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DEC 14 2015

LAND DEPARTMENT

AUBREY DUNN
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Angie Repka
XTO Energy, Inc
810 Houston St.
Fort Worth, TX 76102-6298

November 23rd, 2015

Re: Communitization Agreement Approval
Corral Canyon Federal #3H
Vertical Extent: Bone Spring
Township: 25 South, Range 29 East, NMPM
Section: 5: W2E2
Township 24 South, Range 29 East NMPM
Section32 : W2SE4
Eddy County, New Mexico

Dear Ms. Repka,

The Commissioner of Public Lands has this date approved the Corral Canyon Federal #3H Communitization Agreement for the Bone Spring formation effective 10/19/2015. Enclosed are three Certificates of Approval.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Dunn", is written over the printed name.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

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Section 5 : W2E2
Township 24 South, Range 29 East NMPM
Section 32 : W2SE4
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There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 19, 2015**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **23rd** day of November, 2015.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

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