



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM136468
3105.2 (P0220)

Reference:
Communitization Agreement
Golden Spur 36 Com W1 2H
T. 26 S., R. 31 E.,
Section 25, E2E2
Section 36, E2NE (Lot 1, NENE)
Eddy County, NM

November 7, 2016

ConocoPhillips Company
600 N. Dairy Ashford
BKC-02-2094
Houston, TX 77079

RECEIVED
NOV 14 2 15

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136468 involving 160 acres of Federal land in lease NMLC068282B, and 64.5 acres of State land, Eddy County, New Mexico, which comprise a 224.55 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the E2E2 of sec. 25, and E2NE of sec. 36, T. 26 S., R. 31 E., NMPM, and is effective 08/01/2015. 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 and 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.

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

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

Sincerely,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

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:

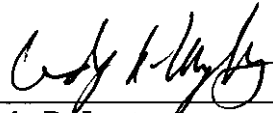
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement 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 E2E2 of sec. 25, and E2NE of sec. 36, T. 26 S., R. 31 E., 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: 11/07/2016



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 08/01/2015

Contract No.: Com. Agr. NM136468



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM136468
3107 (P0220)

Memorandum

To: State Director (9210)

From: Legal Instrument Examiner (P0220)

Subject: First Production, Communitization Agreement NM136468

RECEIVED (63)
2016 NOV 14 P 2 15

Date of Completion: 07/07/2016
Date of First Production: 07/07/2016
Field: WC-015 G-08 S263125P
Operator, Well Name & No, API Number: ConocoPhillips; Golden Spur 36 Com W1 2H; 30-015-43375
Surface Location: Lot 1; sec. 36, T. 26 S., R. 31 E.
Bottom Location: NENE; sec. 25, T. 26 S., R. 31 E.
Total Depth: 19,013' MD;11,868' TVD
Surface Elevation: 3,145' GL
Producing Formation: Wolfcamp (11,362' -18,475')
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 226 BBL; Gas 800 MCF; Water 329 BBL
Current Status: Producing Oil Well
Remarks: CA NM136468, effective 08/01/2015 Communitizes all rights to the oil and associated hydrocarbons producible from the Wolfcamp formation, involving 160 acres of Federal land in lease NMLC068282B, and 64.55 acres of State land comprising a 224.55- acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
11/07/2016

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)