



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:

MAR 10 2021

NMNM141284
3105.2 (NM920)

Reference:
Communitization Agreement
Holly 26 36 05 Fed Com #113H
Section 05: W2E2 and E2W2
Section 08: W2E2 and E2W2
T. 26 S., R. 36 E., N.M.P.M.
Lea County,, NM

Ameredev II, LLC
5707 Southwest Parkway
Building 1, Suite 275
Austin, Texas 78735

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM141284 involving 200 acres of Federal land in lease NMNM137470, 120 acres of Federal land in lease NMNM006727, 160 acres of Federal land in lease NMNM137473, and 160 acres of Federal land in lease NMNM018644, Lea County, New Mexico, which comprise a 640 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2E2 and E2W2 of Sec. 05 and Sec. 08, T. 26 S., R. 36 E., NMPM, Lea County, NM, and is effective January 1, 2020. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

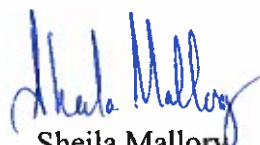
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of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

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

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

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

Sincerely,



Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

Determination - Approval - Certification

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

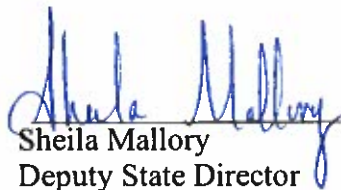
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement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

- B. Approve the attached Communitization Agreement covering the W2E2 and E2W2 of Sec. 05 and Sec. 08, T. 26 S., R. 36 E., NMPM, Lea County, NM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

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

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

Approved: **MAR 10 2021**



Sheila Mallory
Deputy State Director
Division of Minerals

Effective: January 1, 2020

Contract No.: Com. Agr. NMNM141284

Ameredev II, LLC
5707 Southwest Parkway
Building 1, Suite 275
Austin, Texas 78735



Ameredev II, LLC
BLM-NMSO
JAN:7:2020 10:42:09
RECEIVED

January 6, 2020

BLM – New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508
(505) 954-2000
Attention: Margie Dupre

VIA FedEx

NM NM
141284

Ms. Dupre:

Please find enclosed for your review and approval Communitization Agreements for the following:

1. W2W2 of Section 5 and Section 8, and E2E2 of Section 6 and 7, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, covering the Wolfcamp formation.
2. W2W2 of Section 5 and Section 8, and E2E2 of Section 6 and 7, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, covering the Bone Spring formation.
3. W2E2 and E2W2 of Section 5 and Section 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, covering the Wolfcamp formation

Please feel free to contact me at 737-300-4721 or via email at bforteza@ameredev.com with any questions.

Sincerely,

Brandon Forteza
737-300-4721

Holly 26 36 05 113F 30 025 46495
104H?

OH
acres

FIP

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

HOBBS OCD
NOV 03 2019
RECEIVED

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46495		² Pool Code 33843 98274		³ Pool Name WC-025-E-09-5267619C; WOLF CAMP	
⁴ Property Code 726726		⁵ Property Name HOLLY FED COM 26 36 05 FED COM			⁶ Well Number 113H
⁷ OGRID No. 372224		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 3001'

¹⁰Surface Location

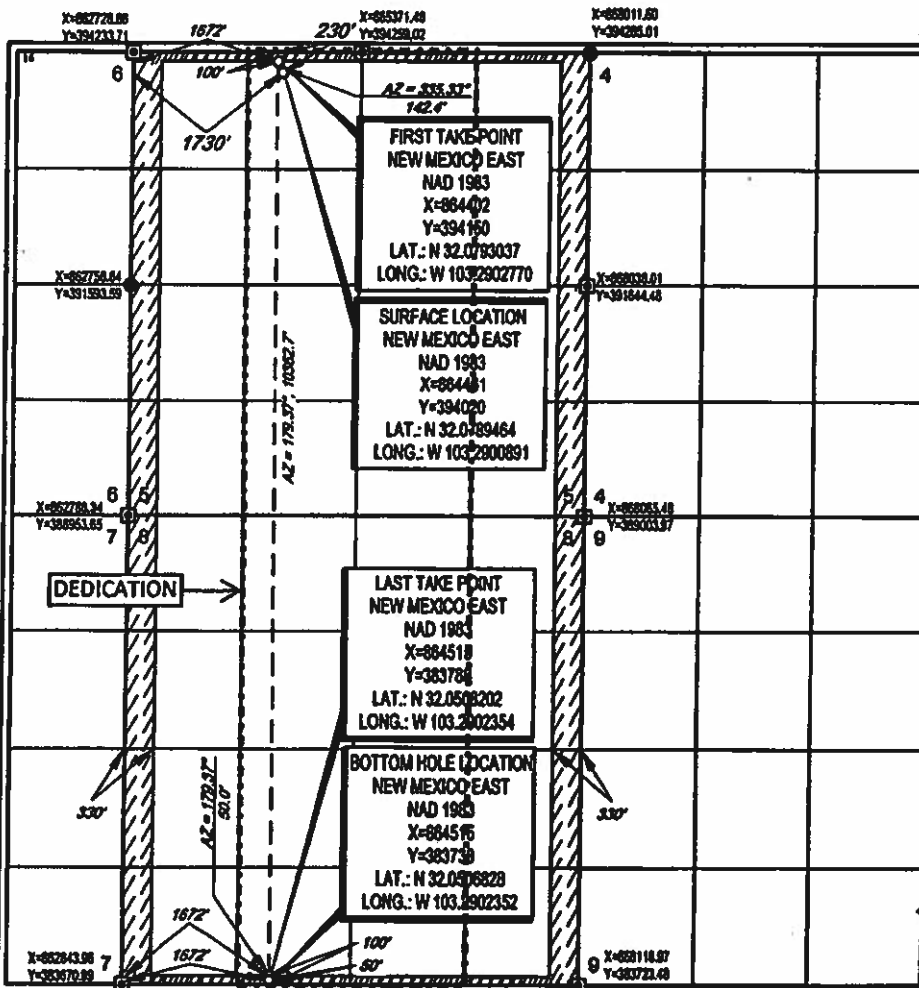
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	-	230'	NORTH	1730'	WEST	LEA

¹¹Bottom 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	8	26-S	36-E	-	50'	SOUTH	1672'	WEST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code C	¹⁵ Order No.
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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.



¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this operation either owns a working interest or unconsolidated 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.

Floyd Hammond 2/27/19
Signature Date

Floyd Hammond
Printed Name

fhammond@ameredev.com
E-mail Address

¹⁸SURVEYOR 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.

02/10/2018
Date of Survey
Signature
MICHAEL J. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

Federal Communitization AgreementContract No. NmNM141284

THIS AGREEMENT entered into as of the 1st day of January, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

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

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

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

Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

W2E2 and E2W2 of Sections 5 and 8

Containing 640.00 acres, and this agreement shall include only the Wolfcamp formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ameredev Operating, LLC, 5707 Southwest Parkway, 1-275, Austin, Texas 78735. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

1/6/2020
Date

Ameredeve Operating, LLC
Operator
By: _____
Parker Reese, President and CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

ss.

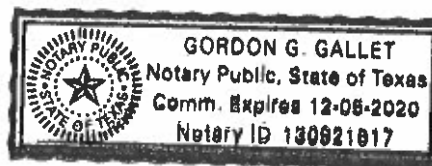
COUNTY OF TRAVIS

On this 1st day of January, 2020, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the President and CEO of Ameredev Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

12/5/2020
My Commission Expires

Gordon G. Gallet
Notary Public



**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Ameredev Operating, LLC, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

1/6/2020
Date

By: _____
Title: President and CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

ss.

COUNTY OF TRAVIS

On this 1st day of January, 2020, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the President and CEO of Ameredev Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

12/5/2020
My Commission Expires

[Signature]
Notary Public

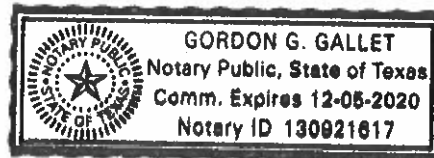


EXHIBIT "A"

Plat of communitized area covering 640.00 acres in the W2E2 and E2W2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

Holly 26 36 05 Federal Com 113H and 104H

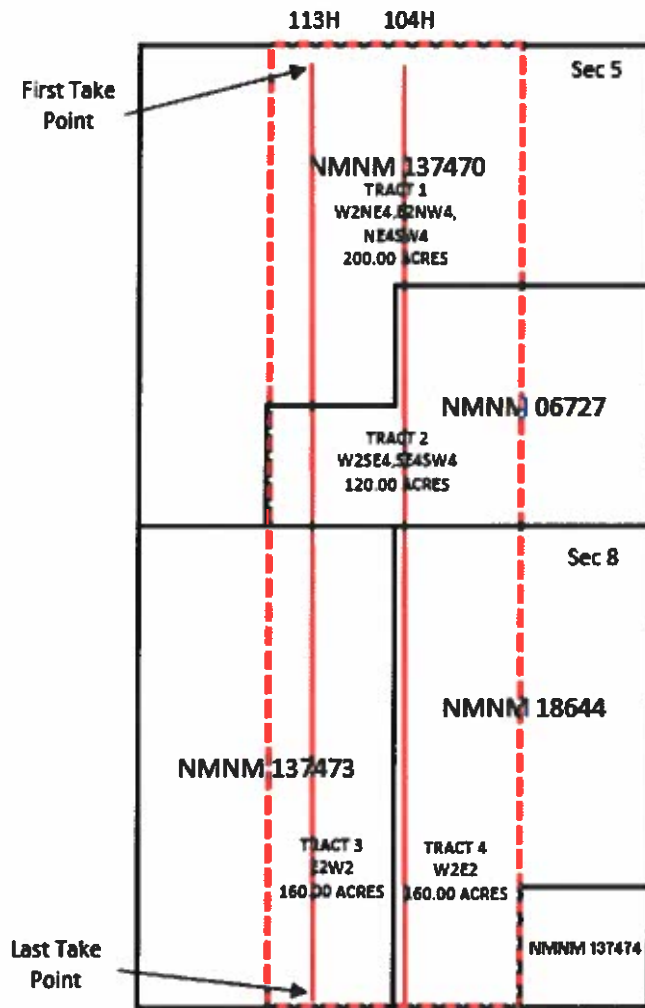


EXHIBIT "B"

To Communitization Agreement Dated January 1, 2020 embracing the following described land in the W2E2 and E2W2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Ameredev Operating, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 137470
Description of Land Committed:	Township 26 South, Range 36 East, NMPM Section 5: W2NE4, E2NW4, NE4SW4
Number of Acres:	200.00 Acres
Name of Working Interest Owners:	Ameredev New Mexico, LLC
Overriding Royalty Owners:	KWF Enterprises, L.P. HED Enterprises, L.P. Exile Royalty Company, LLC Michael A. Kulengusky Constitution Resources, II, LP
Current Record Title Owner:	Ameredev New Mexico, LLC

Tract No. 2

Lease Serial Number: NMNM 06727

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 5: W2SE4, SE4SW4

Number of Acres: 120.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: XTO Holdings, LLC
Constitution Resources, II, LP

Current Record Title Owner: XTO Holdings, LLC

Tract No. 3

Lease Serial Number: NMNM 137473

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 8: E2W2

Number of Acres: 160.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: KWF Enterprises, L.P.
HED Enterprises, L.P.
Exile Royalty Company, LLC
Michael A. Kulengusky
Constitution Resources, II, LP

Current Record Title Owner: Ameredev New Mexico, LLC

Tract No. 4

Lease Serial Number: NMNM 18644

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 8: W2E2

Number of Acres: 160.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: Constitution Resources, II, LP
Monty D. Mclane
Alan Jochimsen
States Royalty Limited Partnership
Meridian Oil Production Inc.
SOOL, Ltd.
Marilyn Van Petten Revocable Trust
Emil Mosbacher Oil and Gas LLC
The Gary Laughlin Trust
XTO Holdings, LLC
Hansen Oil Properties, LP
Virginia R. Hansen
Wesley Chalfant
Duane J. Magee

Current Record Title Owner: Ameredev New Mexico, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	200.00	31.2500%
2	120.00	18.7500%
3	160.00	25.0000%
4	160.00	25.0000%
Total	640.00	100.0000%

Federal Communitization AgreementContract No. NMNM 141284

THIS AGREEMENT entered into as of the 1st day of January, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

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

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

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

Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

W2E2 and E2W2 of Sections 5 and 8

Containing 640.00 acres, and this agreement shall include only the Wolfcamp formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ameredev Operating, LLC, 5707 Southwest Parkway, 1-275, Austin, Texas 78735. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

1/6/2020
Date

Ameredev Operating, LLC
Operator
By: _____
Parker Reese, President and CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

ss.

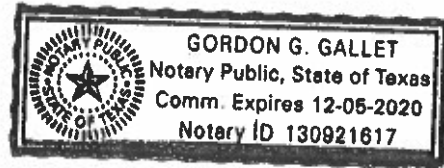
COUNTY OF TRAVIS

On this 1st day of January, 2020, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the President and CEO of Ameredev Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

12/5/2020
My Commission Expires

Gordon G. Gallet
Notary Public



**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Ameredev Operating, LLC, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

1/6/2020
Date

By: _____
Title: President and CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

ss.

COUNTY OF TRAVIS

On this 1st day of January, 2020, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the President and CEO of Ameredev Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

12/5/2020
My Commission Expires

Gordon G. Gallet
Notary Public

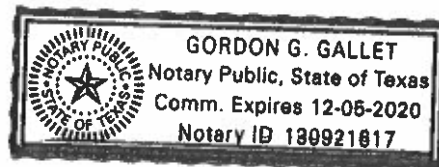


EXHIBIT "A"

Plat of communitized area covering 640.00 acres in the W2E2 and E2W2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

Holly 26 36 05 Federal Com 113H and 104H

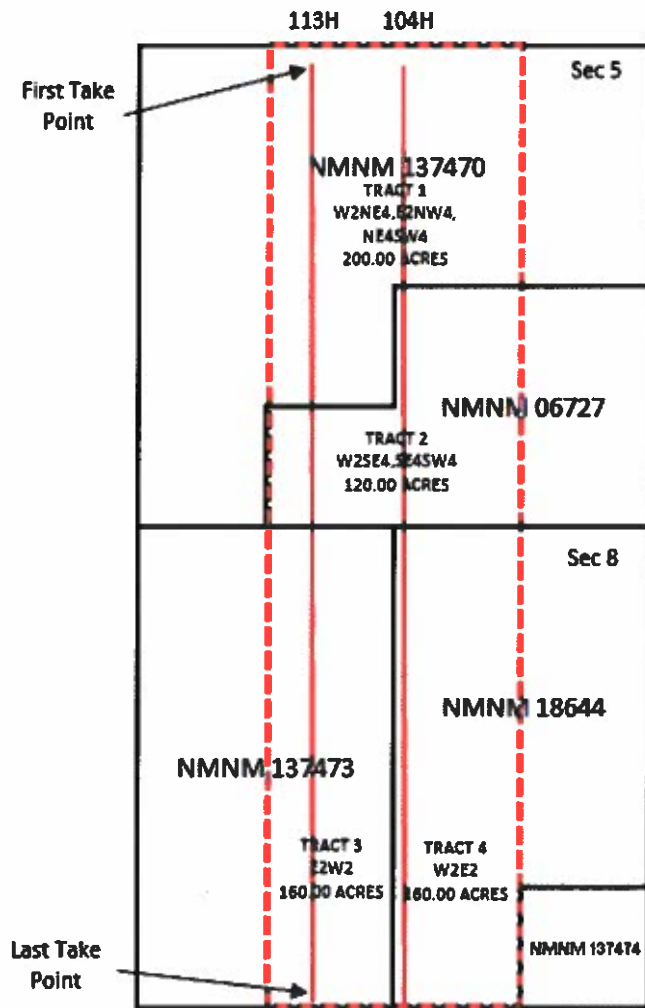


EXHIBIT "B"

To Communitization Agreement Dated January 1, 2020 embracing the following described land in the W2E2 and E2W2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Ameredev Operating, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 137470
Description of Land Committed:	Township 26 South, Range 36 East, NMPM Section 5: W2NE4, E2NW4, NE4SW4
Number of Acres:	200.00 Acres
Name of Working Interest Owners:	Ameredev New Mexico, LLC
Overriding Royalty Owners:	KWF Enterprises, L.P. HED Enterprises, L.P. Exile Royalty Company, LLC Michael A. Kulengusky Constitution Resources, II, LP
Current Record Title Owner:	Ameredev New Mexico, LLC

Tract No. 2

Lease Serial Number: NMNM 06727

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 5: W2SE4, SE4SW4

Number of Acres: 120.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: XTO Holdings, LLC
Constitution Resources, II, LP

Current Record Title Owner: XTO Holdings, LLC

Tract No. 3

Lease Serial Number: NMNM 137473

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 8: E2W2

Number of Acres: 160.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: KWF Enterprises, L.P.
HED Enterprises, L.P.
Exile Royalty Company, LLC
Michael A. Kulengusky
Constitution Resources, II, LP

Current Record Title Owner: Ameredev New Mexico, LLC

Tract No. 4

Lease Serial Number: NMNM 18644

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 8: W2E2

Number of Acres: 160.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: Constitution Resources, II, LP
Monty D. Mclane
Alan Jochimsen
States Royalty Limited Partnership
Meridian Oil Production Inc.
SOOL, Ltd.
Marilyn Van Petten Revocable Trust
Emil Mosbacher Oil and Gas LLC
The Gary Laughlin Trust
XTO Holdings, LLC
Hansen Oil Properties, LP
Virginia R. Hansen
Wesley Chalfant
Duane J. Magee

Current Record Title Owner: Ameredev New Mexico, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	200.00	31.2500%
2	120.00	18.7500%
3	160.00	25.0000%
4	160.00	25.0000%
Total	640.00	100.0000%

Federal Communitization Agreement

Contract No. NM NM 141284

THIS AGREEMENT entered into as of the 1st day of January, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSET

WHEREAS, the Act of February 25, 1947, as amended and supplemented, authorizes communitization or pooling a Federal oil and gas lease, or any portion thereof, owned by the United States, when separate tracts are independently developed and operated in connection with a communitization program for the field or area and such communitization is in the public interest; and

WHEREAS, the parties hereto own or operate or operating rights under the oil and gas lease which cannot be independently developed and operated in connection with a communitization program established for the field or area in which the lease is located;

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

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

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

Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

W2E2 and E2W2 of Sections 5 and 8

Containing 640.00 acres, and this agreement shall include only the Wolfcamp formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ameredev Operating, LLC, 5707 Southwest Parkway, 1-275, Austin, Texas 78735. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

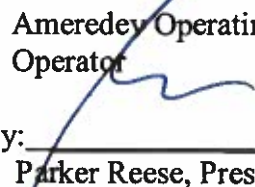
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

1/6/2020
Date

Ameredeve Operating, LLC
Operator
By: 
Parker Reese, President and CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

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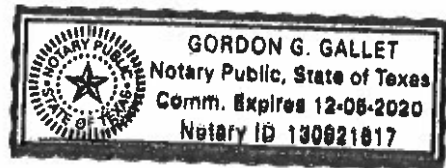
COUNTY OF TRAVIS

On this 1st day of January, 2020, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the President and CEO of Ameredev Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

12/5/2020
My Commission Expires

Gordon G. Gallet
Notary Public



**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Ameredev Operating, LLC, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

1/6/2020
Date

By: _____
Title: President and CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

ss.

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12/5/2020
My Commission Expires

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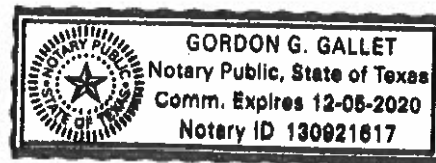


EXHIBIT "A"

Plat of communitized area covering 640.00 acres in the W2E2 and E2W2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

Holly 26 36 05 Federal Com 113H and 104H

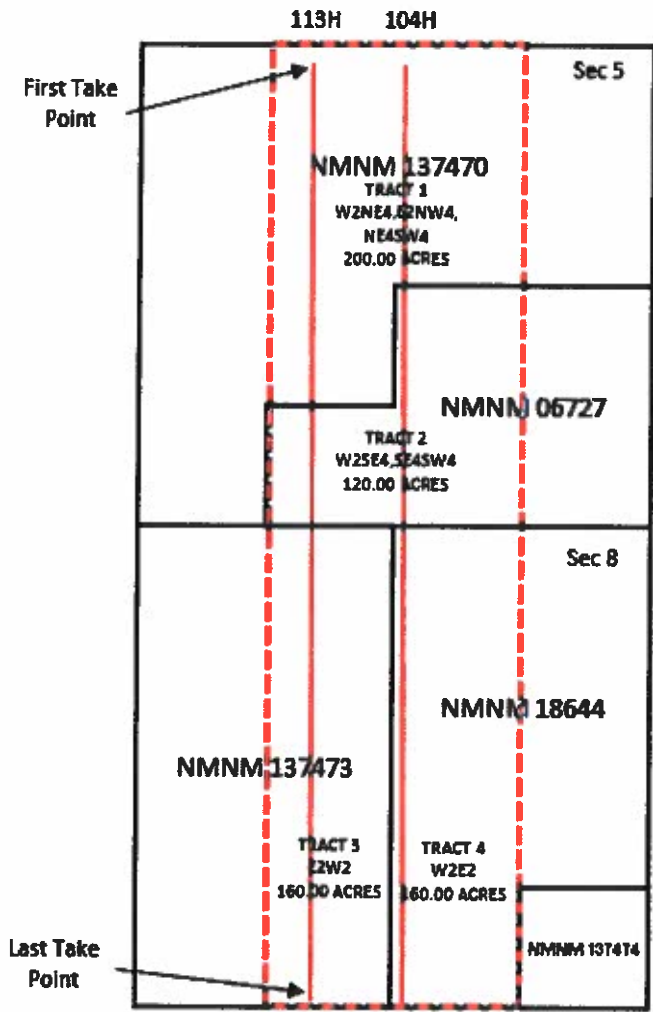


EXHIBIT "B"

To Communitization Agreement Dated January 1, 2020 embracing the following described land in the W2E2 and E2W2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Ameredev Operating, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 137470
Description of Land Committed:	Township 26 South, Range 36 East, NMPM Section 5: W2NE4, E2NW4, NE4SW4
Number of Acres:	200.00 Acres
Name of Working Interest Owners:	Ameredev New Mexico, LLC
Overriding Royalty Owners:	KWF Enterprises, L.P. HED Enterprises, L.P. Exile Royalty Company, LLC Michael A. Kulengusky Constitution Resources, II, LP
Current Record Title Owner:	Ameredev New Mexico, LLC

Tract No. 2

Lease Serial Number: NMNM 06727

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 5: W2SE4, SE4SW4

Number of Acres: 120.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: XTO Holdings, LLC
Constitution Resources, II, LP

Current Record Title Owner: XTO Holdings, LLC

Tract No. 3

Lease Serial Number: NMNM 137473

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 8: E2W2

Number of Acres: 160.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: KWF Enterprises, L.P.
HED Enterprises, L.P.
Exile Royalty Company, LLC
Michael A. Kulengusky
Constitution Resources, II, LP

Current Record Title Owner: Ameredev New Mexico, LLC

Tract No. 4

Lease Serial Number: NMNM 18644

Description of Land Committed: Township 26 South, Range 36 East,
NMPM
Section 8: W2E2

Number of Acres: 160.00 Acres

Name of Working Interest Owners: Ameredev New Mexico, LLC

Overriding Royalty Owners: Constitution Resources, II, LP
Monty D. Mclane
Alan Jochimsen
States Royalty Limited Partnership
Meridian Oil Production Inc.
SOOL, Ltd.
Marilyn Van Petten Revocable Trust
Emil Mosbacher Oil and Gas LLC
The Gary Laughlin Trust
XTO Holdings, LLC
Hansen Oil Properties, LP
Virginia R. Hansen
Wesley Chalfant
Duane J. Magee

Current Record Title Owner: Ameredev New Mexico, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	200.00	31.2500%
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3	160.00	25.0000%
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Total	640.00	100.0000%