

30-025-43574

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: NM137199 3105.2 (P0220)

Reference:

07/10/2017

Communitization Agreement Hound 30 Fed Com 701H T. 25 S., R. 34 E., Section 30: SW Section 31; W2 Lea County, NM

EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM137199 involving 79.82 acres of Federal land in lease NMNM108504, and 399.60 acres of Federal land in lease NMNM112279, Lea County, New Mexico, which comprise a 479.42 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the SW of sec. 30 and the W2 of sec. 31, T. 25 S., R. 34 E., NMPM, and is effective 03/01/2017. 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.

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 SW of sec. 30 and the W2 of sec. 31, T. 25 S., R. 34 E., NMPM, 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.
- 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: 07/10/2017

Assistant Field Manager,

Lands and Minerals

Effective: 03/01/2017

Contract No.: Com. Agr. NM137199



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BUREAU OF LAND MANAGEMENT



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

IN REPLY REFER TO: NM137199 3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Operator, Well Name & No, API Number:

Subject: First Production, Communitization Agreement NM137199

Date of Completion: 06/29/2017

Date of First Production: 06/29/2017

Field: WC-025 G-09 S253336D

EOG Resources Inc.; Hound 30 Fed Com 701H; 30-

025-43574

Surface Location: Lot 3, Sec. 30, T. 25 S., R 34 E. Bottom Location: Lot 4, Sec. 31, T. 25 S., R. 34 E.

Total Depth: 19,838 MD; 12,600 TVD

Total Elevation: 3,317 GL

Producing Formation: Wolfcamp (12,754-19,739)

Well Capable of Production in Paying Quantities: Yes

Initial Daily Production: Oil 2926 BBL; Gas 3049 MCF; Water 7740 BBL

Current Status: Producing Oil Well

Remarks: CA NM137199, effective 03/01/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath Sec. 30, SW, and Sec. 31, W2, T25S, R34E, NMPM, and comprises 79.82 acres of Federal land in lease NMNM108504 and 399.60 acres of Federal land in lease NMNM112279 for a 479.42 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 07/10/2017

cc:

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