



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

NM136879

3105 2 (P0220)

Reference

03/24/2017

Communitization Agreement

Driver 14 State Com 502H

T 23 S , R 33 E ,

Section 14 W2W2

Lea County, NM

REC'D
2017 MAR 31 PM 4:11

EOG Resources, Inc

P O Box 2267

Midland, TX 79702

Gentlemen

Enclosed is an approved copy of Communitization Agreement NM136879 involving 80 acres of Federal land in lease NMNM114985 and 80 acres of State land, Lea County, New Mexico which comprise a 160 acre well spacing unit

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2W2 of sec 14, T 23 S , R 33 E , NMPM, and is effective 09/01/2016 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

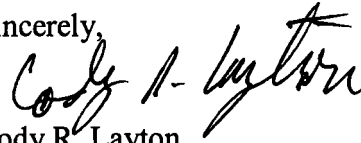
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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,

A handwritten signature in black ink, appearing to read "Cody R. Layton". The signature is fluid and cursive, with a large, stylized "C" and "L".

Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure

1 Communitization Agreement

cc

ONRR, Denver

NM Taxation & Revenue Dept (Revenue Processing Div)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination Approval - Certification

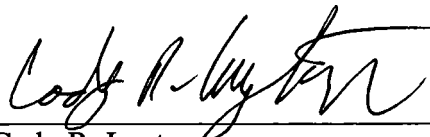
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat 784, 30 U S C 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby

- 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 W2W2 of sec 14, T 23 S , R 33 E , NMPM, as to all producible hydrocarbons from the Bone Spring 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 03/24/2017



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective 09/01/2016

Contract No Com Agr NM136879



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
NM136879
3107 (P0220)

Memorandum

To State Director (9210)

From Land Law Examiner (P0220)

Subject First Production, Communitization Agreement NM136879

Date of Completion	09/29/2016
Date of First Production	09/29/2016
Field	Bell Lake
Operator, Well Name & No, API Number	EOG Resources Inc , Driver 14 State Com 502H, 30-025 43071
Surface Location	NWNW, Sec 14, T 23 S , R 33 E
Bottom Location	SWSW, Sec 14, T 23 S , R 33 E
Total Depth	15,960 MD 11,185 TVD
Total Elevation	3,625 GL
Producing Formation	Bone Spring (10,825 15,756)
Well Capable of Production in Paying Quantities	Yes
Initial Daily Production	Oil 1071 BBL, Gas 1133 MCF, Water 2458 BBL
Current Status	Producing Oil Well
Remarks	CA NM136879, effective 09/01/2016, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath Sec 14, W2W2, T23S, R33E, NMPM, and comprises 80 acres of Federal land in lease NMNM114985 and 80 acres of State land for a 160 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**
03/24/2017

cc
ONRR Denver
First Production File
LLNM (P0220, File Room)