

523 Park Point Dr, Suite 200
Golden, CO 80401

September 15, 2020

Bureau of Land Management
New Mexico State Office
Attn: Lisa Rivera
301 Dinosaur Trail
Santa Fe, NM 87508

NMNM 142904

RE: The Contest Fed Com #131H and #132H Communitization Agreements

Dear Ms. Rivera:

Enclosed are materials for two Communitization Agreements for the following wells in Lea County, New Mexico:

1. Wolfcamp – The Contest Fed Com #131H in T24S-R34E-Section 9: W/2W/2
2. Wolfcamp – The Contest Fed Com #132H in T24S-R34E-Section 9: E/2W/2

Thank you in advance for your help! If you have any questions please contact Erica Hixson at ehixson@taprk.com or 720-460-3316.Sincerely,
TAP ROCK OPERATING, LLC

A handwritten signature in blue ink that reads "Rachelle Reese".

Rachelle Reese
Senior Land Administrator
720-460-3495
rreese@taprk.com

Federal Communitization Agreement

Contract No. NMNM 142904

THIS AGREEMENT entered into as of the 1st day of June 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 24 South, Range 34 East, N.M.P.M.

Section 9: E/2W/2

Lea County, New Mexico

Containing 160.00 acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the oil and 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 Tap Rock Operating, LLC, 523 Park Point Drive Suite 200, Golden, Colorado 80401. 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 June 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.

<<Remainder of page intentionally left blank, signature page to follow>>

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.

OPERATOR:

TAP ROCK OPERATING, LLC

Date: 8-10-2020

By: 
Name: Aaron Byrd
Title: Executive Vice President of Operations

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES, LLC

Date: 9/15/2020

By: 
Name: Aaron Byrd
Title: Executive Vice President of Operations

MRC PERMIAN COMPANY

Date: _____

By: _____
Name: _____
Title: _____

FR ENERGY, LLC

Date: _____

By: _____
Name: _____
Title: _____

COG OPERATING, LLC

Date: _____

By: _____
Name: _____
Title: _____

DUNNAVANT L N

Date: _____

By: _____
Name: _____
Title: _____

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES, LLC

Date: _____

By: _____

Name: Aaron Byrd

Title: Executive Vice President of Operations

MRC PERMIAN COMPANY

Date: _____

By: _____

Name: _____

Title: _____

Date: 8/25/2020

FR ENERGY, LLC

By: 

Name: TRAVIS M. JACOB

Title: VP LAND & ED

COG OPERATING, LLC

Date: _____

By: _____

Name: _____

Title: _____

DUNNAVANT L N

Date: _____

By: _____

Name: _____

Title: _____

ABERCROMBIE MINERALS

Date: _____

By: _____

Name: _____

Title: _____

OVERRIDING ROYALTY INTEREST OWNERS:

TD Minerals, LLC

Pinecrest Partners, LP

Henson-Crockett Equity Partnership

ACRVS, LLC

Annis Singleton Buell

Jeannette Singleton Cloyd

Casper College Foundation

Ranchito AD4, LP

Bole Resources, LLC

KT Energy, Inc.

Outdoor Entourage, Inc.

MEL Energy, Inc.

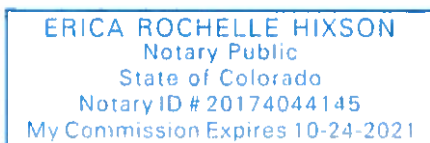
J-Brex Company

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

This instrument was acknowledged before me on August 10, 2020,
by Aaron Byrd as Executive Vice President of Operations of Tap Rock Operating, LLC, a
Delaware limited liability company, on behalf of same.

(SEAL)



10-24-2021

My Commission Expires

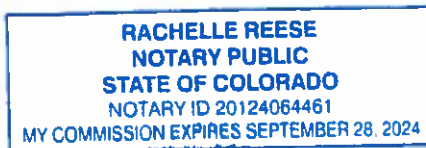
Erica Hixson

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

This instrument was acknowledged before me on September 15, 2020,
by Aaron Byrd as Executive Vice President of Operations of Tap Rock Resources, LLC,
a Delaware limited liability company, on behalf of same.

(SEAL)



9/28/2024
My Commission Expires

Rachelle Reese

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of
MRC Permian Company, a _____ on behalf of
same.

(SEAL)

My Commission Expires

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of FR
Energy, LLC, a _____ on behalf of same.

(SEAL)

My Commission Expires

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of
MRC Permian Company, a _____ on behalf of
same.

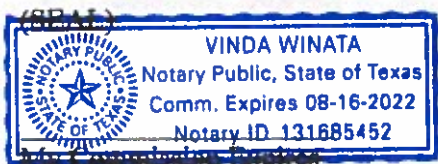
(SEAL)

My Commission Expires

Notary Public

STATE OF Texas)
) ss.
COUNTY OF Harris)

This instrument was acknowledged before me on August 25th, 2020,
by Travis M. Pace as VP Land & Business Development of FR
Energy, LLC, a _____ on behalf of same.



[Signature]
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of
COG Operating, LLC, a _____ on behalf of
same.

(SEAL)

My Commission Expires

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of
Dunnavant L N, a _____ on behalf of same.

(SEAL)

My Commission Expires

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of
Abercrombie Minerals, a _____ on behalf of
same.

(SEAL)

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST

COMMUNITIZATION AGREEMENT: NMMN 142904

I, the undersigned, hereby certify, on behalf of Tap Rock Operating, LLC, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: Aaron Byrd

PRINTED: Aaron Byrd

TITLE: Executive Vice President of Operations

PHONE: (720) 772-3065

EMAIL: Abyrd@taprk.com

EXHIBIT "A"

Plat of communitized area covering 160.00 acres in Township 24 South, Range 34 East,
N.M.P.M. Section 9: E/2W/2, Lea County, New Mexico

Well Name/No.

The Contest Fed Com #132H

Section 9, Township 24 South, Range 34 East, Lea County New Mexico			
	Tract One Federal Lease NMNM 13642		
	Tract Two Federal Lease NMNM 554252		
	Tract Three Fee Lease		
	Tract Four Fee Lease		

Federal Lease

Fee Acreage

The Contest Project Area

EXHIBIT "B"

To Communitization Agreement Dated June 1, 2020, embracing the following described land in Township 24 South, Range 34 East, N.M.P.M. Section 9: E/2W/2, Lea County, New Mexico.

Operator of Communitized Area: Tap Rock Operating, LLC

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Federal Lease No.:	NMNM 013642
Lessor:	United States of America
Date:	May 1, 1971
Recording Information:	Public Record
Legal Description:	Township 24 South, Range 34 East Section 9: NE/4NW/4
Number of Acres:	40 gross acres
Royalty Rate:	12.5%
Current Lessee of Record:	Tap Rock Resources, LLC
Overriding Royalty Interest:	Casper College Foundation; Ranchito AD4, LP; Henson-Crockett Equity Partnership; Bole Resources, LLC; KT Energy, Inc.; Outdoor Entourage, Inc.; MEL Energy, Inc.; J-Brex Company; ACRVS, LLC; Annis Singleton Buell; Jeannette Singleton Cloyd
Record Title:	Dunnavant L N; J B Abercrombie Minerals; COG Operating LLC
Working Interest:	Tap Rock Resources, LLC

Tract No. 2

Federal Lease No.:	NMNM 0554252
Lessor:	United States of America
Date:	July 1, 1964
Recording Information:	Public Record
Legal Description:	Township 24 South, Range 34 East Section 9: SE/4NW4
Number of Acres:	40 gross acres
Royalty Rate:	12.5%
Current Lessee of Record:	Tap Rock Resources, LLC

Overriding Royalty Interest: TD Minerals, LLC; Pinecrest Partners, LP; Henson-Crockett Equity Partnership; ACRVS, LLC; Annis Singleton Buell; Jeannette Singleton Cloyd

Record Title: Dunnavant L N; J B Abercrombie Minerals; COG Operating LLC

Working Interest: Tap Rock Resources, LLC

Tract No. 3

Lessor: Jal Public Library Fund

Date: May 10, 2017

Recording Information: Book 2120, Page 993

Legal Description: Township 24 South, Range 34 East
Section 9: NE/4SW/4

Number of Acres: 40 gross acres

Royalty Rate: 25%

Current Lessee of Record: Tap Rock Resources, LLC

Pooling Authority: Yes

Overriding Royalty Interest: N/A

Working Interest: Tap Rock Resources, LLC

Lessor: Texas Bank & Trust, Trustee of the Dr. & Mrs. J.E. Watkins Scholarship Trust

Date: November 17, 2017

Recording Information: Book 2126, Page 665

Legal Description: Township 24 South, Range 34 East
Section 9: NE/4SW/4

Number of Acres: 40 gross acres

Royalty Rate: 25%

Current Lessee of Record: Tap Rock Resources, LLC

Pooling Authority: Yes

Overriding Royalty Interest: N/A

Working Interest: Tap Rock Resources, LLC

Lessor: Nathan K. Griffin, Administrator of the
 Estate of Clara Jane Miller, deceased
 Date: February 16, 2019
 Recording Information: Book 2148, Page 330
 Legal Description: Township 24 South, Range 34 East
 Section 9: NE/4SW/4
 Number of Acres: 40 gross acres
 Royalty Rate: 25%
 Current Lessee of Record: Tap Rock Resources, LLC
 Pooling Authority: Yes
 Overriding Royalty: N/A
 Interest:
 Working Interest: Tap Rock Resources, LLC

Tract No. 4

Lessor: Michael Harrison Moore
 Date: November 10, 2014
 Recording Information: Book 1930, Page 971
 Legal Description: Township 24 South, Range 34 East
 Section 9: SE/4SW/4
 Number of Acres: 40 gross acres
 Royalty Rate: 25%
 Current Lessee of Record: Tap Rock Resources, LLC
 Pooling Authority: Yes
 Overriding Royalty: N/A
 Interest:
 Working Interest: Tap Rock Resources, LLC

Lessor: Meridian 102, LP
 Date: April 24, 2017
 Recording Information: Book 2103, Page 536
 Legal Description: Township 24 South, Range 34 East
 Section 9: SE/4SW/4
 Number of Acres: 40 gross acres
 Royalty Rate: 25%
 Current Lessee of Record: FR Energy, LLC
 Pooling Authority: Yes
 Overriding Royalty: N/A
 Interest:
 Working Interest: FR Energy, LLC

Lessor: Ryan Moore, Trustee of the Ryan Moore
SSMTT GST Non-Exempt Trust
Date: December 5, 2017
Recording Information: Book 2126, Page 335
Legal Description: Township 24 South, Range 34 East
Section 9: SE/4SW/4
Number of Acres: 40 gross acres
Royalty Rate: 25%
Current Lessee of Record: Tap Rock Resources, LLC
Pooling Authority: Yes
Overriding Royalty: N/A
Interest:
Working Interest: Tap Rock Resources, LLC

Lessor: Ryan Moore SSMTT GST Exempt Trust,
Ryan Moore as Trustee
Date: December 5, 2017
Recording Information: Book 2126, Page 337
Legal Description: Township 24 South, Range 34 East
Section 9: SE/4SW/4
Number of Acres: 40 gross acres
Royalty Rate: 25%
Current Lessee of Record: Tap Rock Resources, LLC
Pooling Authority: Yes
Overriding Royalty: N/A
Interest:
Working Interest: Tap Rock Resources, LLC

Lessor: University of the Southwest Foundation
Date: March 12, 2019
Recording Information: Book 2147, Page 713
Legal Description: Township 24 South, Range 34 East
Section 9: SE/4SW/4
Number of Acres: 40 gross acres
Royalty Rate: 25%
Current Lessee of Record: Tap Rock Resources, LLC
Pooling Authority: Yes
Overriding Royalty: N/A
Interest:
Working Interest: Tap Rock Resources, LLC

Lessor:	Roy G. Barton, Jr.
Date:	May 24, 2019
Recording Information:	Book 2151, Page 704
Legal Description:	Township 24 South, Range 34 East Section 9: SE/4SW/4
Number of Acres:	40 gross acres
Royalty Rate:	25%
Current Lessee of Record:	Tap Rock Resources, LLC
Pooling Authority:	Yes
Overriding Royalty	N/A
Interest:	
Working Interest:	Tap Rock Resources, LLC

Lessor:	COG Operating, LLC
Date:	Unleased
Recording Information:	N/A
Legal Description:	Township 24 South, Range 34 East Section 9: SE/4SW/4
Number of Acres:	40 gross acres
Royalty Rate:	N/A
Current Lessee of Record:	N/A
Pooling Authority:	N/A
Overriding Royalty	N/A
Interest:	
Working Interest:	COG Operating, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	40	25.000000%
2	40	25.000000%
3	40	25.000000%
4	40	25.000000%
Total	160	100.0000%

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 171346

COMMENTS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 171346
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	NMNM 142904	12/30/2022

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 171346

CONDITIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 171346
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	12/30/2022