

RECEIVED: 8/21/20	REVIEWER: DM	TYPE: PLC	APP NO: pDM2023431378
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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:** EOG Resources, Inc. **OGRID Number:** 7377  
**Well Name:** Gem 36 State Com 103H & others **API:** 30-025-46383  
**Pool:** Jennings; Upper Bone Spring Shale & others **Pool Code:** 97838

**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.

Lisa Trascher

Print or Type Name

9/17/2020

Date

432-247-6331

Phone Number

lisa\_trascher@eogresources.com

e-mail Address

Lisa Trascher

Signature

Office  
 District I – (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II – (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III – (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV – (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM  
 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-025-46383
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-8648, VO-8649
7. Lease Name or Unit Agreement Name Gem 36 State Com
8. Well Number 103H
9. OGRID Number 7377
10. Pool name or Wildcat Jennings; Upper Bone Spring Shale [97838]

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator EOG Resources, Inc.	
3. Address of Operator P.O. Box 2267, Midland, Texas 79702	
4. Well Location Unit Letter <u>C</u> : <u>248</u> feet from the <u>North</u> line and <u>1949</u> feet from the <u>West</u> line Section <u>36</u> Township <u>25S</u> Range <u>32E</u> NMPM <u>Lea</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3217'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: Surface Commingle <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

EOG Resources, Inc. respectfully requests to amend PC 1312 to include the following wells:

Gem 36 State Com 103H	API: 30-025-46383	Jennings; Upper Bone Spring Shale [97838]
Gem 36 State Com 104H	API: 30-025-46384	Jennings; Upper Bone Spring Shale [97838]
Gem 36 State Com 105H	API: 30-025-46385	Jennings; Upper Bone Spring Shale [97838]
Gem 36 State Com 204H	API: 30-025-46387	Jennings; Upper Bone Spring Shale [97838]
Gem 36 State Com 205H	API: 30-025-46388	Jennings; Upper Bone Spring Shale [97838]
Gem 36 State Com 504H	API: 30-025-46390	WC-025 G-08 S253235G; LWR Bone Spring [97903]
Gem 36 State Com 505H	API: 30-025-46391	WC-025 G-08 S253235G; LWR Bone Spring [97903]
Gem 36 State Com 506H	API: 30-025-46392	WC-025 G-08 S253235G; LWR Bone Spring [97903]

Please see attached supporting documentation. These wells have uniform ownership. State Land Office has received notice of this application

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Lisa Trascher TITLE Regulatory Specialist DATE 8/13/2020

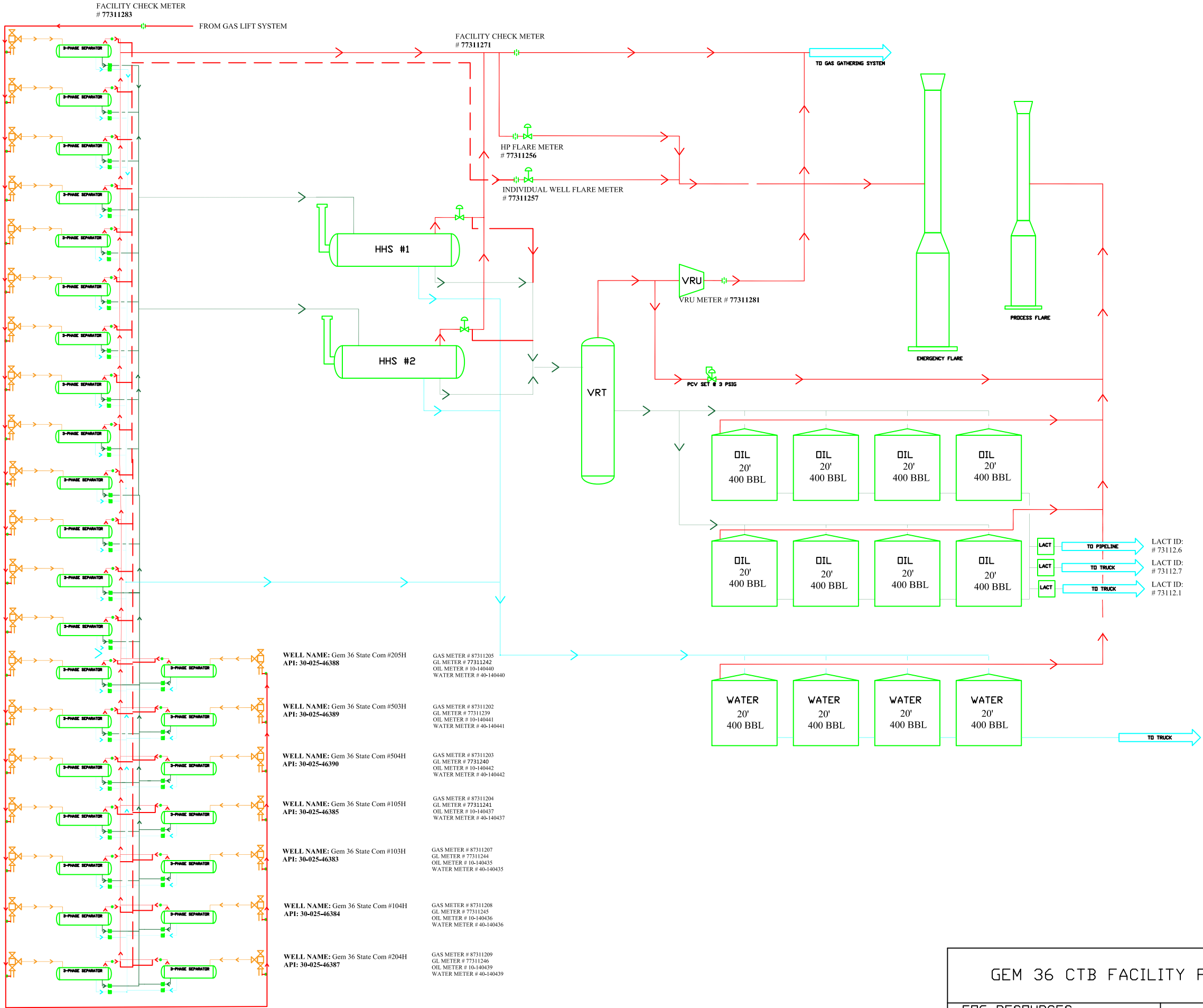
Type or print name Lisa Trascher E-mail address: lisa\_trascher@eogresources.com PHONE: 432-247-6331

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): \_\_\_\_\_

# FACILITY NAME: GEM 36 CTB

WELL NAME: Gem 36 State Com #701H API: 30-025-42780	GAS METER # 77311201 GL METER # 77311221 OIL METER # 10-73087 WATER METER # 40-73087
WELL NAME: Gem 36 State Com #702Y API: 30-025-42948	GAS METER # 77311202 GL METER # 77311222 OIL METER # 10-73222 WATER METER # 40-73222
WELL NAME: Gem 36 State Com #703H API: 30-025-43782	GAS METER # 77311203 GL METER # 77311223 OIL METER # 10-73089 WATER METER 1 # 40-73089 WATER METER 2 # 42-73089
WELL NAME: Gem 36 State Com #704H API: 30-025-43783	GAS METER # 77311204 GL METER # 77311224 OIL METER # 10-73090 WATER METER # 40-73090 WATER METER 2 # 42-73090
WELL NAME: Gem 36 State Com #005H API: 30-025-44263	GAS METER # 77311205 GL METER # 77311225 OIL METER # 10-74041 WATER METER 1 # 40-74041 WATER METER 2 # 42-74041
WELL NAME: Gem 36 State Com #006H API: 30-025-44264	GAS METER # 77311206 GL METER # 77311226 OIL METER # 10-74042 WATER METER 1 # 40-74042 WATER METER 2 # 42-74042
WELL NAME: Gem 36 State Com #707H API: 30-025-44265	GAS METER # 77311210 GL METER # 77311230 OIL METER # 10-74639 WATER METER 1 # 40-74639 WATER METER 2 # 42-74639
WELL NAME: Gem 36 State Com #708H API: 30-025-44266	GAS METER # 77311211 GL METER # 77311231 OIL METER # 10-74640 WATER METER 1 # 40-74640 WATER METER 2 # 42-74640
WELL NAME: Gem 36 State Com #709H API: 30-025-44267	GAS METER # 77311212 GL METER # 77311232 OIL METER # 10-74641 WATER METER 1 # 40-74641 WATER METER 2 # 42-74641
WELL NAME: Gem 36 State Com #705H API: 30-025-44440	GAS METER # 77311208 GL METER # 77311228 OIL METER # 10-74864 WATER METER 1 # 40-74864 WATER METER 2 # 42-74864
WELL NAME: Gem 36 State Com #706H API: 30-025-44441	GAS METER # 77311209 GL METER # 77311229 OIL METER # 10-74865 WATER METER 1 # 40-74865 WATER METER 2 # 42-74865
WELL NAME: Gem 36 State Com #601H API: 30-025-44567	GAS METER # 77311207 GL METER # 77311227 OIL METER # 10-75074 WATER METER 1 # 40-75074 WATER METER 2 # 42-75074
WELL NAME: Gem 36 State Com #721H API: 30-025-44568	GAS METER # 77311213 GL METER # 77311233 OIL METER # 10-75075 WATER METER 1 # 40-75075 WATER METER 2 # 42-75075
WELL NAME: Gem 36 State Com #102H API: 30-025-45526	GAS METER # 77311214 GL METER # 77311234 OIL METER # 10-75421 WATER METER 1 # 40-75421 WATER METER 2 # 42-75421
WELL NAME: Gem 36 State Com #201H API: 30-025-45527	GAS METER # 77311215 GL METER # 77311235 OIL METER # 10-75422 WATER METER 1 # 40-75422 WATER METER 2 # 42-75422
WELL NAME: Gem 36 State Com #202H API: 30-025-45528	GAS METER # 77311216 GL METER # 77311236 OIL METER # 10-75422 WATER METER 1 # 40-76542 WATER METER 2 # 42-76542
WELL NAME: Gem 36 State Com #506H API: 30-025-46392	GAS METER # 87311206 GL METER # 77311243 OIL METER # 10-14044 WATER METER # 40-14044
WELL NAME: Gem 36 State Com #501H API: 30-025-45529	GAS METER # 77311217 GL METER # 77311237 OIL METER # 10-75425 WATER METER 1 # 40-75425 WATER METER 2 # 42-75425
WELL NAME: Gem 36 State Com #502H API: 30-025-45524	GAS METER # 77311218 GL METER # 77311238 OIL METER # 10-75424 WATER METER 1 # 40-75424 WATER METER 2 # 42-75424
WELL NAME: Gem 36 State Com #505H API: 30-025-46391	GAS METER # 87311210 GL METER # 77311247 OIL METER # 10-14043 WATER METER # 40-14043



GEM 36 CTB FACILITY PROCESS FLOW		
EDG RESOURCES MIDLAND DIVISION	BY: SDG	rev. 010 8/12/2020

**Process and Flow Descriptions:**

The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senior orifice meter and used to allocate total volume measured at the facility check meter, high pressure flare meter, and low pressure flare meter.

Gem 36 State Com #701H gas allocation meter (S/N 77311201)  
Gem 36 State Com #702Y gas allocation meter (S/N 77311202)  
Gem 36 State Com #703H gas allocation meter (S/N 77311203)  
Gem 36 State Com #704H gas allocation meter (S/N 77311204)  
Gem 36 State Com #005H gas allocation meter (S/N 77311205)  
Gem 36 State Com #006H gas allocation meter (S/N 77311206)  
Gem 36 State Com #601H gas allocation meter (S/N 77311207)  
Gem 36 State Com #705H gas allocation meter (S/N 77311208)  
Gem 36 State Com #706H gas allocation meter (S/N 77311209)  
Gem 36 State Com #707H gas allocation meter (S/N 77311210)  
Gem 36 State Com #708H gas allocation meter (S/N 77311211)  
Gem 36 State Com #709H gas allocation meter (S/N 77311212)  
Gem 36 State Com #721H gas allocation meter (S/N 77311213)  
Gem 36 State Com #102H gas allocation meter (S/N 77311214)  
Gem 36 State Com #201H gas allocation meter (S/N 77311215)  
Gem 36 State Com #202H gas allocation meter (S/N 77311216)  
Gem 36 State Com #501H gas allocation meter (S/N 77311217)  
Gem 36 State Com #502H gas allocation meter (S/N 77311218)  
Gem 36 State Com #503H gas allocation meter (S/N 87311202)  
Gem 36 State Com #504H gas allocation meter (S/N 87311203)  
Gem 36 State Com #105H gas allocation meter (S/N 87311204)  
Gem 36 State Com #205H gas allocation meter (S/N 87311205)  
Gem 36 State Com #506H gas allocation meter (S/N 87311206)  
Gem 36 State Com #103H gas allocation meter (S/N 87311207)  
Gem 36 State Com #104H gas allocation meter (S/N 87311208)  
Gem 36 State Com #204H gas allocation meter (S/N 87311209)  
Gem 36 State Com #505H gas allocation meter (S/N 87311210)

The oil from the separators will be measured using a Coriolis meter.

Gem 36 State Com #701H oil allocation meter (S/N 10-73087)  
Gem 36 State Com #702Y oil allocation meter (S/N 10-73222)  
Gem 36 State Com #703H oil allocation meter (S/N 10-73089)  
Gem 36 State Com #704H oil allocation meter (S/N 10-73090)  
Gem 36 State Com #005H oil allocation meter (S/N 10-74041)  
Gem 36 State Com #006H oil allocation meter (S/N 10-74042)  
Gem 36 State Com #601H oil allocation meter (S/N 10-75074)



Gem 36 State Com #705H oil allocation meter (S/N 10-74864)  
Gem 36 State Com #706H oil allocation meter (S/N 10-74865)  
Gem 36 State Com #707H oil allocation meter (S/N 10-74639)  
Gem 36 State Com #708H oil allocation meter (S/N 10-74640)  
Gem 36 State Com #709H oil allocation meter (S/N 10-74641)  
Gem 36 State Com #721H oil allocation meter (S/N 10-75075)  
Gem 36 State Com #102H oil allocation meter (S/N 10-75421)  
Gem 36 State Com #201H oil allocation meter (S/N 10-75422)  
Gem 36 State Com #202H oil allocation meter (S/N 10-76542)  
Gem 36 State Com #501H oil allocation meter (S/N 10-75425)  
Gem 36 State Com #502H oil allocation meter (S/N 10-75424)  
Gem 36 State Com #503H oil allocation meter (S/N 10-140441)  
Gem 36 State Com #504H oil allocation meter (S/N 10-140442)  
Gem 36 State Com #105H oil allocation meter (S/N 10-140437)  
Gem 36 State Com #205H oil allocation meter (S/N 10-140440)  
Gem 36 State Com #506H oil allocation meter (S/N 10-140444)  
Gem 36 State Com #103H oil allocation meter (S/N 10-140435)  
Gem 36 State Com #104H oil allocation meter (S/N 10-140436)  
Gem 36 State Com #204H oil allocation meter (S/N 10-140439)  
Gem 36 State Com #505H oil allocation meter (S/N 10-140443)

The water will be measured using a vortex meter. The water from each separator is combined in a common header and flows into (4) 400 barrel coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated horizontal separator (HHS) to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 400 barrel water tanks. The water is then pumped and/or trucked to a salt water disposal well. The oil from the heated separator flows through a vapor recovery tower (VRT) where gas is allowed to breakout at a lower pressure, and then the oil flows into (8) 400 barrel coated steel tanks. Guided wave radar is used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a Coriolis meter into a truck or a pipeline. Every tank utilizes a guided wave radar to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a custody transfer meter (#77311271) that serves as our lease production meter. If the pipeline is experiencing problems and cannot take any gas, the gas will flow through the high pressure meter (#77311256) to flare. If an individual well needed to be flared for any operation reason it will be manually routed through the individual well flare meter (#77311257) to the flare. The overhead gas from the vapor recovery tower is compressed by a vapor recovery compressor and then measured by a custody transfer meter (#77311281). The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.

\*Meter numbers will be provided upon installation of meters and completion of the facility.



P.O. Box 2267, Midland, Texas 79702  
Phone: (432) 686-3640

Date: August 14, 2020

To: State of New Mexico Oil Conservation Division  
New Mexico State Land Office

Re: PC-1312 Commingling Amendment; Gem 36 State Com 103H, 104H, 105H,  
204H, 205H, 504H, 505H and 506H

To whom it may concern:

This letter serves to notice you that the ownership of the following wells is identical in working, royalty, overriding royalty interest and percentages as defined in 19.15.12.7 NMAC:

Well Name	Location	API #	Pool	Status
Gem 36 State Com 103H	C-36-25S-32E	30-025-46383	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 104H	C-36-25S-32E	30-025-46384	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 105H	D-36-25S-32E	30-025-46385	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 204H	C-36-25S-32E	30-025-46387	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 205H	D-36-25S-32E	30-025-46388	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 504H	C-36-25S-32E	30-025-46390	WC-025 G-08 S253235G; LWR Bone Spring [97903]	Permitted
Gem 36 State Com 505H	C-36-25S-32E	30-025-46391	WC-025 G-08 S253235G; LWR Bone Spring [97903]	Permitted
Gem 36 State Com 506H	D-36-25S-32E	30-025-46392	WC-025 G-08 S253235G; LWR Bone Spring [97903]	Permitted

I certify that this information is true and correct to the best of my knowledge.

Sincerely,

**EOG Resources, Inc.**

By: Matthew Gray  
Matthew Gray  
Sr. Landman

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

<sup>1</sup> API Number 30-025- <b>46383</b>	<sup>2</sup> Pool Code 97838	<sup>3</sup> Pool Name Jennings; Upper Bone Spring Shale
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name GEM 36 STATE COM	<sup>6</sup> Well Number 103H
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.	<sup>9</sup> Elevation 3400'

<sup>10</sup>Surface Location

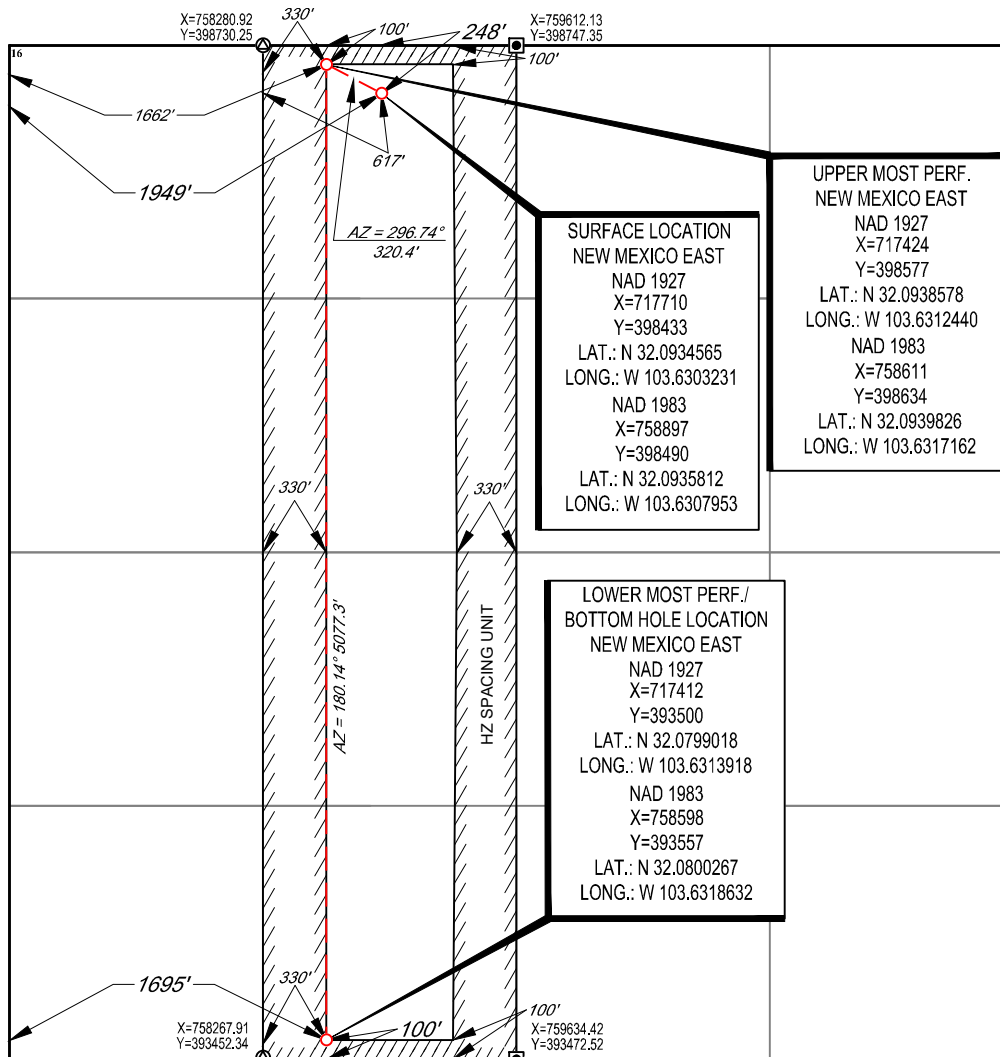
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	25-S	32-E	-	248'	NORTH	1949'	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	32-E	-	100'	SOUTH	1695'	WEST	LEA

<sup>12</sup> Dedicated Acres 160.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

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

<sup>17</sup>OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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.

Star L Harrell 9/19/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
E-mail Address

<sup>18</sup>SURVEYOR CERTIFICATION

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

08/28/2019

Date of Survey  
Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ  
NEW MEXICO  
24508  
PROFESSIONAL SURVEYOR

Certificate Number

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

<sup>1</sup> API Number <b>30-025- 46384</b>	<sup>2</sup> Pool Code <b>97838</b>	<sup>3</sup> Pool Name <b>Jennings; Upper Bone Spring Shale</b>
<sup>4</sup> Property Code <b>313191</b>	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>	<sup>6</sup> Well Number <b>104H</b>
<sup>7</sup> OGRID No. <b>7377</b>	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>9</sup> Elevation <b>3398'</b>

<sup>10</sup>Surface Location

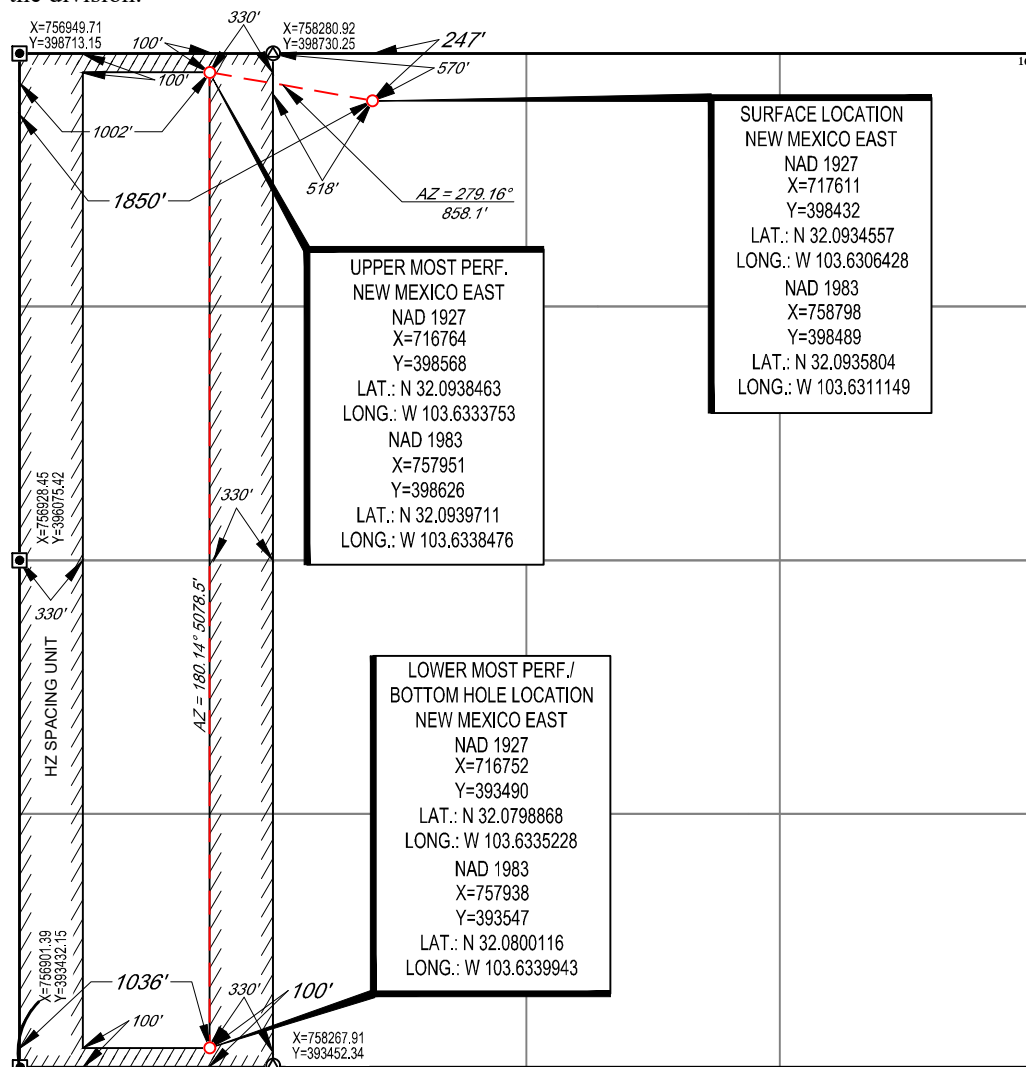
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>247'</b>	<b>NORTH</b>	<b>1850'</b>	<b>WEST</b>	<b>LEA</b>

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>1036'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--	-------------------------------	----------------------------------	-------------------------

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

<sup>17</sup>OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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.

*Star L Harrell* 9/19/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
E-mail Address

<sup>18</sup>SURVEYOR CERTIFICATION

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

08/28/2019

Date of Survey  
Signature and Seal of Professional Surveyor

*RAMON A. DOMINGUEZ*  
NEW MEXICO  
24508  
PROFESSIONAL SURVEYOR

Certificate Number

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

<sup>1</sup> API Number <b>30-025- 46385</b>		<sup>2</sup> Pool Code <b>97838</b>	<sup>3</sup> Pool Name <b>Jennings; Upper Bone Spring Shale</b>
<sup>4</sup> Property Code <b>313191</b>	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>		<sup>6</sup> Well Number <b>105H</b>
<sup>7</sup> OGRID No. <b>7377</b>	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>		<sup>9</sup> Elevation <b>3390'</b>

<sup>10</sup>Surface Location

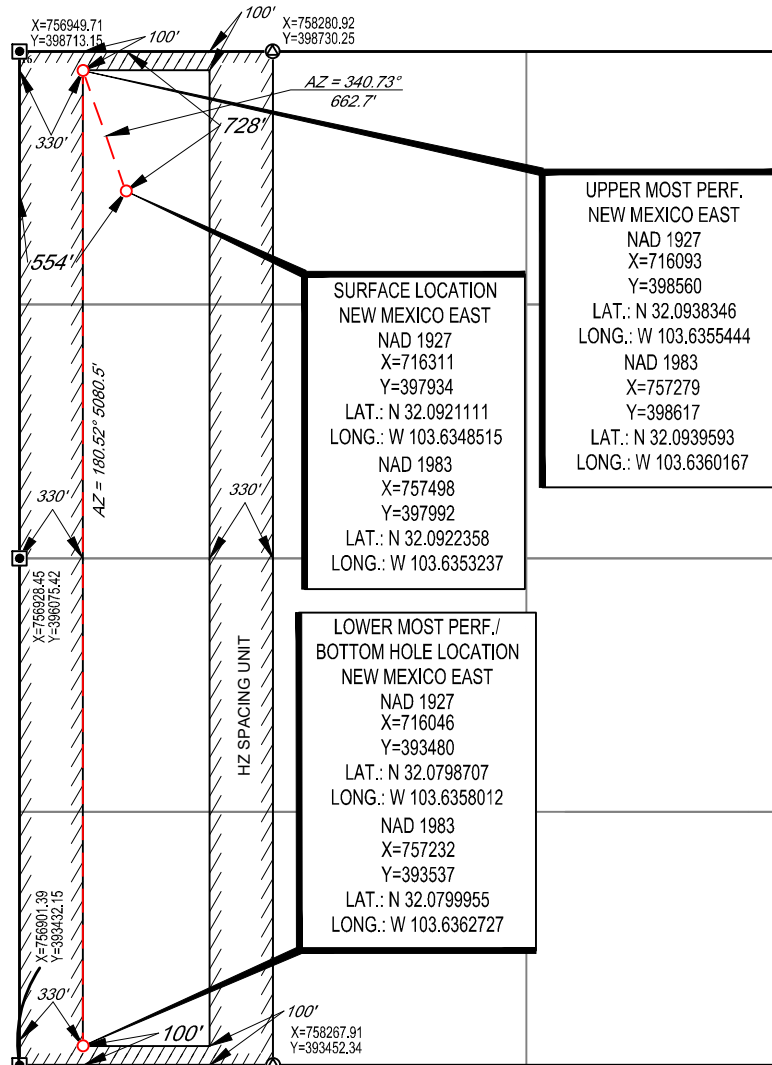
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>728'</b>	<b>NORTH</b>	<b>554'</b>	<b>WEST</b>	<b>LEA</b>

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>330'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--	-------------------------------	----------------------------------	-------------------------

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

<sup>17</sup>OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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.

*Star L Harrell* 9/20/19  
Signature Date

Star L Harrell  
Printed Name

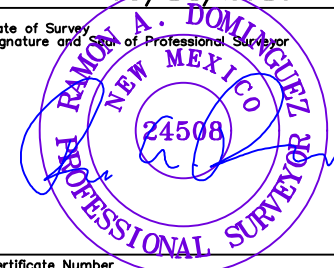
star.harrell@eogresources.com  
E-mail Address

<sup>18</sup>SURVEYOR CERTIFICATION

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

08/14/2019

Date of Survey  
Signature and Seal of Professional Surveyor



Certificate Number



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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State of New Mexico  
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Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025- 46388</b>	<sup>2</sup> Pool Code <b>97838</b>	<sup>3</sup> Pool Name <b>Jennings; Upper Bone Spring Shale</b>
<sup>4</sup> Property Code <b>313191</b>	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>	<sup>6</sup> Well Number <b>205H</b>
<sup>7</sup> OGRID No. <b>7377</b>	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>9</sup> Elevation <b>3389'</b>

<sup>10</sup>Surface Location

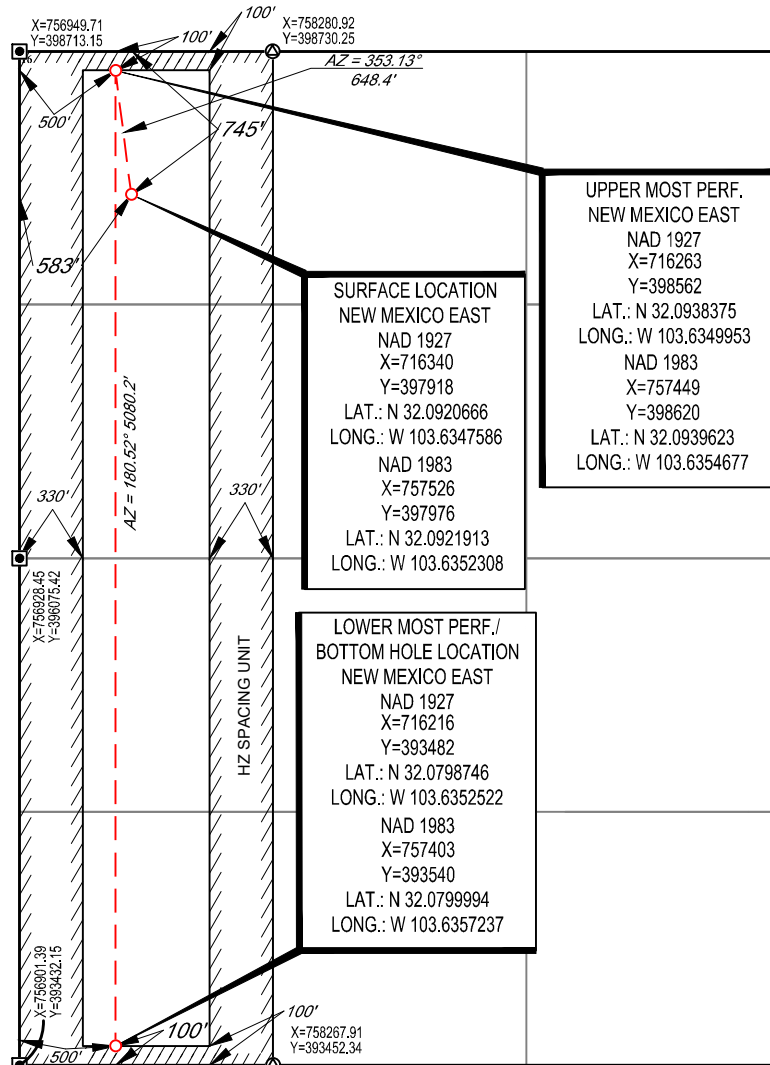
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>745'</b>	<b>NORTH</b>	<b>583'</b>	<b>WEST</b>	<b>LEA</b>

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>500'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<sup>17</sup>OPERATOR CERTIFICATION

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*Star L Harrell* 9/20/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
E-mail Address

<sup>18</sup>SURVEYOR CERTIFICATION

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

08/14/2019

Date of Survey  
Signature and Seal of Professional Surveyor

*Ramon A. Dominguez*  
NEW MEXICO  
24508  
PROFESSIONAL SURVEYOR

Certificate Number

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
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1220 South St. Francis Dr.  
Santa Fe, NM 87505

**FORM C-102**

Revised August 1, 2011

**Submit one copy to appropriate**

**District Office**

☐ **AMENDED REPORT**

# WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025- <b>46388</b>	<sup>2</sup> Pool Code 97838	<sup>3</sup> Pool Name Jennings; Upper Bone Spring Shale
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>	
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>6</sup> Well Number <b>205H</b>
		<sup>9</sup> Elevation <b>3389'</b>

## <sup>10</sup>Surface Location

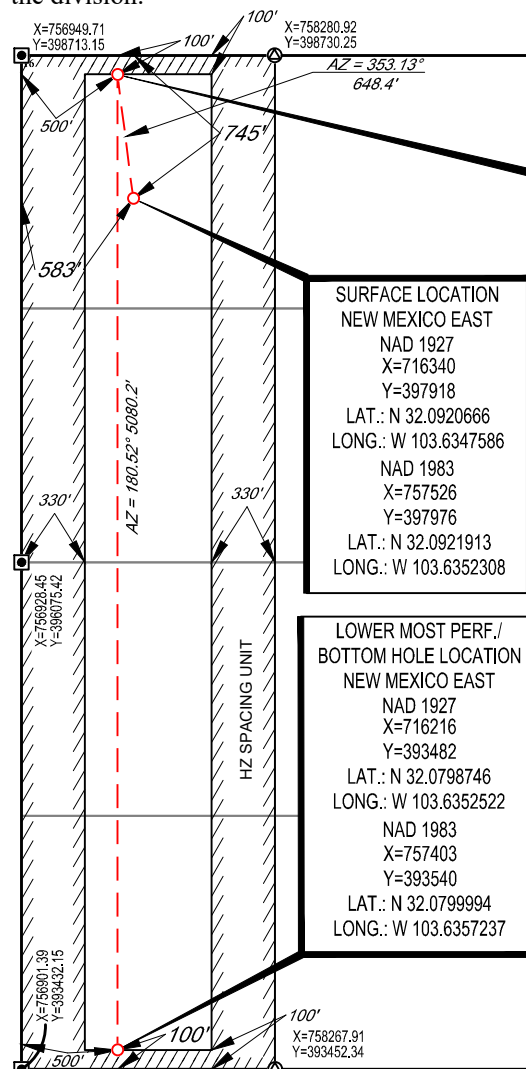
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	25-S	32-E	—	745'	NORTH	583'	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>500'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<sup>17</sup>OPERATOR CERTIFICATION

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Star L Harrell 9/20/19

Star L Harrell  
Printed Name

star\_harrell@eogresources.com

## 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 to the best of my belief.

08/14/2019

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

Certificate Number

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

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-46390</b>	<sup>2</sup> Pool Code <b>97903</b>	<sup>3</sup> Pool Name <b>WC-025 G-08 S253235G; LWR BONE SPRING</b>
<sup>4</sup> Property Code <b>313191</b>	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>	
<sup>6</sup> GRID No. <b>7377</b>	<sup>7</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>8</sup> Well Number <b>504H</b>
		<sup>9</sup> Elevation <b>3410'</b>

**<sup>10</sup>Surface Location**

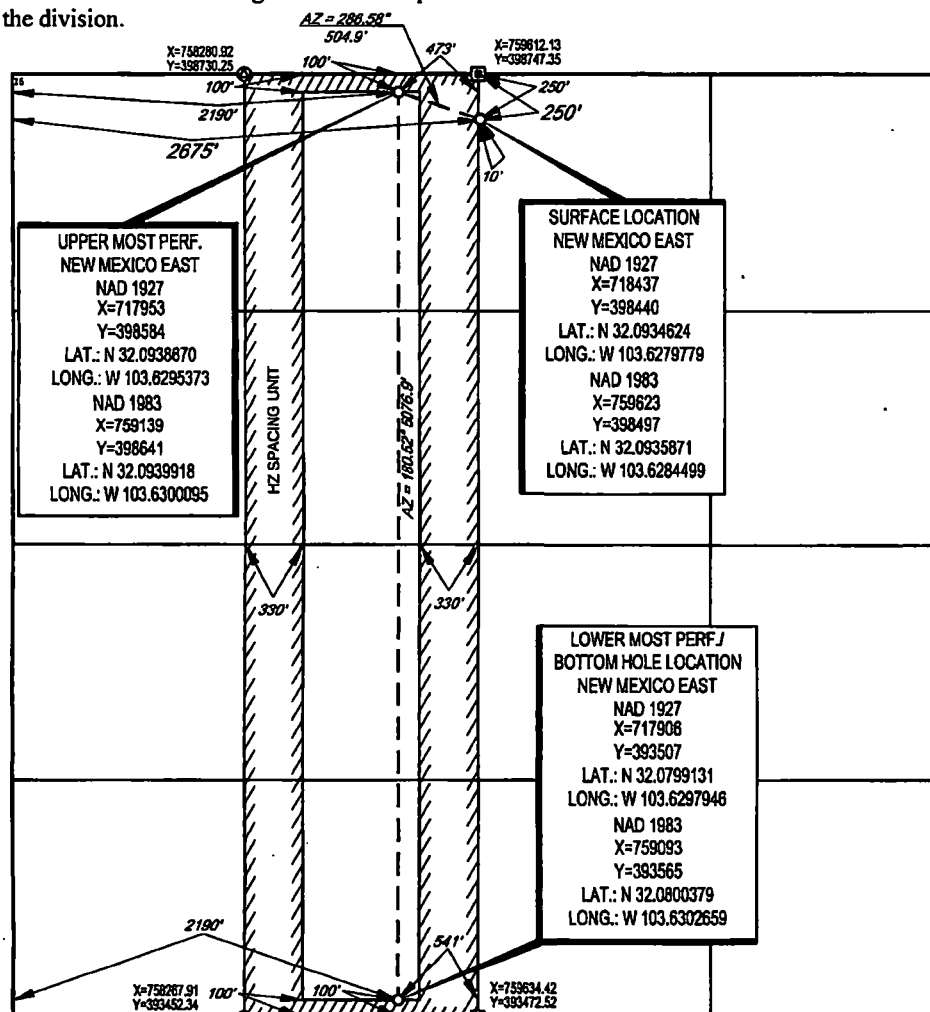
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>250'</b>	<b>NORTH</b>	<b>2675'</b>	<b>WEST</b>	<b>LEA</b>

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

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>N</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>2190'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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**<sup>17</sup>OPERATOR CERTIFICATION**

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*Emily Follis* 10/03/19  
Signature Date

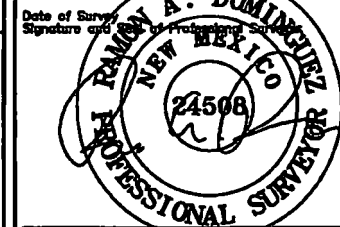
**EMILY FOLLIS**  
Printed Name

*emily\_follis@eogresources.com*  
E-mail Address

**<sup>18</sup>SURVEYOR CERTIFICATION**

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

08/14/2019  
Date of Survey  
Signature and Seal of Professional Surveyor



Certificate Number

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

**FORM C-102**

Revised August 1, 2011

**Submit one copy to appropriate**

**District Office**

**AMENDED REPORT**

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025- <b>46391</b>	<sup>2</sup> Pool Code 97903	<sup>3</sup> Pool Name WC-025 G-08 S253235G; Lower Bone Spring
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>	<sup>6</sup> Well Number <b>505H</b>
<sup>7</sup> GRID No. 7377	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>9</sup> Elevation <b>3399'</b>

### <sup>10</sup>Surface Location

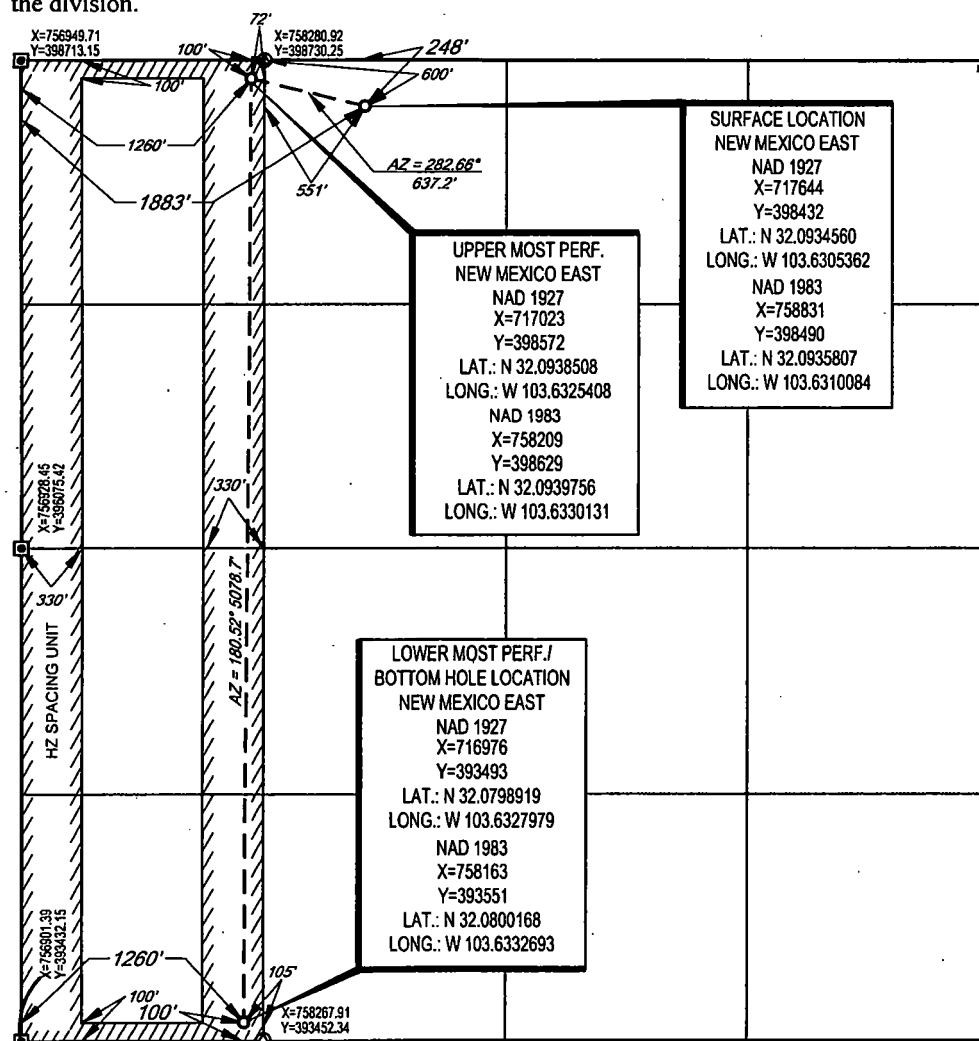
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	25-S	32-E	-	248'	NORTH	1883'	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>1260'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--	-------------------------------	----------------------------------	-------------------------

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## 17 OPERATOR CERTIFICATION

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Star L Harrell 9/20/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com

## 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 to the best of my belief.

~~08/28/2019~~

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

**Certificate Number**

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1220 South St. Francis Dr.  
Santa Fe, NM 87505

**FORM C-102**

Revised August 1, 2011

**Submit one copy to appropriate**

**District Office**

☐ **AMENDED REPORT**

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025- <b>46392</b>	<sup>2</sup> Pool Code 97903	<sup>3</sup> Pool Name WC-025 G-08 S253235G; Lower Bone Spring
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name GEM 36 STATE COM	
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.	<sup>6</sup> Well Number 506H  <sup>9</sup> Elevation 3389'

<sup>10</sup>Surface Location

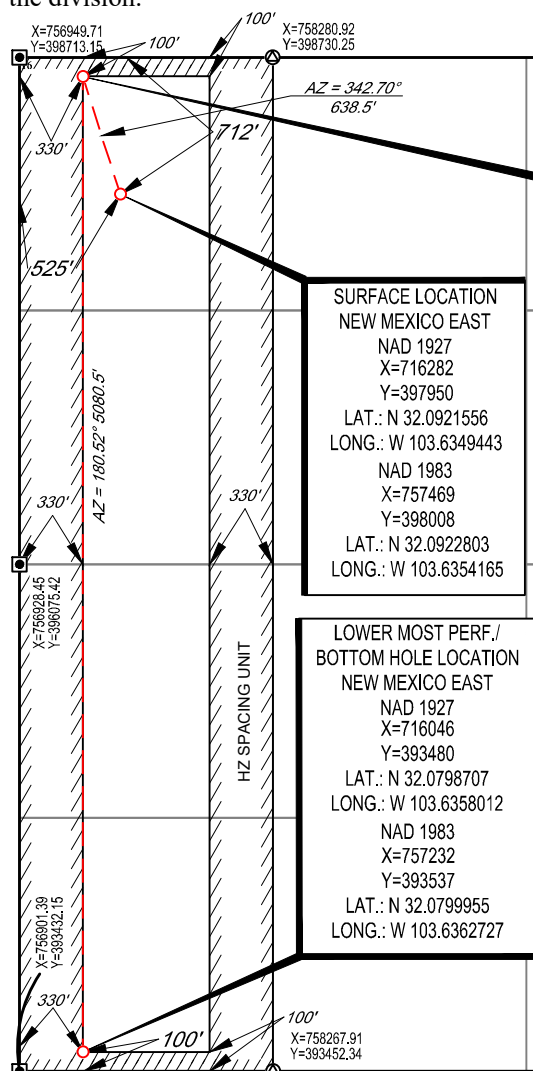
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	25-S	32-E	—	712'	NORTH	525'	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	32-E	—	100'	SOUTH	330'	WEST	LEA

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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Star L Harrell 9/20/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
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 to the best of my belief.

08/14/2019

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

Certificate Number



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031192  
Book 2140 Page 283  
1 of 8  
10/04/2018 10:59 AM  
BY WAYNE COLE

## NEW MEXICO STATE LAND OFFICE

### CERTIFICATE OF APPROVAL

#### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

EOG Resources Inc  
Gem 36 State Com Well #5H  
Vertical Extent: Bone Spring  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : W2E2  
Lea County, New Mexico


There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 1, 2018**, 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 **14<sup>th</sup>** Day of May, 2018.



  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



LEA COUNTY, NM  
 KEITH MANES, COUNTY CLERK  
 000031192  
 Book 2140 Page 283  
 2 of 8  
 10/04/2018 10:59 AM  
 BY WAYNE COLE

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

**STATE/STATE OR  
 STATE/FEE**  
 Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
 ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #05H  
 API #: 30-025-44263

STATE OF NEW MEXICO )  
 COUNTY OF LEA        SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 1, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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 NMOCDD, 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.

2018 MAY 10 AM 10:01



LEA COUNTY, NM  
 KEITH MANES, COUNTY CLERK  
 000031192  
 Book 2140 Page 283  
 3 of 8  
 10/04/2018 10:59 AM  
 BY WAYNE COLE

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:

**Township 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2E/2**

**Lea County, New Mexico**

Containing **160.00** 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/or 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, 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 4, 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.



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the operation shall be determined and performed by **EOG Resources, 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; 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



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

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.

2018 MAY 10 AM 10:01



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):****EOG Resources, Inc.**By: Wendy Dalton *WD*Its: Agent and Attorney-in-Fact**LESSEE OF RECORD (LEASE #: V0-8648):****EOG Y Resources, Inc.**By: Wendy Dalton *WD*Its: Agent and Attorney-in-Fact**ACKNOWLEDGEMENTS**

STATE OF TEXAS

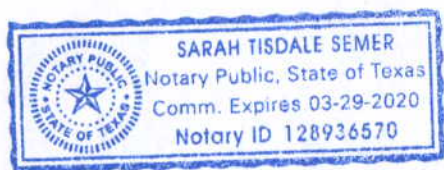
§

§ ss.

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

March 29, 2020

My Commission Expires

Sarah Tisdale Semer

Notary Public in and for the State of Texas

2018 MAY 10 AM 10:01

STATE OF TEXAS

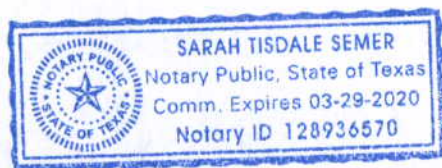
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§ ss.

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.

March 29, 2020

My Commission Expires

Sarah Tisdale Semer

Notary Public in and for the State of Texas

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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10/04/2018 10:59 AM  
BY WAYNE COLE

## EXHIBIT "A"

Attached to and made a part of that Communitization Agreement, dated **February 1, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the W/2E/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico.

OPERATOR of Communitized Area: **EOG Resources, Inc.**

### DESCRIPTION OF LEASES COMMITTED:

#### TRACT NO. 1

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 NE/4  
Lea County, New Mexico  
No. of Acres: 80.00

#### TRACT NO. 2

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 SE/4  
Eddy County, New Mexico  
No. of Acres: 80.00

2018 MAY 10 AM 10:01

**RECORDER'S MEMORANDUM**

At the time of recording, this instrument was found to be partially illegible. All blackouts, creases, streaks and white-outs were present at recording.

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**RECAPITULATION**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	160.00	100.00000000%

2018 MAY 10 AM 10:01



LEA COUNTY, NM  
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BY WAYNE COLE

**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**EOG Resources Inc**  
**Gem 36 State Com Well #6H**  
**Vertical Extent: Bone Spring**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : E2W2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 15, 2018**, 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 **14<sup>th</sup> Day of May, 2018**.



**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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10/04/2018 10:59 AM  
BY WAYNE COLE

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

**STATE/STATE OR  
STATE/FEE**  
Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #06H  
API #: 30-025-44264

STATE OF NEW MEXICO )  
COUNTY OF LEA ) ss)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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.

ONLINE version  
March 2017

State/State  
State/Fee

MAY 10 AM 10:00



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:

**Township 25 South, Range 32 East, N.M.P.M.**  
**Section 36: E/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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/or 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, 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 4, 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.

2018 MAY 10 AM 9:59

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the operation shall be determined and performed by **EOG Resources, 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; 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.



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031193  
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10/04/2018 10:59 AM  
BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

EOG Resources, Inc.

By: Wendy DaltonIts: Agent and Attorney-in-Fact**LESSEE OF RECORD (LEASE #: V0-8648):**

EOG Y Resources, Inc.

By: Wendy DaltonIts: Agent and Attorney-in-Fact

2018 MAY 10 AM 10:00

**ACKNOWLEDGEMENTS**

STATE OF TEXAS

§

§ ss.

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

March 29, 2020

My Commission Expires

Sarah Tisdale Semer

Notary Public in and for the State of Texas

STATE OF TEXAS

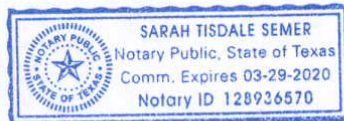
§

§ ss.

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.**, a New Mexico Corporation, on behalf of same.

March 29, 2020

My Commission Expires

Sarah Tisdale Semer

Notary Public in and for the State of Texas

ONLINE version  
March 2017

State/State  
State/Fee

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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **February 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the E/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico.

OPERATOR of Communitized Area: **EOG Resources, Inc.**

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

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: E/2 NW/4  
Lea County, New Mexico  
No. of Acres: 80.00

2018 MAY 10 AM 10:00

**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: E/2 SW/4  
Eddy County, New Mexico  
No. of Acres: 80.00

**RECORDER'S MEMORANDUM**

At the time of recording, this instrument was found to be partially illegible. All blackouts, creases, streaks and white-outs were present at recording.

LEA COUNTY, NH  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**RECAPITULATION**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	<hr/> 160.00	<hr/> 100.00000000%

2018 MAY 10 AM 10:00



32477

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**


**EOG Resources Inc  
Gem 36 State Com Well No. 001H  
Vertical Extent: Bone Spring  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : E2E2  
Lea County, New Mexico**

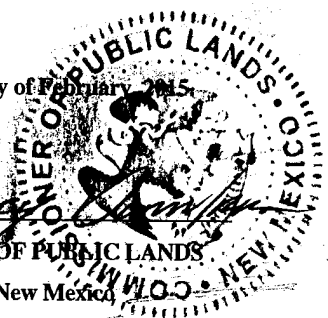
There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 15, 2014**, which has been executed, or is 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 9<sup>th</sup> day of February, 2015.

  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



**New Mexico State Land Office**  
Oil, Gas, and Minerals Division

**SHORT TERM**  
Revised Feb. 2013

## COMMUNITIZATION AGREEMENT

Online Version

[illegible]

KNOW ALL MEN BY THESE PRESENTS:

THAT THIS AGREEMENT (not to be used for helium or carbon dioxide) is entered into as of October 15, 2014, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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 from a depth of 8,924' to the base of the First Bone Spring sandstone formation defined as the stratigraphic equivalent of top of the Second Bone Spring sandstone at a measured depth of 10,480' as found in the Harrier '35' Fed #1H well, API 3002540572, with a surface location of 1,980' FWL & 1,500' FEL in Section 35, T25S, R32E, Lea County, NM (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 E/2, Section 36, Twp 25S, Rng 32E, NMPM, Lea County,

New Mexico, containing 160.0 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 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

ONLINE version  
December 2004

Short-term Com.

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2014 DEC 29 AM 8 32

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, 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 4, 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. 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.

5. 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.

6. The commencement, completion, and continued operation or production of a well or wells for 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.

7. 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.

8. EOG Resources, Inc. shall be the Operator of said communitized area and all matters of operation shall be determined and performed by EOG Resources, Inc.

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 until midnight, local time, January 1, 2015, and as long thereafter as either: drilling operations are conducted upon the communitized area in accordance with the State of New Mexico oil and gas leases committed hereto, or communitized substances are produced from the communitized area in paying quantities; 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 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 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 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:

EOG RESOURCES, INC.

By: \_\_\_\_\_

Ezra Jacob  
Vice President

14A  
PJS

NON-OPERATORS: LESSEES OF RECORD

YATES PETROLEUM CORPORATION

By: Kathy H. Porter  
 Printed Name: Kathy H. Porter  
 Title: Attorney-in-Fact

## ACKNOWLEDGMENTS

STATE OF NEW MEXICO §  
 COUNTY OF EDDY §

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of December, by Kathy H. Porter as Attorney-in-Fact for Yates Petroleum Corporation, a New Mexico corporation, on behalf of said corporation.

My Commission Expires:  
9/22/18



OFFICIAL SEAL  
 SAMANTHA DAVIS  
 NOTARY PUBLIC-STATE OF NEW MEXICO

[Signature]  
 Notary Public

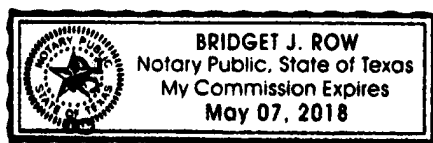
My commission expires: 9/29/2018

STATE OF TEXAS §  
 COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of December, 2014 by Ezra Jacob as Vice President for EOG Resources, Inc., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

[Signature]  
 Notary Public



2014 DEC 29 AM

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement dated October 15, 2014  
by and between EOG Resources, Inc. and Yates Petroleum Corporation, covering E/2 E/2  
Section 36, T25S, R32E NMPM Lea County, NM

OPERATOR of Communitized Area: EOG Resources, Inc.

**Description of Leases Committed:****Tract No. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Original Lessee of Record: Daniel E. Gonzalez

Current Lessee of Record: EOG Resources, Inc. 100%

Serial No. of Lease: VO-8649

Date of Lease: January 1, 2010

Description of Lands Committed: E/2 SE/4 Section 36, T25S, R32E, NMPM, Lea County, NM

No. of Acres: 80.0

**Tract No. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Yates Petroleum Corporation

Serial No. of Lease: VO-8648

Date of Lease: January 1, 2010

Description of Lands Committed: E/2 NE/4 Section 36, T25S, R32E, NMPM, Lea County, NM

No. of Acres: 80.0

**RECAPITULATION**

Tract number Committed	Number of Acres In Communitized Area	Percentage of Interest
No. 1	80.00	50%
No. 2	80.00	50%
Total	160.00	100%

2014 DEC 29 AM 8 32



32477

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

MAR 12 2015

at 2:49 o'clock P M  
and recorded in Book 1947  
Page 729  
Pat Chappelle, Lea County Clerk  
By A. Beauchamp Deputy



45459

## NEW MEXICO STATE LAND OFFICE

## CERTIFICATE OF APPROVAL

## COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

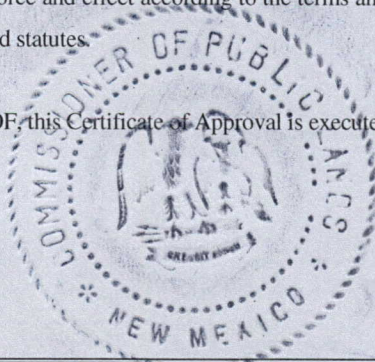
EOG Resources Inc  
Gem 36 State Com Well #701H  
Vertical Extent: Wolfcamp  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : E2E2  
Lea County, New Mexico

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 6, 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 19<sup>th</sup> day of January, 2016.



COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



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

**STATE/STATE OR  
STATE/FEE**  
Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

STATE OF NEW MEXICO    )  
  SS)  
COUNTY OF   LEA            )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **October 6, 2015**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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 (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:

ONLINE version  
December 2014

State/State  
State/Fee

2016 JAN -6 AM 10:15



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

Subdivisions **E/2 E/2** of Sect **36** Twnshp **25** South Rng **32** East NMPM **Lea** County, NM containing **160** 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 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, 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 4, 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. 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.

ONLINE version

State/State

December 2014

State/Fee



5. 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.

6. The commencement, completion, and continued operation or production of a well or wells for 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.

7. 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.

8. **EOG Resources, Inc.** shall be the Operator of said communitized area and all matters of operation shall be determined and performed by **EOG Resources, Inc.**

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; 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 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 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.

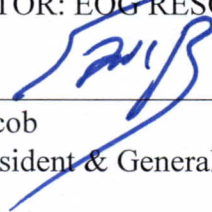
12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

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: EOG RESOURCES, INC.

BY:   
Ezra Jacob  
Vice President & General Manager

PB

2016 JAN -6 AM 10:15



LESSEES OF RECORD:

Yates Petroleum Corporation

By: Kathy H. Porter  
Kathy H. Porter

Title: Attorney-in-Fact

Date: 12/09/2015

EOG RESOURCES, INC.

By: Ezra Yacob  
Ezra Yacob,  
Vice President & General Manager

Date: 11.13.15

(Attach additional pages if needed)

ONLINE version  
December 2014

State/State  
State/Fee

2016 JAN -6 15

## State/State or State/Fee Communitization

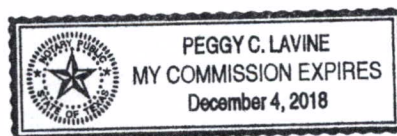
## Acknowledgments

State of Texas )

County of Midland )

This instrument was acknowledged before me on November 13, 2015 by Ezra Yacob as Vice President and General Manager on behalf of EOG Resources, Inc., a Delaware corporation on behalf of said corporation.

Peggy C. Lavine  
Notary Public  
My commission expires: 12-4-18



State of New Mexico )

County of Eddy )

This instrument was acknowledged before me on December 9<sup>th</sup>, 2015 by Kathy H. Porter as Attorney-in-Fact on behalf of Yates Petroleum Corporation a New Mexico corporation on behalf of said corporation.

OFFICIAL SEAL  
SAMANTHA DAVIS  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires: 9/29/18

Samantha Davis  
Notary Public  
My commission expires: 9/29/2018

## 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: \_\_\_\_\_

ONLINE version State/State December 2014

State/Fee

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated October 6, 2015  
by and between EOG Resources, Inc., covering the Subdivisions E/2 E/2 Section 36,  
Township 25 South, Range 32 East., NMPM, Lea County, NM  
OPERATOR of Communitized Area: EOG Resources, Inc.

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

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Yates Petroleum Corporation

Serial No. of Lease: VO-8648

Date of Lease: January 1, 2010

Description of Lands Committed:

Subdivisions: E/2 NE/4 Section 36, Township 25 South, Range 32 East NMPM, Lea County NM

No. of Acres: 80.0

**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: EOG Resources, Inc.

Serial No. of Lease: VO 8649

Date of Lease: January 1, 2010

Description of Lands Committed:

Subdivisions: E/2 SE/4, Section 36, Township 25 South, Range 32 East NMPM, Lea County

NM No. of Acres: 80.0

2016 JAN -6 PM 10:15



**RECAPITULATION**

<b>Tract number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80	50
No. 2	80	50
	160	100

ONLINE version

State/State

December 2014

State/Fee

M:/winword/Gem 36 701 &amp; 702 Communitization\_State\_State\_form\_DEC 2014.docx

**STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED**

FEB 16 2016

at 9:26 o'clock A M  
and recorded in Book 2006  
Page 1  
Pat Chappelle, Lea County Clerk  
By [Signature] Deputy



45459

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031194  
Book 2148 Page 285  
1 of 9  
10/04/2018 10:59 AM  
BY WAYNE COLE

## NEW MEXICO STATE LAND OFFICE

### CERTIFICATE OF APPROVAL

#### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**EOG Resources Inc**  
**Gem 36 State Com Well #703H-704H**  
**Vertical Extent: Wolfcamp**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : W2E2**  
**Lea County, New Mexico**


There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 1, 2017**, 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 6<sup>th</sup> Day of April, 2018.



  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



LEA COUNTY, NM  
 KEITH MANES, COUNTY CLERK  
 000031194  
 Book 2140 Page 285  
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 10/04/2018 10:59 AM  
 BY WAYNE COLE

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

**STATE/STATE OR  
 STATE/FEE**

Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #703H

API #: 30-025-43782

Well Name: Gem 36 State Com #704H

API #: 30-025-43783

STATE OF NEW MEXICO )  
 COUNTY OF EDDY ) SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **October 1, 2017**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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.

ONLINE version  
 March 2017

State/State  
 State/Fee

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BY WAYNE COLE

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:

**Township 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2E/2**

**Lea County, New Mexico**

Containing **160.00** 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/or 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, 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 4, 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.



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4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the operation shall be determined and performed by **EOG Resources, 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; 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



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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.

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BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

EOG Resources, Inc.

By: Wendy Dalton  
Its: Agent and Attorney-in-Fact

**LESSEE OF RECORD (LEASE #: V0-8648):**

EOG Y Resources, Inc.

By: Wendy Dalton  
Its: Agent and Attorney-in-Fact

**ACKNOWLEDGEMENTS**

STATE OF TEXAS           §  
                                     § ss.  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on March 16, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

2018 APR -3 AM 9:56

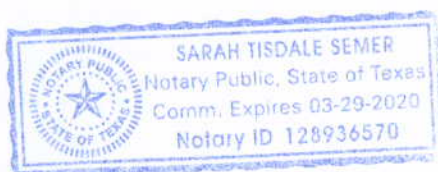
RECORDER'S MEMORANDUM  
Acknowledgment  
Incomplete

March 29, 2020  
My Commission Expires

Sarah Tisdale Semer  
Notary Public in and for the State of Texas

STATE OF TEXAS           §  
                                     § ss.  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on March 16, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.



March 29, 2020  
My Commission Expires

Sarah Tisdale Semer  
Notary Public in and for the State of Texas

LEA COUNTY, NM  
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BY WAYNE COLE

## EXHIBIT "A"

Attached to and made a part of that Communitization Agreement, dated **October 1, 2017**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the W/2E/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico.

OPERATOR of Communitized Area: **EOG Resources, Inc.**

### DESCRIPTION OF LEASES COMMITTED:

#### TRACT NO. 1

Lessor:	State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record:	EOG Y Resources, Inc.
Serial No. of Lease:	V0-8648
Date of Lease:	January 1, 2010
Description of Lands Committed:	<b>Insofar and only insofar as lease covers:</b> <u>Township 25 South, Range 32 East, N.M.P.M.</u> Section 36: W/2 NE/4 Lea County, New Mexico
No. of Acres:	80.00

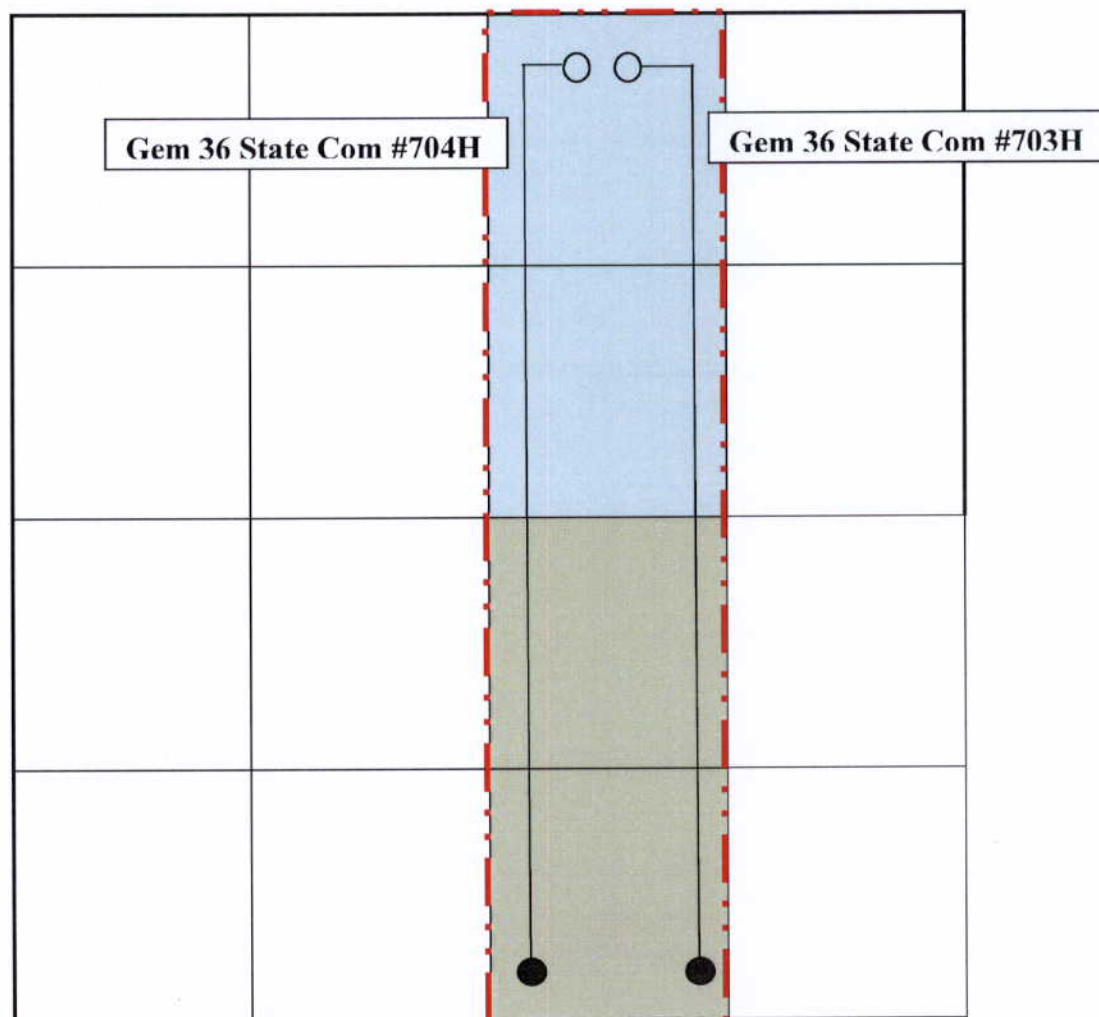
#### TRACT NO. 2

Lessor:	State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record:	EOG Resources, Inc.
Date of Lease:	January 1, 2010
Serial No. of Lease:	V0-8649
Description of Lands Committed:	<b>Insofar and only insofar as lease covers:</b> <u>Township 25 South, Range 32 East, N.M.P.M.</u> Section 36: W/2 SE/4 Eddy County, New Mexico
No. of Acres:	80.00






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## EXHIBIT "B"

Plat of communitized area covering 160 acres in the  
 W/2E/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico



Gem 36 State Com #703H  
 Gem 36 State Com #704H

-  Proposed communitized area
-  Surface hole locations
-  Bottom hole locations
-  Tract 1: V0-8648
-  Tract 2: V0-8649



**RECORDER'S MEMORANDUM**

At the time of recording, this instrument was found to be partially illegible. All blackouts, creases, streaks and white-outs were present at recording.

LEA COUNTY, NM  
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**RECAPITULATION**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	80.00	50.000000000%
No. 2	80.00	50.000000000%
	160.00	100.000000000%

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## NEW MEXICO STATE LAND OFFICE

### CERTIFICATE OF APPROVAL

#### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

EOG Resources Inc  
Gem 36 State Com Well #705-707H  
Vertical Extent: Wolfcamp  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : W2E2  
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2018**, 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 **12<sup>th</sup> Day of September, 2018**.



\_\_\_\_\_  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



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BY WAYNE COLE

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #705H  
API #: 30-025-44440

STATE OF NEW MEXICO )  
COUNTY OF LEA SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **May 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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 NMOCDD, 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.

2018 AUG 24 AM 10:01



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BY WAYNE COLE

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:

**Township 25 South, Range 32 East, N.M.P.M.**  
**Section 36: E/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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/or 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, 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 4, 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.



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4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the operation shall be determined and performed by **EOG Resources, 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; 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

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BY WAYNE COLE

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.

10:10 AM 24 AUG 2018



LEA COUNTY, NM  
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BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):****EOG Resources, Inc.**By: Wendy DaltonIts: Agent and Attorney-in-Fact**LESSEE OF RECORD (LEASE #: V0-8648):****EOG Y Resources, Inc.**By: Wendy DaltonIts: Agent and Attorney-in-Fact**ACKNOWLEDGEMENTS**

STATE OF TEXAS

§

§ ss.

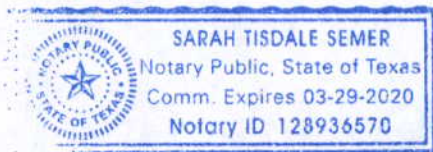
COUNTY OF MIDLAND

§

This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

March 29, 2020  
My Commission Expires

Sarah Tisdale Semer  
Notary Public in and for the State of Texas



STATE OF TEXAS

§

§ ss.

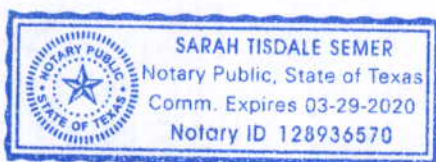
COUNTY OF MIDLAND

§

This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.**, a New Mexico Corporation, on behalf of same.

March 29, 2020  
My Commission Expires

Sarah Tisdale Semer  
Notary Public in and for the State of Texas



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

## EXHIBIT "A"

Attached to and made a part of that Communitization Agreement, dated  
**May 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the  
E/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico.

OPERATOR of Communitized Area: **EOG Resources, Inc.**

### DESCRIPTION OF LEASES COMMITTED:

#### TRACT NO. 1

Lessor: State of New Mexico acting by and through its Commissioner of  
Public Lands  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands  
Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: E/2 NW/4  
Lea County, New Mexico  
No. of Acres: 80.00

#### TRACT NO. 2

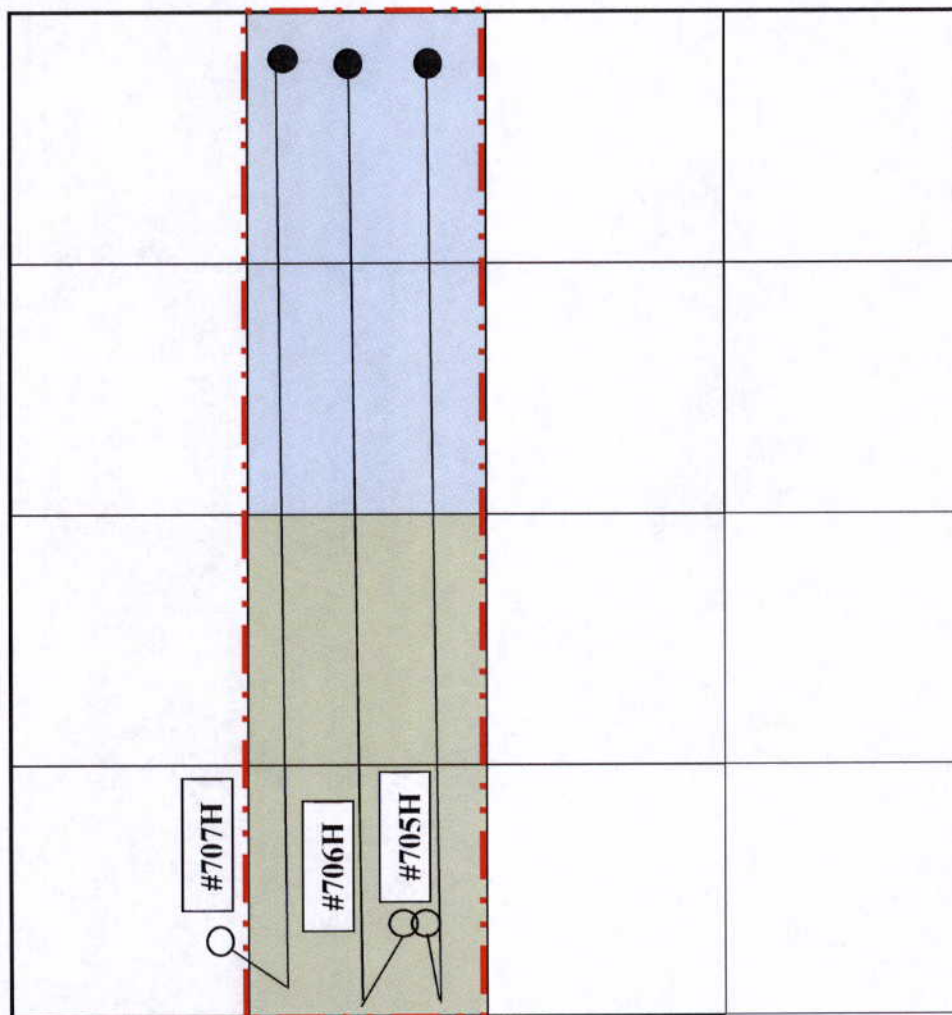
Lessor: State of New Mexico acting by and through its Commissioner of  
Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands  
Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: E/2 SW/4  
Eddy County, New Mexico  
No. of Acres: 80.00

2018 AUG 24 AM 10:01

LEA COUNTY, NM  
 KEITH MANES, COUNTY CLERK  
 000031186  
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 BY WAYNE COLE

## EXHIBIT "B"

Plat of communitized area covering 160 acres in the  
 E/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico



**Gem 36 State Com #705H, #706H, and #707H**

- Proposed communitized area
- Surface hole locations
- Bottom hole locations
- Tract 1: V0-8648
- Tract 2: V0-8649



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BY WAYNE COLE

### RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	160.00	100.00000000%

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LEA COUNTY, NM  
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## NEW MEXICO STATE LAND OFFICE

### CERTIFICATE OF APPROVAL

#### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**EOG Resources Inc**  
**Gem 36 State Com Well #708, 709 & 721H**  
**Vertical Extent: Wolfcamp**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : W2W2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2018**, 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 **12<sup>th</sup> Day of September, 2018**.



**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico



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 BY WAYNE COLE

NM State Land Office  
 Oil, Gas, & Minerals Division

STATE/STATE OR  
 STATE/FEE  
 Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
 ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #708H  
 API #: 30-025-44266

STATE OF NEW MEXICO )  
 COUNTY OF LEA           SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **May 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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.

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BY WAYNE COLE

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:

**Township 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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/or 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, 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 4, 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.



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BY WAYNE COLE

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the operation shall be determined and performed by **EOG Resources, 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; 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

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BY WAYNE COLE

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.

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 BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):****EOG Resources, Inc.**By: Wendy DaltonIts: Agent and Attorney-in-Fact**LESSEE OF RECORD (LEASE #: V0-8648):****EOG Y Resources, Inc.**By: Wendy DaltonIts: Agent and Attorney-in-Fact**ACKNOWLEDGEMENTS**

STATE OF TEXAS

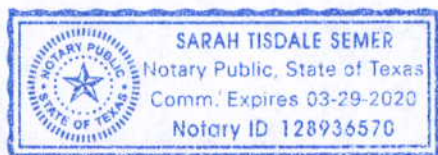
§

§ ss.

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

March 29, 2020

My Commission Expires

Sarah Tisdale Semer

Notary Public in and for the State of Texas

STATE OF TEXAS

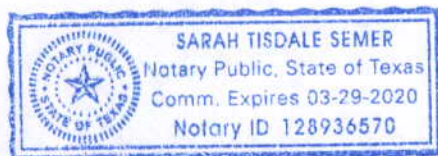
§

§ ss.

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.

March 29, 2020

My Commission Expires

Sarah Tisdale Semer

Notary Public in and for the State of Texas



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BY WAYNE COLE

## EXHIBIT "A"

Attached to and made a part of that Communitization Agreement, dated  
**May 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the  
W/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico.

OPERATOR of Communitized Area: **EOG Resources, Inc.**

### DESCRIPTION OF LEASES COMMITTED:

#### TRACT NO. 1

Lessor: State of New Mexico acting by and through its Commissioner of  
Public Lands  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands  
Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 NW/4  
Lea County, New Mexico  
No. of Acres: 80.00

#### TRACT NO. 2

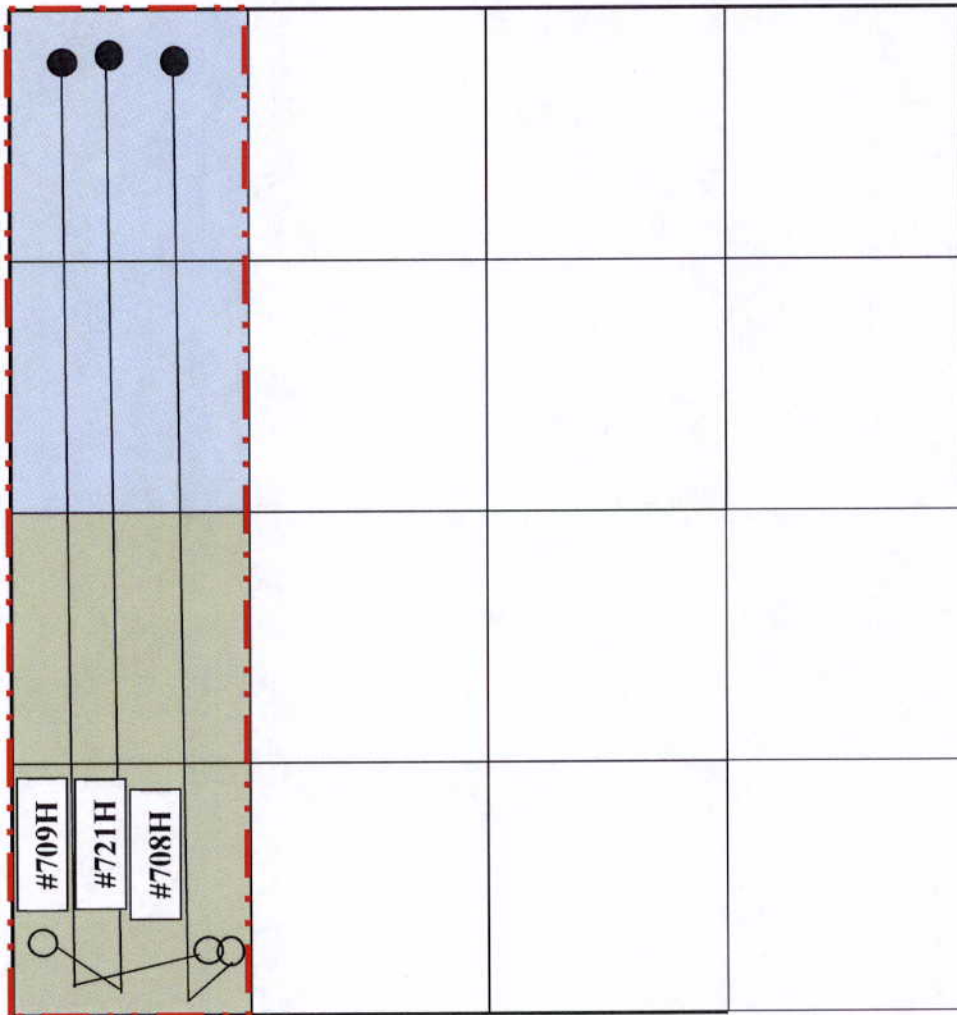
Lessor: State of New Mexico acting by and through its Commissioner of  
Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands  
Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 SW/4  
Eddy County, New Mexico  
No. of Acres: 80.00

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 BY WAYNE COLE

**EXHIBIT "B"**

Plat of communitized area covering 160 acres in the  
 W/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico



**Gem 36 State Com #708H, #709H, and #721H**

Proposed communitized area

Surface hole locations

Bottom hole locations

Tract 1: V0-8648

Tract 2: V0-8649



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BY WAYNE COLE

**RECAPITULATION**

<b>Tract Number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	<hr/> 160.00	<hr/> 100.00000000%

2018 AUG 24 AM 10:02

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

## NEW MEXICO STATE LAND OFFICE

### CERTIFICATE OF APPROVAL

#### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

EOG Resources Inc  
Gem 36 State Com #601H  
Vertical Extent: Bone Spring  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : W2W2  
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2018**, 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 **19<sup>th</sup> Day of October, 2018**.



\_\_\_\_\_  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



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

**STATE/STATE OR  
 STATE/FEE**  
 Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
 ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #601H  
 API #: 30-025-44567

STATE OF NEW MEXICO )  
 COUNTY OF LEA ) SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **May 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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, 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.



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

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 2018 SEP 14 AM 10: 25

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

**Township 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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/or 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, 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 4, 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. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the operation shall be determined and performed by **EOG Resources, Inc.**

2018 SEP 14 AM 10:25

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; 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



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

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.



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):****EOG Resources, Inc.**

By: Wendy DaltonIts: Agent and Attorney-in-Fact

2018 SEP 14 AM 10:25

**LESSEE OF RECORD (LEASE #: V0-8648):****EOG Y Resources, Inc.**

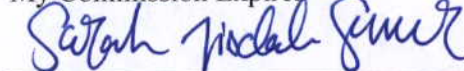
By: Wendy DaltonIts: Agent and Attorney-in-Fact**ACKNOWLEDGEMENTS**

STATE OF TEXAS           §  
                                      § ss.  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on August 20, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

March 29, 2020

My Commission Expires



Notary Public in and for the State of Texas

STATE OF TEXAS           §  
                                      § ss.  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on August 20, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.

March 29, 2020

My Commission Expires



Notary Public in and for the State of Texas

LEA COUNTY, NM  
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BY ANGELA BEAUCHAMP

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **May 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the W/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico.

OPERATOR of Communitized Area: **EOG Resources, Inc.**

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

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 NW/4  
Lea County, New Mexico  
No. of Acres: 80.00

**TRACT NO. 2**

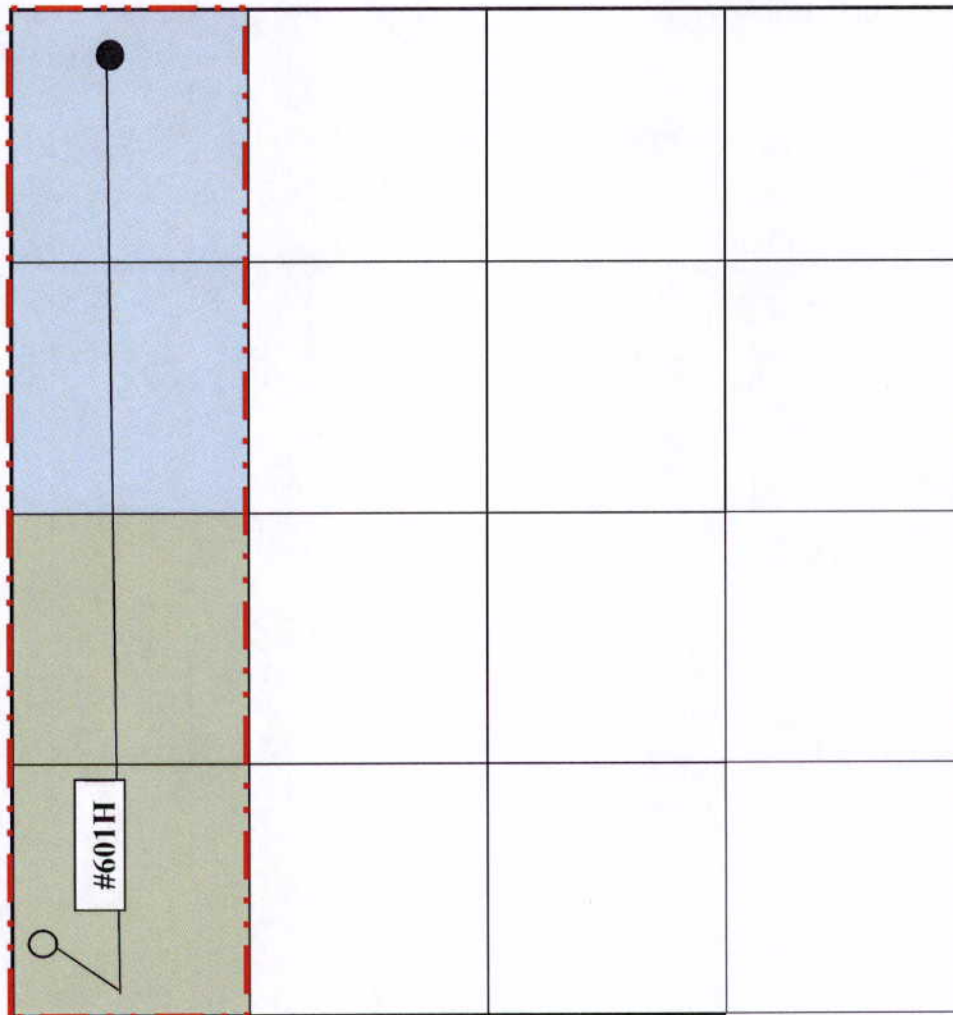
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 SW/4  
Eddy County, New Mexico  
No. of Acres: 80.00




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## EXHIBIT "B"


Plat of communitized area covering 160 acres in the  
 W/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico





Gem 36 State Com #601H

 Proposed communitized area

 Surface hole location

 Bottom hole location

 Tract 1: V0-8648

 Tract 2: V0-8649

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**RECAPITULATION**

2018 SEP 14 AM 10:26

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	80.00	50.000000000%
No. 2	80.00	50.000000000%
	160.00	100.000000000%