



United States Department of the Interior

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



IN REPLY REFER TO:
NM136965
3105.2 (P0220)

Reference:
Communitization Agreement
Corral Canyon Fed Com 1H
Sec. 5, W2W2
T. 25 S., R. 29 E.
Sec. 32, W2SW
T. 24 S., R. 29 E.
Eddy County, NM

04/28/2017

RECEIVED
2017 MAY 12 P 2:55

XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM136965 involving 159.44 acres of Federal land in lease NMNM15302, 40 acres of Federal land in lease NMNM111533 and 40 acres of State land, Eddy County, New Mexico, which comprise a 239.44 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 5, W2W2, T. 25 S., R. 29 E. and Sec. 32, W2SW, T. 24 S., R. 29 E., MPM, Eddy County, NM, and is effective 08/18/2016. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

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

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Cody R. Layton", written over the printed name.

Cody R. Layton
Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

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

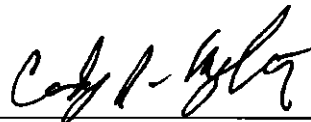
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering sec. 5, W2W2, T. 25 S., R. 29 E. and sec. 32, W2SW, T. 24 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

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

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 04/28/2017



Cody R. Layton
Field Manager,
Lands and Minerals

Effective: 08/18/2016
Contract No.: Com. Agr. NM136965



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM136965
3107 (P0220)

Memorandum

To: State Director (9210)

From: Legal Instrument Examiner (P0220)

Subject: First Production, Communitization Agreement NM136965

Date of Completion:	12/15/2016
Date of First Production:	12/15/2016
Field:	Willow Lake
Operator, Well Name & No, API Number:	XTO Energy; Corral Canyon Fed Com 1H; 30-015-43428
Surface Location:	SESE; sec.6, T. 25 S., R. 29 E.
Production Penetration:	SWSW; sec. 5, T. 25 S., R. 29 E.
Bottom Location:	NWSW; sec. 32, T. 24 S., R. 29 E.
Total Depth:	16,185' MD; 8,495' TVD
Surface Elevation:	2,937' GL
Producing Formation:	Bone Spring (9,100' – 15,940')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 1019 BBL; Gas 1975 MCF; Water 1201 BBL
Current Status:	Producing Oil Well

Remarks: CA NM136965, effective 08/18/2016, communitizes production of all gaseous and fluid hydrocarbons in the Bone Spring formation beneath the W2W2 of sec. 5, T. 25 S., R. 29 E. and the W2SW of sec. 32 T. 24 S., R. 29 E. NMPM, and is comprised of 159.44 acres of Federal land in lease NMNM15302, 40 acres of Federal land in lease NMNM111533 and 40 acres of State land for a 239.44 acre spacing unit, whose leases are held by actual production. Per production penetration point and wellbore path, surface location of well not within the com agreement boundary.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham

04/28/2017

cc:

ONRR-MS 63230B

First Production File

LLNM (P0220, File Room)