

COMMUNITIZATION AGREEMENT

CONTRACT NO. 134086

THIS Communitization Agreement ("Agreement") entered into as of November 1, 2013 by and between the parties subscribing, ratifying or consenting hereto, such parties being hereafter referred to as "parties hereto".

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this Agreement which cannot be independently developed and operated in conformity with the well spacing program established for the field or area in which said lands are located; and

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

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

1. The lands covered by this Agreement are described as follows and depicted on Exhibit "A" attached hereto:

Township 17 South, Range 31 East, N.M.P.M.

Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All
Section 10: All

Eddy County, New Mexico,

containing 5051.36 acres more or less, and this Agreement shall be limited in depth to the Glorieta and Yeso formations underlying said lands (together "Communitized Area") and the crude oil and associated casinghead gas produced from the communitized Area, hereinafter referred to as "Communitized Substances".

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

Case No. 15316

Apache
Exhibit 2

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this Agreement. A successor operator may be designated by the owners of the working interest in the Communitized Area and three (3) executed copies of the designation of successor operator shall be filed with the Authorized Officer ("AO").
4. Operator shall furnish the Secretary of the Interior, or his duly authorized representative, with a log and history of any well drilled on the Communitized Area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The Communitized Area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all Communitized Substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the Communitized Area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

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

hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this Agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this Agreement is November 1, 2013 and it shall become effective as of this date or from the onset of production of Communitized Substances, whichever is earlier, upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect as to the formations covered hereby for a period of 2 years and for as long as Communitized Substances are, or can be, produced from the Communitized Area in paying quantities. Provided, that prior to production in paying quantities from the Communitized Area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the Communitized Area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2 year term of this Agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. This Agreement is warranted and determined necessary to the ongoing development occurring in the Communitized Area. Thus, not later than six (6) months after the effective date hereof, the operator of the Communitized Area shall commence to drill an adequate well at a location approved by the AO, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently to fully develop the Glorieta and Yeso formations within the Communitized Area and can be produced in paying quantities (to wit: a well that is capable of producing oil or gas of sufficient value to exceed direct operating costs and the cost of lease rentals or minimum royalty). The operator shall continue drilling one well at a time, allowing not more than six (6) months between completion of one well and the commencement of drilling operations for the next well, until the Communitized Area is fully developed. The AO may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in the AO's opinion, such action is warranted.
12. The failure to commence a well subsequent to the drilling of the well or wells that initiated this Agreement within the time allowed, including any extension of time granted by the AO, shall cause this Agreement to terminate automatically. Upon failure to continue drilling diligently additional well(s) commenced hereunder, the AO may, after fifteen (15) days notice to the operator of the Communitized Area, declare this Communitization Agreement terminated. Failure to commence drilling an additional well, or the first of multiple wells, on time and to drill diligently shall result in the Agreement approval being declared invalid ab initio by the AO. In case of multiple well requirements, failure to commence drilling the required multiple wells beyond the first well, and to drill them diligently, may result in the Agreement approval being declared invalid ab initio by the AO.
13. The operator shall submit for the approval of the AO an acceptable Plan of Development and Operation for the Communitized Area which, when approved, shall constitute the further drilling and development obligations of the operator under this Agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the operator of the Communitized Area shall submit for the approval of the AO a plan for an additional specified period for the development and operation of the Communitized Area. Subsequent plans shall be filed on a calendar year basis not later than March 1 each year. Any proposed modification or addition to the existing plan shall be filed as a supplement to the plan.

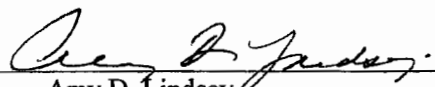
14. The Plan of Development and Operation shall be as complete and adequate as the AO may determine to be necessary for timely development and proper conservation of the oil and gas resources in the Communitized Area and shall:
- (a) Specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and
 - (b) Provide a summary of operations and production for the previous year.
- Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this Agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved Plan of Development and Operation. The AO is authorized to grant a reasonable extension for submission of a Plan of Development and Operation where such action is justified because of unusual conditions or circumstances. Plan of Development and Operation for the Communitized Area shall no longer be required once the Communitized Area is determined to be fully developed by the AO.
15. The operator of the Communitized Area shall take such measures as the AO deems appropriate and adequate to prevent drainage of Communitized Substances from Communitized Area by wells on land not subject to this Agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty as determined by the AO.
16. The above-described Communitized Area shall when practicable be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of this Agreement and/or required by the AO.
17. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this Agreement terminates and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
18. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the Communitized Area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
19. 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.
20. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
21. Nondiscrimination: In connection with the performance of work under this Agreement, the operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of

Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this Agreement.

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

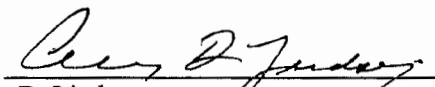
APACHE CORPORATION
(Operator)

12/22/14
Date

By: 
Amy D. Lindsey
Attorney-in-Fact


ZPZ DELAWARE I LLC
(Record Title Owner and Working Interest Owner)

12/22/14
Date

By: 
Amy D. Lindsey
Attorney-in-Fact

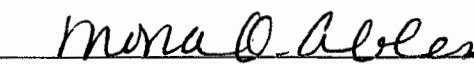
COG OPERATING LLC
(Working interest Owner)

1.5.15
Date

By: 
Name: Mona D. Ables
Title: Vice President of Land

CONCHO OIL & GAS LLC
(Working Interest Owner)

1.5.15
Date

By: 
Name: Mona D. Ables
Title: Vice President of Land

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 22 day of December, 2014 by Amy D. Lindsey, Attorney-in-Fact of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Melissa L. Dimit
Notary Public, State of Texas
My Commission Expires 9/9/2017

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 22 day of December, 2014 by Amy D. Lindsey, Attorney-in-Fact of ZPZ Delaware I LLC, a Delaware limited liability company, on behalf of said limited liability company.

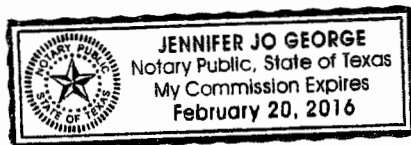


Melissa L. Dimit
Notary Public, State of Texas
My Commission Expires 9/9/2017

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2015 by
Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.

My Commission Expires



Jennifer Jo George
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2015 by
Mona D. Ables, Vice President of Land of Concho Oil & Gas LLC,
a Delaware limited liability company, on behalf of said limited liability company.

Jennifer Jo George
Notary Public, State of Texas

My Commission Expires

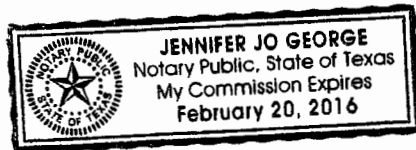
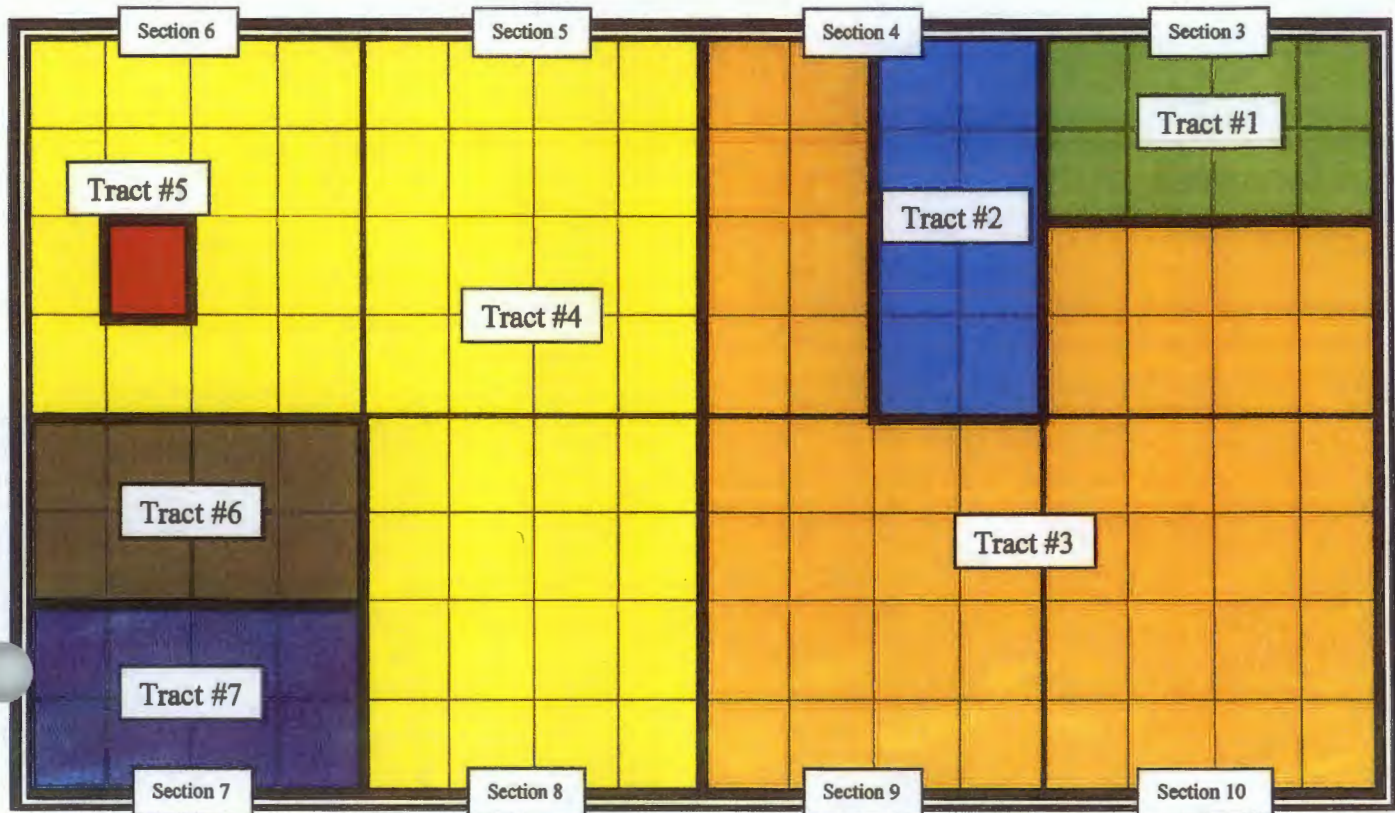


EXHIBIT "A"

To Communitization Agreement dated November 1, 2013

Plat of Communitized Area covering Sections 3, 4, 5, 6, 7, 8, 9, and 10, T17S, R31E, N.M.P.M.,
Eddy County, New Mexico



-  Tract #1: USA LC 029426-A (Hawk Federal Lease)
-  Tract #2: USA LC 029426-A (Hawk Federal Lease)
-  Tract #3: USA LC-029426-B (Crow Federal Lease)
-  Tract #4: USA LC-029435-B (NFE Federal Lease)
-  Tract #5: USA LC-029435-B (NFE Federal Lease)
-  Tract #6: USA LC-029435-A (Raven Federal Lease)
-  Tract #7: USA LC-029435-A (Raven Federal Lease)
-  Communitized Lands – 5051.36 acres

EXHIBIT "B"

To Communitization Agreement dated November 1, 2013 embracing:

Township 17 South, Range 31 East, N.M.P.M.

Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All
Section 10: All
Eddy County, New Mexico

Operator of Communitized Area: **Apache Corporation**

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	USA LC 029426(a)	
Lease Date:	February 1, 1999	
Lease Term:	20 years	
Lessor:	The United States of America	
Present Lessee:	ZPZ Delaware I LLC	100%
Description of Lands Committed:	<u>Township 17 South, Range 31 East, N.M.P.M.</u> Section 3: Lots 1, 2, 3, 4, S/2N/2 (N/2)	
Number of Acres:	319.68 acres	
Royalty Rate:	12.5%	
Name and Percent of ORRI Owners:	Sempra Energy Production Company	0.500000%
	Bank of America, N.A., Sole Trustee of the	0.268525%
	Selma E. Andrews Trust FBO Peggy Barrett	
	Bank of America, N.A., Sole Trustee of the	0.537050%
	Selma E. Andrews Perpetual Charitable Trust	
	Braille Institute of America, Inc.	0.694425%
	HTI Resources, Inc.	1.500000%
	Mary Ellen Johnston, SSP	1.000000%
	Elizabeth Shugart Duncan, Trustee of the	1.000000%
	Ralph A. Shugart Trust UTAD 5/26/1983	
	Marilyn Johnson Guffee, Trustee of the	0.166666%
	Marilyn Johnson Guffee Trust	
	William David Winters	0.083333%

Molly Earl Winters, Maggie Katherine Winters Jones & Thomas Marshall Winters Co-Trustees of the Thomas Earl Winters Marital Trust	0.083333%
Ralph A. Vandewart, III	0.055556%
Sue Keel Vandewart Romero	0.055556%
Silas A. Jones	0.055556%
Sally Ham Candiotti	0.125000%
Tim Parker	0.062500%
Gilbert Parker	0.062500%
Cynthia Hamm Alexander	0.062500%
William M. Hamm	0.062500%
Phyllis G. Pickar	0.062500%
Thomas P. Keel	0.166667%
Herbert Pruitt "Pat" Joyce	0.166667%
Barbara Hudman Saunders	0.083333%
Virginia Ruth Adams Muncy	0.041667%
Wanda Womble	0.041667%
Perry L. Hughes	0.138889%
Jon C. Hughes	0.194443%
Crescent Partners	0.023810%
Sandra J. Evans	0.005952%
James G. Wheeler	0.005952%
Julie E. Shaw	0.005953%
Primitive Petroleum, Inc.	0.005209%
James W. Essman	0.002604%
Angela Essman Spencer	0.002604%
Trustee(s) of the Mary L. Herrold Revocable Trust and the Donald E. Herrold Revocable Trust	0.002604%
Charles B. Edmiaston	0.005208%
Paul Davis, Ltd.	0.010417%
Dick Holland	0.005208%
Janice P. Campbell	0.005208%
Icon Petroleum, Inc.	0.001736%
Kevin K. Leonard	0.000868%
Monty D. McLane & wife, Karen McLane	0.013889%
Alan Jochimsen	0.013889%
States Royalty Limited Partnership	0.013889%
Kimbell Art Foundation	0.029625%
Bill Burton	0.000453%
Ben J. Fortson III, Trustee of the Ben J. Fortson III Children's Trust	0.000216%
Robert C. Grable	0.000216%
Ben J. Fortson, Jr., Trustee of the MWB 1998 Trust	0.000065%
Ben J. Fortson, Jr., Trustee of the CCB 1998 Trust	0.000065%
Ben J. Fortson, Jr., Trustee of the DCB 1998 Trust	0.000065%
Sundance Minerals I	0.000833%
Map00-NET, a Texas general partnership	0.006475%
The Roach Foundation	0.003654%
Linda Lawrence Scroggie	0.187500%

Catherine G. Lawrence	0.187500%
Dorthea E. Eyssen	0.375000%
Eldon Chrissman & Kathleen Chrissman	0.041667%
Sisters of St. Francis of Assisi	0.125000%

Name and Percent of Working Interest Owners:	ZPZ Delaware I, LLC	60.00000%
	COG Operating LLC	40.00000%

Tract No. 2

Lease Serial Number: USA LC 029426(a)

Lease Date: February 1, 1999

Lease Term: 20 years

Lessor: The United States of America

Present Lessee:	ZPZ Delaware I LLC	100%
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Description of Lands Committed: Township 17 South, Range 31 East, N.M.P.M.
Section 4: Lots 1, 2, S/2NE/4, SE/4 (E/2)

Number of Acres: 319.88 acres

Royalty Rate: 12.5%

Name and Percent of ORRI Owners:	Sempra Energy Production Company	0.500000%
	Bank of America, N.A., Sole Trustee of the	0.268525%
	Selma E. Andrews Trust FBO Peggy Barrett	
	Bank of America, N.A., Sole Trustee of the	0.537050%
	Selma E. Andrews Perpetual Charitable Trust	
	Braille Institute of America, Inc.	0.694425%
	HTI Resources, Inc.	1.500000%
	Mary Ellen Johnston, SSP	1.000000%
	Elizabeth Shugart Duncan, Trustee of the	1.000000%
	Ralph A. Shugart Trust UTAD 5/26/1983	
	Marilyn Johnson Guffee, Trustee of the	0.166666%
	Marilyn Johnson Guffee Trust	
	William David Winters	0.083333%
	Molly Earl Winters, Maggie Katherine	0.083333%
	Winters Jones & Thomas Marshall Winters	
	Co-Trustees of the Thomas Earl Winters	
	Marital Trust	
	Ralph A. Vandewart, III	0.055556%
	Sue Keel Vandewart Romero	0.055556%
	Ruthe Lynn Vandewart	0.055556%
	Sally Ham Candiotti	0.125000%
	Tim Parker	0.062500%
	Gilbert Parker	0.062500%
	Cynthia Hamm Alexander	0.062500%
	William M. Hamm	0.062500%
	Phyllis G. Pickar	0.062500%

Thomas P. Keel	0.166667%
Herbert Pruitt "Pat" Joyce	0.166667%
Barbara Hudman Saunders	0.083333%
Virginia Ruth Adams Muncy	0.041667%
Wanda Womble	0.041667%
Perry L. Hughes	0.138889%
Jon C. Hughes	0.194443%
Crescent Partners	0.023810%
Sandra J. Evans	0.005952%
James G. Wheeler	0.005952%
Julie E. Shaw	0.005953%
Primitive Petroleum, Inc.	0.005209%
James W. Essman	0.002604%
Angela Essman Spencer	0.002604%
Trustee(s) of the Mary L. Herrold Revocable Trust and the Donald E. Herrold Revocable Trust	0.002604%
Charles B. Edmiaston	0.005208%
Paul Davis, Ltd.	0.010417%
Dick Holland	0.005208%
Janice P. Campbell	0.005208%
Icon Petroleum, Inc.	0.001736%
Kevin K. Leonard	0.000868%
Monty D. McLane & wife, Karen McLane	0.013889%
Alan Jochimsen	0.013889%
States Royalty Limited Partnership	0.013889%
Kimbell Art Foundation	0.029625%
Bill Burton	0.000453%
Ben J. Fortson III, Trustee of the Ben J. Fortson III Children's Trust	0.000216%
Robert C. Grable	0.000216%
Ben J. Fortson, Jr., Trustee of the MWB 1998 Trust	0.000065%
Ben J. Fortson, Jr., Trustee of the CCB 1998 Trust	0.000065%
Ben J. Fortson, Jr., Trustee of the DCB 1998 Trust	0.000065%
Sundance Minerals I	0.000833%
Map00-NET, a Texas general partnership	0.006475%
The Roach Foundation	0.003654%
Linda Lawrence Scroggie	0.187500%
Catherine G. Lawrence	0.187500%
Dorthea E. Eyssen	0.375000%
Eldon Chrissman & Kathleen Chrissman	0.041667%
Sisters of St. Francis of Assisi	0.125000%
 Name and Percent of Working Interest Owners:	
ZPZ Delaware I, LLC	60.00000%
COG Operating LLC	40.00000%

Tract No. 3

Lease Serial Number:	USA LC 029426(b)	
Lease Date:	March 1, 1991	
Lease Term:	20 years	
Lessor:	The United States of America	
Present Lessee:	ZPZ Delaware I LLC	100%
Description of Lands Committed:	<u>Township 17 South, Range 31 East, N.M.P.M.</u> Section 3: S/2 Section 4: Lots 3, 4, S/2NW/4, SW/4 (W/2) Section 9: All Section 10: All	
Number of Acres:	1919.88 acres	
Royalty Rate:	12.5%	
Name and Percent of ORRI Owners:	Linda L. Scroggie	0.187500%
	Catherine D. Lawrence	0.187500%
	Dorthea N. Eyssen	0.375000%
	Sisters of St. Francis of Assisi	0.125000%
	William D. Crisman	0.041670%
	William D. Crisman and wife Barbara Crisman	0.083330%
	Nestegg Energy Corporation	0.500000%
Name and Percent of Working Interest Owners:	ZPZ Delaware I, LLC	60.00000%
	COG Operating LLC	40.00000%

Tract No. 4

Lease Serial Number:	USA LC 029435(b)	
Lease Date:	November 1, 1991	
Lease Term:	20 years	
Lessor:	The United States of America	
Present Lessee:	ZPZ Delaware I LLC	100%
Description of Lands Committed:	<u>Township 17 South, Range 31 East, N.M.P.M.</u> Section 5: Lots 1, 2, 3, 4, S/2N/2, S/2 (All) Section 6: Lots 1, 2, 3, 4, 5, 6, 7, S/2NE/4, SE/4NW/4, SE/4SW/4, SE/4 Section 8: All	
Number of Acres:	1845.00 acres	

Royalty Rate:	12.5%	
Name and Percent of ORRI Owners:	Nestegg Energy Corporation	0.500000%
Name and Percent of Working Interest Owners:	ZPZ Delaware I, LLC	60.000000%
	COG Operating LLC	40.000000%

Tract No. 5

Lease Serial Number:	USA LC 029435(b)	
Lease Date:	November 1, 1991	
Lease Term:	20 years	
Lessor:	The United States of America	
Present Lessee:	ZPZ Delaware I LLC	100%
Description of Lands Committed:	<u>Township 17 South, Range 31 East, N.M.P.M.</u> Section 6: NE/4SW/4	
Number of Acres:	40.00 acres	
Royalty Rate:	12.5%	
Name and Percent of ORRI Owners:	Nestegg Energy Corporation	0.500000%
	COG Operating LLC	1.900000%
	Concho Oil & Gas LLC	0.100000%
	ZPZ Delaware I LLC	2.500000%
Name and Percent of Working Interest Owners:	ZPZ Delaware I, LLC	50.000000%
	COG Operating LLC	47.500000%
	Concho Oil & Gas LLC	02.500000%

Tract No. 6

Lease Serial Number:	USA LC 029435(a)	
Lease Date:	October 1, 1949	
Lease Term:	5 years	
Lessor:	The United States of America	
Present Lessee:	ZPZ Delaware I LLC	100%
Description of Lands Committed:	<u>Township 17 South, Range 31 East, N.M.P.M.</u> Section 7: Lots 1, 2, NE/4, E/2NW/4 (N/2)	
Number of Acres:	303.25 acres	
Royalty Rate:	12.5%	

Name and Percent of ORRI Owners:	Nestegg Energy Corporation	0.500000%
	Travis Kelly Mellard	0.500000%
	Yates Industries LLC	0.125000%
	Sharbro Energy, LLC	0.375000%
	The First American Bank, Trustee of the Mary Ann Berliner Foundation	0.500000%
	HTI Resources, Inc.	0.500000%
	Benedict Corporation	0.300000%
	Tahira Khatoon	0.075000%
	Anderson B. White	0.050000%
	Carolina Winston Barrie, Trustee of the Carolina Winston Barrie Trust	0.050000%
	Royalty Clearinghouse, Ltd.	0.050000%
	William R. Moran, Trustee under Declaration of Trust dated June 11, 1963	0.075000%
	Mildred Anne Willis Briggs	0.083333%
	Jean A. Willis, Trustee of the David G. and Jean A. Willis 1998 Trust	0.083333%
	Theodore H. Willis and Agnes D. Willis Trustees of the THW and ADW Living Trust	0.083334%
	University of Southern California	0.150000%
	Thomas Paul Keel	1.500000%
	Herbert Pruitt "Pat" Joyce	1.500000%
	Crescent Partners	0.214286%
	Sandra J. Evans	0.053571%
	James G. Wheeler	0.053571%
	Julie E. Shaw	0.053572%
	Primitive Petroleum, Inc.	0.046875%
	James W. Essman	0.023437%
	Angela Essman Spencer	0.023438%
	Trustee(s) of the Mary L. Herrold Revocable Trust & The Donald E. Herrold Revocable Trust	0.023438%
	Charles B. Edmiaston	0.046875%
	Paul Davis, Ltd.	0.093750%
	Dick Holland	0.046875%
	Janice P. Campbell	0.046875%
	Icon Petroleum, Inc.	0.015625%
	Keven K. Leonard	0.007812%
	Monty D. McClane & wife Karen McClane	0.125000%
	Alan Jochimsen	0.125000%
	States Royalty Limited Partnership	0.125000%
	Kimbell Art Foundation	0.266618%
	Bill Burton	0.004080%
	Ben J. Fortson III, Trustee of the Ben J. Fortson III Children's Trust	0.001943%
	Robert C. Grable	0.001942%
	Ben J. Fortson, Jr., Trustee of the MWB 1998 Trust	0.000583%
	Ben J. Fortson, Jr., Trustee of the CCB 1998 Trust	0.000583%
	Ben J. Fortson, Jr., Trustee of the DCB 1998 Trust	0.000583%
	Sundance Minerals I	0.007500%

	Map00-NET, a Texas general partnership	0.058279%
	The Roach Foundation	0.032889%
Name and Percent of Working Interest Owners:	ZPZ Delaware I, LLC	60.00000%
	COG Operating LLC	40.00000%

Tract No. 7

Lease Serial Number:	USA LC 029435(a)	
Lease Date:	October 1, 1949	
Lease Term:	5 years	
Lessor:	The United States of America	
Present Lessee:	ZPZ Delaware I LLC	100%
Description of Lands Committed:	<u>Township 17 South, Range 31 East, N.M.P.M.</u> Section 7: Lots 3, 4, SE/4, E/2SW/4 (S/2)	
Number of Acres:	303.67 acres	
Royalty Rate:	12.5% Sliding Scale Schedule "C"	
Name and Percent of ORRI Owners:	Nestegg Energy Corporation	0.500000%
	Travis Kelly Mellard	0.500000%
	Yates Industries LLC	0.125000%
	Sharbro Energy, LLC	0.375000%
	The First American Bank, Trustee of the Mary Ann Berliner Foundation	0.500000%
	HTI Resources, Inc.	0.500000%
	Benedict Corporation	0.300000%
	Tahira Khatoon	0.075000%
	Anderson B. White	0.050000%
	Carolina Winston Barrie, Trustee of the Carolina Winston Barrie Trust	0.050000%
	Royalty Clearinghouse, Ltd.	0.050000%
	William R. Moran, Trustee under Declaration of Trust dated June 11, 1963	0.075000%
	Mildred Anne Willis Briggs	0.083333%
	Jean A. Willis, Trustee of the David G. and Jean A. Willis 1998 Trust	0.083333%
	Theodore H. Willis and Agnes D. Willis Trustees of the THW and ADW Living Trust	0.083334%
	University of Southern California	0.150000%
	Thomas Paul Keel	1.500000%
	Herbert Pruitt "Pat" Joyce	1.500000%
	Crescent Partners	0.214286%
	Sandra J. Evans	0.053571%
	James G. Wheeler	0.053571%
	Julie E. Shaw	0.053572%
	Primitive Petroleum, Inc.	0.046875%

James W. Essman	0.023437%
Angela Essman Spencer	0.023438%
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The Roach Foundation	0.032889%

Name and Percent of Working Interest Owners:	ZPZ Delaware I, LLC	60.00000%
	COG Operating LLC	40.00000%

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	319.68	6.329%
2	319.88	6.332%
3	1919.88	38.007%
4	1845.00	36.525%
5	40.00	0.792%
6	303.25	6.003%
7	303.67	6.012%
TOTAL	5051.36	100.000%