



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:
NM136963
3105.2 (P0220)

Reference:

Communitization Agreement
Corral Canyon Fed Com 2H
Sec. 5, E2W2
T. 25 S., R. 29 E.
Sec. 32, E2SW
T. 24 S., R. 29 E.
Eddy County, NM

04/27/2017

XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298

2017 MAY 12 P 00
RECEIVED

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM136963 involving 159.53 acres of Federal land in lease NMNM15302, and 80 acres of Federal land in lease NMNM111533, Eddy County, New Mexico, which comprise a 239.53 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 5, E2W2, T. 25 S., R. 29 E. and Sec. 32, E2SW, T. 24 S., R. 29 E., NMPM, Eddy County, NM, and is effective 09/19/2016. 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.

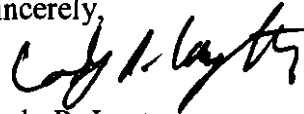
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

Cody R. Layton
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

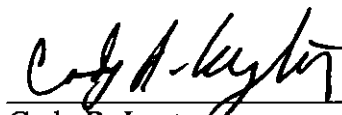
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 sec. 5, E2W2, T. 25 S., R. 29 E. and sec. 32, E2SW, T. 24 s., R. 29 E., NMPPM, 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.

- 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: 04/27/2017



Cody R. Layton
Field Manager,
Lands and Minerals

Effective: 09/19/2016

Contract No.: Com. Agr. NM136963



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM136963
3107 (P0220)

Memorandum

To: State Director (9210)

From: Legal Instrument Examiner (P0220)

Subject: First Production, Communitization Agreement NM136963

Date of Completion:	12/17/2016
Date of First Production:	12/22/2016
Field:	Willow Lake
Operator, Well Name & No, API Number:	XTO Energy; Corral Canyon Fed Com 2H; 30-015-42921
Surface Location:	SESW; sec.5, T. 25 S., R. 29 E.
Bottom Location:	NENW; sec. 32, T. 24 S., R. 29 E.
Total Depth:	15,900' MD; 7,602' TVD
Surface Elevation:	2,941' GL
Producing Formation:	Bone Spring (8,900' – 15,690')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 1007 BBL; Gas 1067 MCF; Water 1059 BBL
Current Status:	Producing Oil Well
Remarks:	CA NM136963, effective 09/19/2016, communitizes production of all gaseous and fluid hydrocarbons in the Bone Spring formation beneath the E2W2 of sec. 5, T. 25 S., R. 29 E. and the E2SW of sec. 32 T. 24 S., R. 29 E. NMPM, and is comprised of 159.53 acres of Federal land in lease NMNM15302 and 80 acres of Federal land in lease NMNM111533 for a 239.53 acre 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
04/27/2017

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