2H	N/2 B C D E F G	35-25S-27E 36-25S-27E	16800

30-015-53601	Patron 35 36 Federal State Com 29 #3H	S/2 J K L M N O	35-25S-27E 36-25S-27E	16800
30-015-50177	Patron 35 36 Federal State Com 29 #4H	S/2 J K L M N O	35-25S-27E 36-25S-27E	16800
30-015-50068	Patron 35 36 Federal State Com 29 #5H	S/2 J K L M N O	35-25S-27E 36-25S-27E	16800
30-015-53752	Whistle Pig 9 4 Federal Com 21 #1H	W/2	9-26S-27E	98220
30-015-53753	Whistle Pig 9 4 Federal Com 21 #2H	W/2	9-26S-27E	98220
30-015-53754	Whistle Pig 9 4 Federal Com 21 #3H	W/2	9-26S-27E	98220
30-015-53884	Whistle Pig 9 4 Federal Com 21 #4H	W/2	9-26S-27E	98220
30-015-53802	Four Roses 9 4 Federal Com 22 #1H	E/2	9-26S-27E	98220
30-015-53803	Four Roses 9 4 Federal Com 22 #2H	E/2	9-26S-27E	98220
30-015-53804	Four Roses 9 4 Federal Com 22 #3H	E/2	9-26S-27E	98220
30-015-53805	Four Roses 9 4 Federal Com 22 #4H	E/2	9-26S-27E	98220
30-015-53739	Rye One 16 21 Federal State Com P40 #1H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53738	Rye One 16 21 Federal State Com P40 #2H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53801	Rye One 16 21 Federal State Com P40 #3H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53737	Rye One 16 21 Federal State Com P40 #4H	W/2 W/2	16-26S-27E 21-26S-27E	98220
30-015-53731	Few 16 21 Federal State Com P41 #1H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-53699	Few 16 21 Federal State Com P41 #2H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-53516	Few 16 21 Federal State Com P41 #3H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-53581	Few 16 21 Federal State Com P41 #4H	E/2 E/2	16-26S-27E 21-26S-27E	98220
30-015-54248	Bulleit 13 24 Federal State Com 32 #1H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54249	Bulleit 13 24 Federal State Com 32 #2H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54257	Bulleit 13 24 Federal State Com 32 #3H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54250	Bulleit 13 24 Federal State Com 32 #4H	E/2 E/2	13-26S-27E 24-26S-27E	30215
30-015-54374	Walkers 13 24 Federal Com #430H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54375	Walkers 13 24 Federal Com #431H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54376	Walkers 13 24 Federal Com #432H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54377	Walkers 13 24 Federal Com #433H	W/2 W/2	13-26S-27E 24-26S-27E	98220
30-015-54231	Jameson 13 24 Federal Com #434H	E/2 E/2	13-26S-27E 24-26S-27E	98220

30-015-54232	Jameson 13 24 Federal Com #435H	E/2 E/2	13-26S-27E 24-26S-27E	98220
30-015-54233	Jameson 13 24 Federal Com #436H	E/2 E/2	13-26S-27E 24-26S-27E	98220
30-015-54234	Jameson 13 24 Federal Com #437H	E/2 E/2	13-26S-27E 24-26S-27E	98220
30-015-54251	Bulleit 13 24 Federal Com #155H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54252	Bulleit 13 24 Federal Com #156H	E/2 E/2	13-26S-27E 24-26S-27E	30215
30-015-54253	Bulleit 13 24 Federal Com #255H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54254	Bulleit 13 24 Federal Com #256H	W/2 W/2	13-26S-27E 24-26S-27E	30215
30-015-54255	Bulleit 13 24 Federal Com #257H	E/2 E/2	13-26S-27E 24-26S-27E	30215
30-015-54256	Bulleit 13 24 Federal Com #258H	E/2 E/2	13-26S-27E 24-26S-27E	30215
30-015-49954	Kessler 25 36 State Com #438H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49941	Kessler 25 36 State Com #439H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49943	Kessler 25 36 State Com #440H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49940	Kessler 25 36 State Com #441H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-49955	Jim Beam 25 36 State Com #442H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49824	Jim Beam 25 36 State Com #443H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49956	Jim Beam 25 36 State Com #444H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49957	Jim Beam 25 36 State Com #445H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-49953	Baileys 25 36 State Com #234H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-53288	Baileys 25 36 State Com #235H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-49952	Baileys 25 36 State Com #236H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-49951	Baileys 25 36 State Com #237H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-54067	Kessler 25 36 State Com #638H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-54066	Kessler 25 36 State Com #538H	W/2 NW/4	25-26S-27E 36-26S-27E	98220
30-015-54068	Kessler 25 36 State Com #639H	W/2 NW/4	25-26S-27E 36-26S-27E	98220

30-015-53997	Jim Beam 25 36 State Com #539H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-53999	Jim Beam 25 36 State Com #640H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-53998	Jim Beam 25 36 State Com #540H	E/2 NE/4	25-26S-27E 36-26S-27E	98220
30-015-53964	Baileys 25 36 State Com #136H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53962	Baileys 25 36 State Com #261H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53968	Baileys 25 36 State Com #137H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53965	Baileys 25 36 State Com #262H	E/2 NE/4	25-26S-27E 36-26S-27E	30215
30-015-53969	Baileys 25 36 State Com #134H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-53967	Baileys 25 36 State Com #259H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-53963	Baileys 25 36 State Com #135H	W/2 NW/4	25-26S-27E 36-26S-27E	30215
30-015-53966	Baileys 25 36 State Com #260H	W/2 NW/4	25-26S-27E 36-26S-27E	30215

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-887-B**
Operator: **Chevron USA, Inc. (4323)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMNM 106366973	E/2	16-26S-27E	640	A
	E/2	21-26S-27E		
CA Wolfcamp BLM	W/2	16-26S-27E	640	B
	W/2	21-26S-27E		
CA Wolfcamp BLM	E/2	13-26S-27E	640	C
	E/2	24-26S-27E		
CA Wolfcamp BLM	W/2	13-26S-27E	640	D
	W/2	24-26S-27E		
CA Bone Spring BLM	E/2	13-26S-27E	640	E
	E/2	24-26S-27E		
CA Bone Spring BLM	W/2	13-26S-27E	640	F
	W/2	24-26S-27E		
CA Bone Spring NMSLO	W/2	25-26S-27E	448.31	G
	NW/4	36-26S-27E		
CA Bone Spring NMSLO	E/2	25-26S-27E	448.09	H
	NE/4	36-26S-27E		
CA Wolfcamp NMSLO	E/2	25-26S-27E	448.09	I
	NE/4	36-26S-27E		
CA Bone Spring BLM	N/2	35-25S-27E	560	J
	B C D E F G	36-25S-27E		
CA Bone Spring BLM	S/2	35-25S-27E	560	K
	J K L M N O	36-25S-27E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
V0 7385 0004	E/2	16-26S-27E	320	A
NMNM 105553251 (100549)	E/2	21-26S-27E	320	A
V0 7398 0001	W/2	16-26S-27E	320	B
NMNM 105553251 (100549)	W/2	16-26S-27E	320	B
NMNM 105691144 (138828)	A B G	13-26S-27E	120	C
NMNM 105679645 (120350)	H I J O P	13-26S-27E	200	C
V0 7638 0002	NE/4	24-26S-27E	160	C
V0 7652 0002	SE/4	24-26S-27E	160	C
NMNM 105691144 (138828)	NW/4	13-26S-27E	160	D
NMNM 105679645 (120350)	SW/4	13-26S-27E	160	D
V0 7638 0002	NW/4	24-26S-27E	160	D

V0 7652 0002	SW/4	24-26S-27E	160	D
NMNM 105691144 (138828)	A B G	13-26S-27E	120	E
NMNM 105679645 (120350)	H I J O P	13-26S-27E	200	E
V0 7638 0002	NE/4	24-26S-27E	160	E
V0 7652 0002	SE/4	24-26S-27E	160	E
NMNM 105691144 (138828)	NW/4	13-26S-27E	160	F
NMNM 105679645 (120350)	SW/4	13-26S-27E	160	F
V0 7638 0002	NW/4	24-26S-27E	160	F
V0 7652 0002	SW/4	24-26S-27E	160	F
V0 7653 0001	NW/4	25-26S-27E	160	G
V0 7639 0002	SW/4	25-26S-27E	160	G
V0 7654 0002	NW/4	36-26S-27E	128.31	G
V0 7653 0001	NE/4	25-26S-27E	160	H
V0 7639 0002	SE/4	25-26S-27E	160	H
V0 7654 0002	NE/4	36-26S-27E	128.09	H
V0 7653 0001	NE/4	25-26S-27E	160	I
V0 7639 0002	SE/4	25-26S-27E	160	I
V0 7654 0002	NE/4	36-26S-27E	128.09	I
PA Bone Spring for NMNM 137168X	N/2	35-25S-27E	320	J
VB 0996 0002	B C D E F G	36-25S-27E	240	J
PA Bone Spring for NMNM 137168X	S/2	35-25S-27E	320	K
VB 1008 0002	J K L M N O	36-25S-27E	240	K

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 297018

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 297018
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/9/2024