

| | | | |
|-----------------------------|-----------|---------------------|----------------------------------|
| RECEIVED: 3/19/20 | REVIEWER: | TYPE: PLC | APP NO: pKSC1703940935 |
|-----------------------------|-----------|---------------------|----------------------------------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

| <u>FOR OCD ONLY</u> | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

 Print or Type Name

 Date

 Phone Number

 Signature

 e-mail Address

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-025-44468
5. Indicate Type of Lease
STATE [X] FEE []
6. State Oil & Gas Lease No.
Neptune 10 State Com
7. Lease Name or Unit Agreement Name
V0-4368-1, V0-5289-2 & V0-4397-2
8. Well Number 101H
9. OGRID Number
7377
10. Pool name or Wildcat
Triple X; Bone Spring [59900]

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [] Other []
2. Name of Operator
EOG Resources, Inc.
3. Address of Operator
P.O. Box 2267 Midland, Texas 79702
4. Well Location
Unit Letter P : 250 feet from the South line and 580 feet from the East line
Section 10 Township 24S Range 33E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: Surface Commingle [X]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

EOG Resources, Inc. respectfully requests to amend PLC-465 to include the following wells:

Table with 3 columns: Well Name, API Number, and Location. Includes wells like Neptune 10 State Com 101H, Triple X; Bone Spring [59900], etc.

Please see attached supporting documentation. These wells have diverse ownership. State Land Office and all owners have received notice of this application.

Spud Date: [] Rig Release Date: []

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Lisa Trascher TITLE Regulatory Specialist DATE 3/19/2020

Type or print name Lisa Trascher E-mail address: lisa_trascher@eogresources.com PHONE: 432-247-6331

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 848-9133

Certified Mail-Return Receipt

Date: March 19, 2020

Re: Surface Pool/Lease Commingling Application Amendment; Neptune
10 State Com 101H, 102H, 203H, 204H, 205H, 206H, 303H and 401H

Dear Sir/Madam:

Enclosed please find EOG Resources, Inc.'s amendment to commingling order PLC-465 filed this date with the New Mexico Oil Conservation Division (NMOCD) and the New Mexico State Land Office. Under PLC-465, New Mexico State leases V0-4368-0001, V0-5289-0002 and V0-4397-0002 were approved for surface commingling in the TRIPLE X; BONE SPRING (59900) and WC-025 G-09 S243310P; Upper Wolfcamp (98135) pools. Pursuant to Statewide rule 19.15.12.10 (C)(4)(g) EOG requests that the above referenced wells associated with the approved leases and pools be added to PLC-465.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date the Division received this application.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) EOG Resources, Inc. requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

For questions regarding this application, please contact me at 432-247-6331 or lisa_trascher@eogresources.com

Kind regards,

EOG Resources, Inc.

By: Lisa Trascher
Lisa Trascher
Regulatory Specialist

Commingling Application for Neptune 10 State Com CTB
EOG Resources, Inc.
EXHIBIT A- Notice List

New Mexico Oil Conservation Division
Attn: Mr. Dean McClure
1220 South St. Francis Drive
Santa Fe, NM 87505
Via OCD Online

New Mexico Oil Conservation Division
Attn: Mr. Paul Kautz
1625 N. French Drive
Hobbs, New Mexico 88240
7018 1130 0001 3044 4892

Commissioner of Public Lands
Attn: Scott Dawson
P.O. Box 1148
Santa Fe, NM 87504-1148
7018 1130 0001 3044 4885

Canaan Resources Drilling Company, LLC
1101 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73103
7018 1130 0001 3044 4861

CRP XII, LLC
1103 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73105
7018 1130 0001 3044 4878

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102
7018 1130 0001 3044 4847

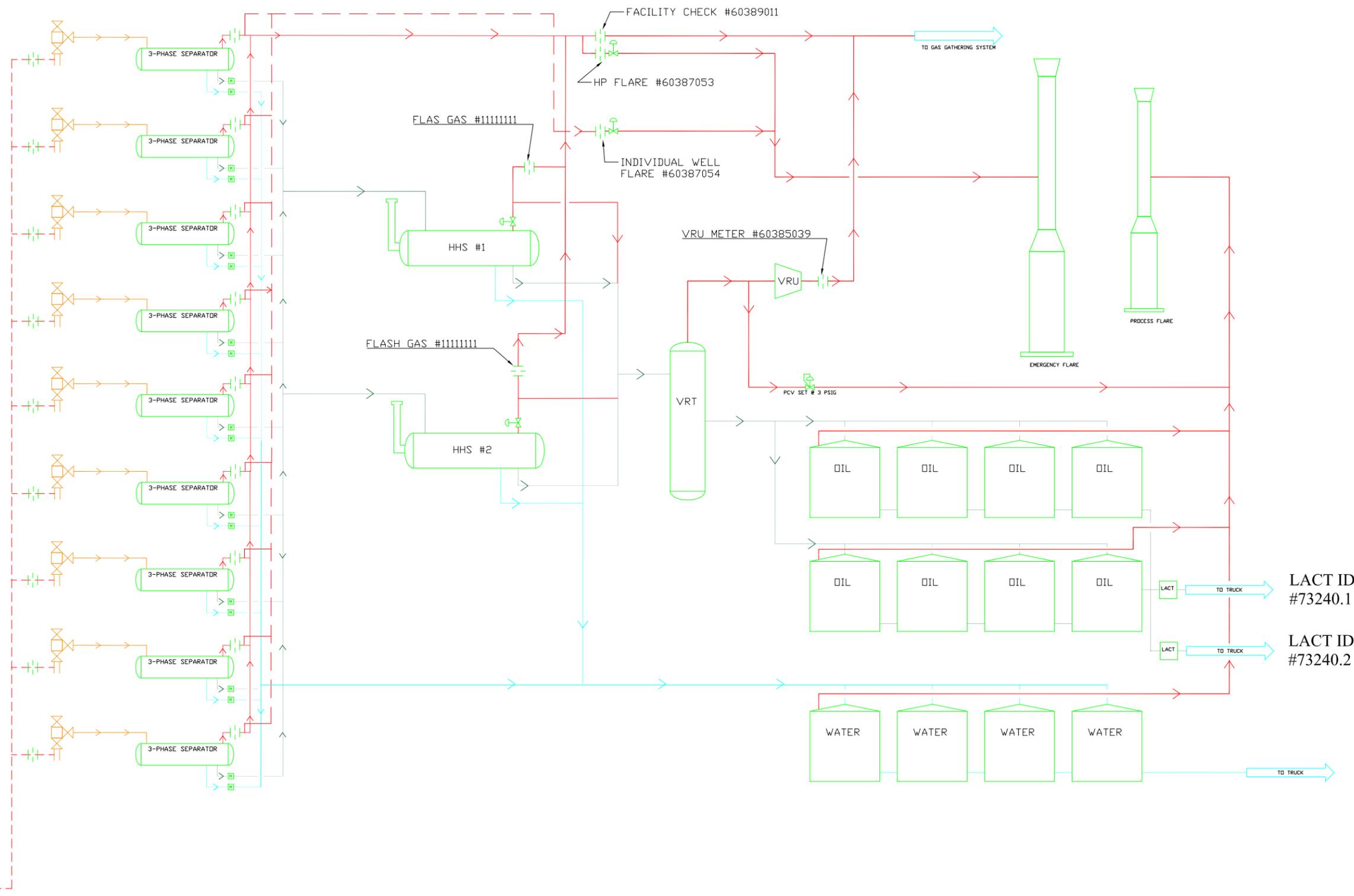
CP Energy Investments LP
8235 Douglas Ave, Suite 400
Dallas, Texas 75225
7018 1130 0001 3044 4854

Copies of this application were mailed to the following individuals, companies, and organizations
on or before March 19, 2020.

Lisa Trascher

Lisa Trascher
EOG Resources, Inc.

- NEPTUNE 10 STATE COM #501H
30-025-42322
GAS # 60381105
GAS LIFT # 60384114
OIL # 10-72569
WATER #40-72569
- NEPTUNE 10 STATE COM #502H
30-025-42323
GAS METER # 60381106
GAS LIFT # 60384115
OIL # 10-72570
WATER # 40-72570
- NEPTUNE 10 STATE COM #503H
30-025-43454
GAS METER # 60381181
GAS LIFT # 60384181
OIL # 10-72871
WATER # 40-72871
- NEPTUNE 10 STATE COM #504H
30-025-43455
GAS METER # 60381180
GAS LIFT # 60384180
OIL # 10-73504
WATER # 40-73504
- NEPTUNE 10 STATE COM #505H
30-025-43456
GAS METER # 60381182
GAS LIFT # 60384182
OIL # 10-73505
WATER # 40-73505
- NEPTUNE 10 STATE COM #701H
30-025-43457
GAS METER # 60381183
GAS LIFT # 60384183
OIL # 10-72870
WATER # 40-72870
- NEPTUNE 10 STATE COM #601H
30-025-44124
GAS METER # 60381184
GAS LIFT # 60384184
OIL # 10-74564
WATER 1# 40-74564
WATER 2# 42-74564
- NEPTUNE 10 STATE COM #702H
30-025-43805
GAS METER # 60381185
GAS LIFT # 60384185
OIL # 10-74101
WATER 1# 40-74101
WATER 1# 42-74101
- NEPTUNE 10 STATE COM #703H
30-025-43806
GAS METER # 60381186
GAS LIFT # 60384186
OIL # 10-74102
WATER 1# 40-74102
WATER 2# 42-74102



FROM NEPTUNE GAS LIFT STATION

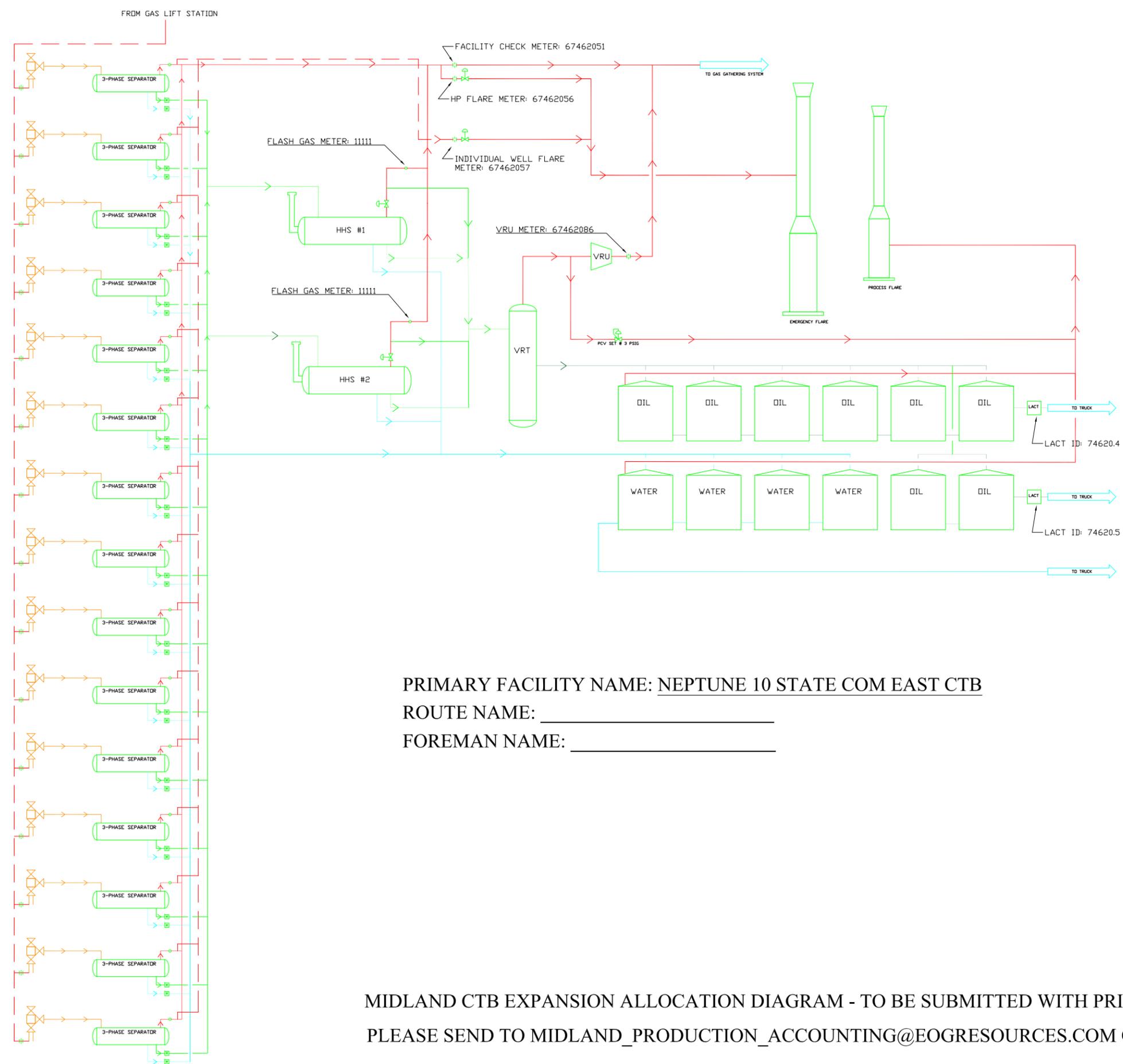
M Liquid Meter
|| Gas Orifice Meter

| | | |
|--|---------|----------------------|
| NEPTUNE 10 STATE COM CTB PROCESS FLOW | | |
| EDG RESOURCES MIDLAND DIVISION | BY: BKW | rev. 02 3/17/2020 |

*Test meter numbers will be provided upon installation of meters and completion of the facility.

M Liquid Meter
G Gas Orifice Meter

| | |
|--|--|
| NEPTUNE 10 STATE CDM #602H 30-025-44125 | GAS METER: 67462001 GAS LIFT METER: 67462021 OIL METER: 10-74565 WATER METER 1: 40-74565 WATER METER 2: 42-74565 |
| NEPTUNE 10 STATE CDM #704H 30-025-43807 | GAS METER: 67462002 GAS LIFT METER: 67462022 OIL METER: 10-74103 WATER METER 1: 40-74103 WATER METER 2: 42-74103 |
| NEPTUNE 10 STATE CDM #705H 30-025-43808 | GAS METER: 67462003 GAS LIFT METER: 67462023 OIL METER: 10-74104 WATER METER 1: 40-74104 WATER METER 2: 42-74104 |
| NEPTUNE 10 STATE CDM #201H 30-025-45634 | GAS METER: 67462004 GAS LIFT METER: 67462024 OIL METER: 10-74525 WATER METER 1: 40-74525 |
| NEPTUNE 10 STATE CDM #202H 30-025-45635 | GAS METER: 67462005 GAS LIFT METER: 67462025 OIL METER: 10-74526 WATER METER 1: 40-74526 |
| NEPTUNE 10 STATE CDM #301H 30-025-45636 | GAS METER: 67462006 GAS LIFT METER: 67462026 OIL METER: 10-74527 WATER METER 1: 40-74527 |
| NEPTUNE 10 STATE CDM #302H 30-025-45637 | GAS METER: 67462007 GAS LIFT METER: 67462027 OIL METER: 10-75587 WATER METER 1: 40-75587 |
| NEPTUNE 10 STATE CDM #102H 30-025-44464 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |
| NEPTUNE 10 STATE CDM #203H 30-025-46733 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |
| NEPTUNE 10 STATE CDM #204H 30-025-46734 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |
| NEPTUNE 10 STATE CDM #205H 30-025-46735 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |
| NEPTUNE 10 STATE CDM #303H 30-025-46736 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |
| NEPTUNE 10 STATE CDM #401H 30-025-44467 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |
| NEPTUNE 10 STATE CDM #101H 30-025-44468 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |
| NEPTUNE 10 STATE CDM #206H 30-025-44469 | GAS METER: 11111 GAS LIFT METER: 11111 OIL METER: 10-11111 WATER METERS: 40-11111 |



PRIMARY FACILITY NAME: NEPTUNE 10 STATE COM EAST CTB
 ROUTE NAME: _____
 FOREMAN NAME: _____

MIDLAND CTB EXPANSION ALLOCATION DIAGRAM - TO BE SUBMITTED WITH PRIMARY CTB DIAGRAM
 PLEASE SEND TO MIDLAND_PRODUCTION_ACCOUNTING@EOGRESOURCES.COM ONCE COMPLETED

Process and Flow Descriptions:

The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senior orifice meter and used to allocate total volume measured at the facility check meter, high pressure flare meter, and individual well flare meter.

NEPTUNE 10 STATE COM #501H gas allocation meter is an Emerson orifice meter (S/N 60381105)

NEPTUNE 10 STATE COM #502H gas allocation meter is an Emerson orifice meter (S/N 60381106)

NEPTUNE 10 STATE COM #503H gas allocation meter is an Emerson orifice meter (S/N 60381181)

NEPTUNE 10 STATE COM #504H gas allocation meter is an Emerson orifice meter (S/N 60381180)

NEPTUNE 10 STATE COM #505H gas allocation meter is an Emerson orifice meter (S/N 60381182)

NEPTUNE 10 STATE COM #601H gas allocation meter is an Emerson orifice meter (S/N 60381184)

NEPTUNE 10 STATE COM #701H gas allocation meter is an Emerson orifice meter (S/N 60381183)

NEPTUNE 10 STATE COM #702H gas allocation meter is an Emerson orifice meter (S/N 60381184)

NEPTUNE 10 STATE COM #703H gas allocation meter is an Emerson orifice meter (S/N 60381186)

The oil from the separators will be measured using a Coriolis meter.

NEPTUNE 10 STATE COM #501H oil allocation meter is a Coriolis meter (S/N 10-72330)

NEPTUNE 10 STATE COM #502H oil allocation meter is a Coriolis meter (S/N 10-72570)

NEPTUNE 10 STATE COM #503H oil allocation meter is a Coriolis meter (S/N 10-72871)

NEPTUNE 10 STATE COM #504H oil allocation meter is a Coriolis meter (S/N 10-73504)

NEPTUNE 10 STATE COM #505H oil allocation meter is a Coriolis meter (S/N 10-73505)

NEPTUNE 10 STATE COM #601H oil allocation meter is a Coriolis meter (S/N 10-74564)

NEPTUNE 10 STATE COM #701H oil allocation meter is a Coriolis meter (S/N 10-72870)

NEPTUNE 10 STATE COM #702H oil allocation meter is a Coriolis meter (S/N 10-74101)

NEPTUNE 10 STATE COM #703H oil allocation meter is a Coriolis meter (S/N 10-74102)

The flash gas to sales that separates from the oil in the low pressure separators after it has passed the individual well oil allocation meters will be metered using a senior orifice meter and allocated back to the wells based on the individual well oil allocation meters.

NEPTUNE 10 STATE COM CTB FG #1 gas allocation meter (S/N *11111111)

NEPTUNE 10 STATE COM CTB FG #2 gas allocation meter (S/N *11111111)

The water will be measured using a coriolis meter. The water from each separator is combined in a common header and flows into (4) 500 barrel coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated horizontal separator (HHS) to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 500 barrel water tanks. The water is then pumped and/or trucked to a salt water disposal well. The oil from the heated separator flows through a vapor recovery tower (VRT) where gas is allowed to breakout at a lower pressure, and then the oil flows into (8) 500 barrel coated steel tanks. Guided wave radar is used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a Coriolis meter into a truck or a pipeline. Every tank utilizes a guided wave radar to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a custody transfer orifice meter (#60389011) that serves as our lease production meter. If the pipeline is experiencing problems and cannot take any gas, the gas will flow through the high pressure flare meter (#60387053) to the flare. If an individual well needed to be flared for any operation reason it will be manually routed through the individual well flare meter (#60387054) to the flare. The overhead gas from the vapor recovery tower is compressed by a vapor recovery compressor and then measured by a custody transfer orifice meter (#60385039). The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.

*Meter numbers will be provided upon installation of meters and completion of the facility.

Process and Flow Descriptions:

The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senior orifice meter and used to allocate total volume measured at the facility check meter, high pressure flare meter, and individual well flare meter.

NEPTUNE 10 STATE COM #602H gas allocation meter is an Emerson orifice meter (S/N 67462001)

NEPTUNE 10 STATE COM #704H gas allocation meter is an Emerson orifice meter (S/N 67462002)

NEPTUNE 10 STATE COM #705H gas allocation meter is an Emerson orifice meter (S/N 67462003)

NEPTUNE 10 STATE COM #201H gas allocation meter is an Emerson orifice meter (S/N 67462004)

NEPTUNE 10 STATE COM #202H gas allocation meter is an Emerson orifice meter (S/N 67462005)

NEPTUNE 10 STATE COM #301H gas allocation meter is an Emerson orifice meter (S/N 67462006)

NEPTUNE 10 STATE COM #302H gas allocation meter is an Emerson orifice meter (S/N 67462007)

NEPTUNE 10 STATE COM #102H gas allocation meter is an Emerson orifice meter (S/N *11111111)

NEPTUNE 10 STATE COM #203H gas allocation meter is an Emerson orifice meter (S/N *11111111)

NEPTUNE 10 STATE COM #204H gas allocation meter is an Emerson orifice meter (S/N *11111111)

NEPTUNE 10 STATE COM #205H gas allocation meter is an Emerson orifice meter (S/N *11111111)

NEPTUNE 10 STATE COM #303H gas allocation meter is an Emerson orifice meter (S/N *11111111)

NEPTUNE 10 STATE COM #401H gas allocation meter is an Emerson orifice meter (S/N *11111111)

NEPTUNE 10 STATE COM #101H gas allocation meter is an Emerson orifice meter (S/N *11111111)

NEPTUNE 10 STATE COM #206H gas allocation meter is an Emerson orifice meter (S/N *11111111)

The oil from the separators will be measured using a Coriolis meter.

NEPTUNE 10 STATE COM #602H oil allocation meter is a coriolis meter (S/N 10-74565)

NEPTUNE 10 STATE COM #704H oil allocation meter is a coriolis meter (S/N 10-74103)

NEPTUNE 10 STATE COM #705H oil allocation meter is a coriolis meter (S/N 10-74104)

NEPTUNE 10 STATE COM #201H oil allocation meter is a coriolis meter (S/N 10-74525)

NEPTUNE 10 STATE COM #202H oil allocation meter is a coriolis meter (S/N 10-74526)

NEPTUNE 10 STATE COM #301H oil allocation meter is a coriolis meter (S/N 10-74527)

NEPTUNE 10 STATE COM #302H oil allocation meter is a coriolis meter (S/N 10-75587)

NEPTUNE 10 STATE COM #102H oil allocation meter is a coriolis meter (S/N 10-*11111)

NEPTUNE 10 STATE COM #203H oil allocation meter is a coriolis meter (S/N 10-*11111)

NEPTUNE 10 STATE COM #204H oil allocation meter is a coriolis meter (S/N 10-*11111)

NEPTUNE 10 STATE COM #205H oil allocation meter is a coriolis meter (S/N 10-*11111)

NEPTUNE 10 STATE COM #303H oil allocation meter is a coriolis meter (S/N 10-*11111)

NEPTUNE 10 STATE COM #401H oil allocation meter is a coriolis meter (S/N 10-*11111)

NEPTUNE 10 STATE COM #101H oil allocation meter is a coriolis meter (S/N 10-*11111)

NEPTUNE 10 STATE COM #206H oil allocation meter is a coriolis meter (S/N 10-*11111)

The flash gas to sales that separates from the oil in the low pressure separators after it has passed the individual well oil allocation meters will be metered using a senior orifice meter and allocated back to the wells based on the individual well oil allocation meters.

NEPTUNE 10 STATE COM EAST CTB FG #1 gas allocation meter is (S/N *11111111)

NEPTUNE 10 STATE COM EAST CTB FG #2 gas allocation meter is (S/N *11111111)

The water will be measured using a coriolis meter. The water from each separator is combined in a common header and flows into (4) 400 barrel coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated horizontal separator (HHS) to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 400 barrel water tanks. The water is then pumped and/or trucked to a salt water disposal well. The oil from the heated separator flows through a vapor recovery tower (VRT) where gas is allowed to breakout at a lower pressure, and then the oil flows into (8) 400 barrel coated steel tanks. Guided wave radar is used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a Coriolis meter into a truck or a pipeline. Every tank utilizes a guided wave radar to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a custody transfer orifice meter (#67462051) that serves as our lease production meter. If the pipeline is experiencing problems and cannot take any gas, the gas will flow through the high pressure flare meter (#67462056) to the flare. If an individual well needed to be flared for any operation reason it will be manually routed through the individual well flare meter (#67462057) to the flare. The overhead gas from the vapor recovery tower is compressed by a vapor recovery compressor and then measured by a custody transfer orifice meter (#67462086). The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.

*Meter numbers will be provided upon installation of meters and completion of the facility.

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

HOBBS OCD

JAN 21 2020

AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------|---------------------------------------|---|
| 30-025-44464 | Pool Code 98135 59400 | Pool Name WC-025-G-09-S243310P-UPPER WOLFCAMP TRIPLE X; B S |
| Property Code 313956 | Property Name NEPTUNE 10 STATE COM | Well Number 102H |
| OGRID No. 7377 | Operator Name EOG RESOURCES, INC. | Elevation 3813' |

¹⁰Surface Location

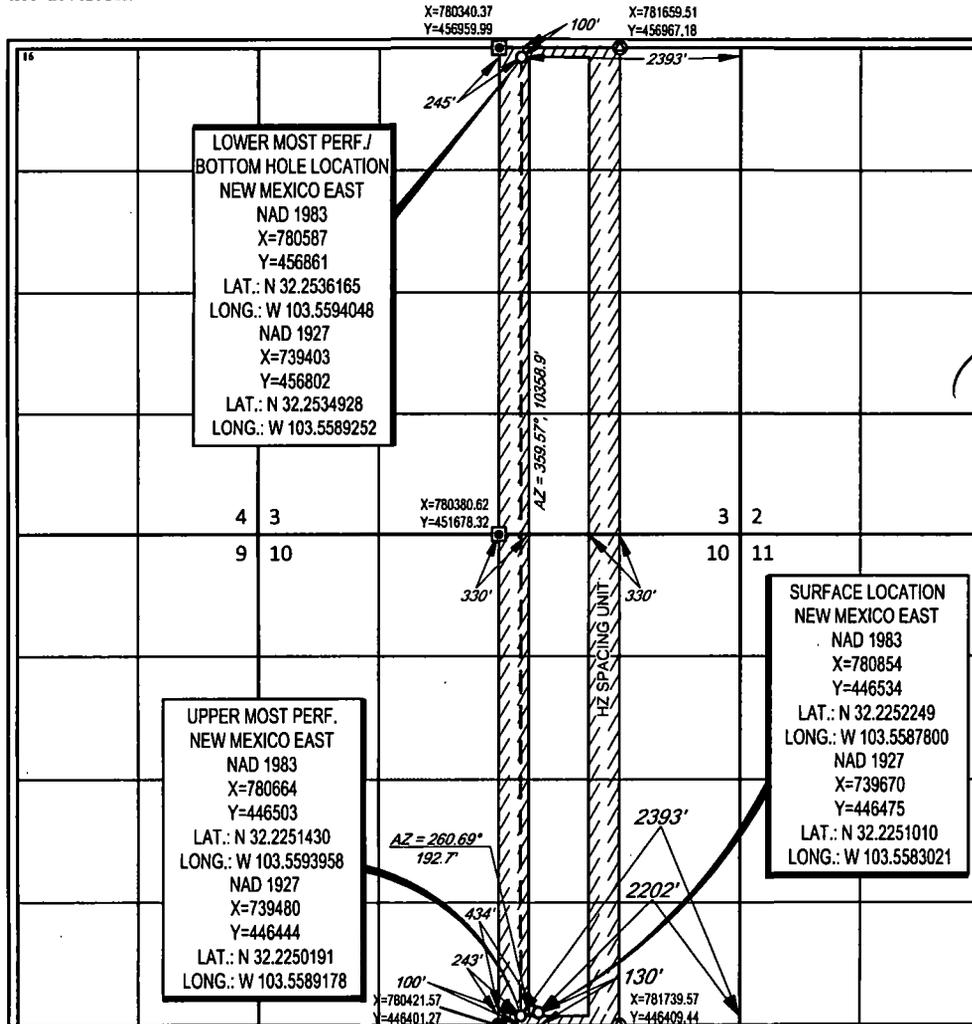
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 10 | 24-S | 33-E | - | 130' | SOUTH | 2202' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 2 | 3 | 24-S | 33-E | - | 100' | NORTH | 2393' | EAST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.08 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Emily Follis
Signature Date 1/16/2020

Emily Follis
Printed Name

emily_follis@eogresources.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

11/20/2019
Date of Survey Signature and Seal of Professional Surveyor



Certificate Number

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--------------------------------------|--|--|--|---|----------------------------------|
| ¹ API Number 30-025- | | ² Pool Code 59900 | | ³ Pool Name Triple X; Bone Spring | |
| ⁴ Property Code 313956 | | ⁵ Property Name NEPTUNE 10 STATE COM | | | ⁶ Well Number 203H |
| ⁷ OGRID No. 7377 | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3613' |

¹⁰Surface Location

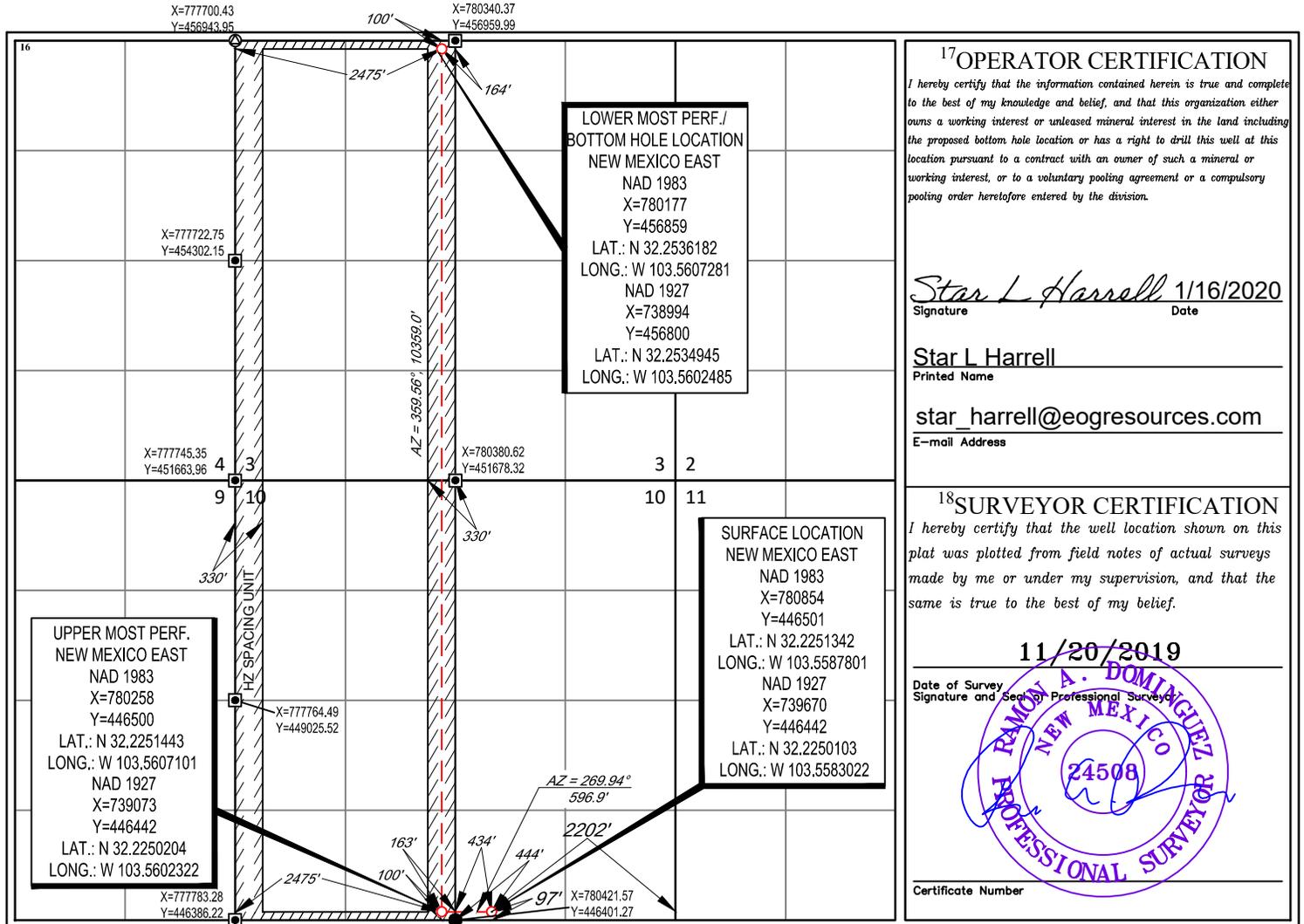
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 10 | 24-S | 33-E | - | 97' | SOUTH | 2202' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 3 | 24-S | 33-E | - | 100' | NORTH | 2475' | WEST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.23 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Star L Harrell 1/16/2020
Signature Date

Star L Harrell
Printed Name

star_harrell@eogresources.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

11/20/2019
Date of Survey

Ramon A. Dominguez
Signature and Seal of Professional Surveyor

24508
Professional Surveyor

Certificate Number

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--------------------------------------|--|--|--|---|----------------------------------|
| ¹ API Number 30-025- | | ² Pool Code 59900 | | ³ Pool Name Triple X; Bone Spring | |
| ⁴ Property Code 313956 | | ⁵ Property Name NEPTUNE 10 STATE COM | | | ⁶ Well Number 204H |
| ⁷ OGRID No. 7377 | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3607' |

¹⁰Surface Location

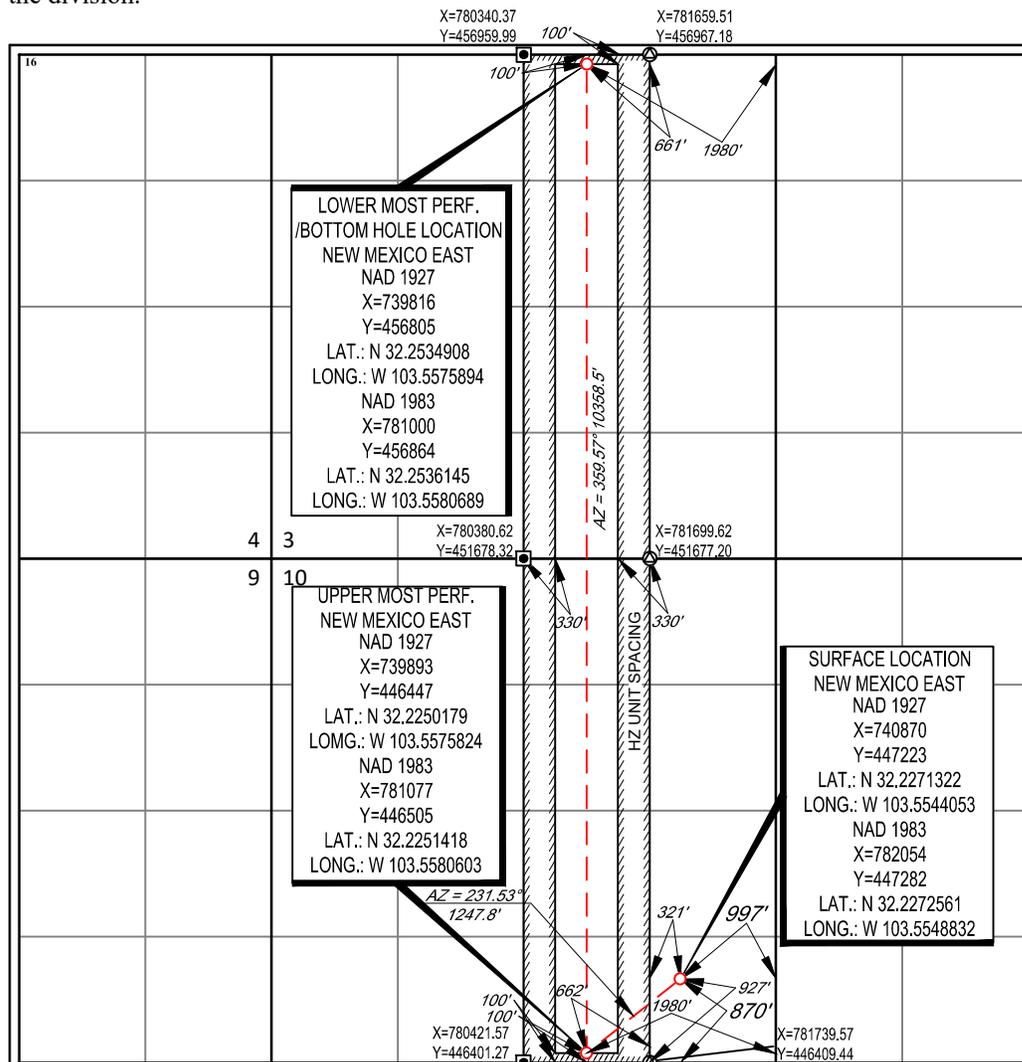
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 10 | 24-S | 33-E | - | 870' | SOUTH | 997' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 2 | 3 | 24-S | 33-E | - | 100' | NORTH | 1980' | EAST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.08 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Star L Harrell 11/16/2020
Signature Date

Star L Harrell
Printed Name

star_harrell@eogresources.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

11/20/2019
Date of Survey

RAMON A. DOMINGUEZ
Signature and Seal of Professional Surveyor

NEW MEXICO
24508
PROFESSIONAL SURVEYOR

Certificate Number

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State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|--|----------------------------------|
| ¹ API Number 30-025-44469 | | ² Pool Code 98135 | | ³ Pool Name WC-025 G-09 S243310P; UPPER WOLFCAMP | |
| ⁴ Property Code 313956 | | ⁵ Property Name NEPTUNE 10 STATE COM | | | ⁶ Well Number 206H |
| ⁷ OGRID No. 7377 | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3606' |

¹⁰Surface Location

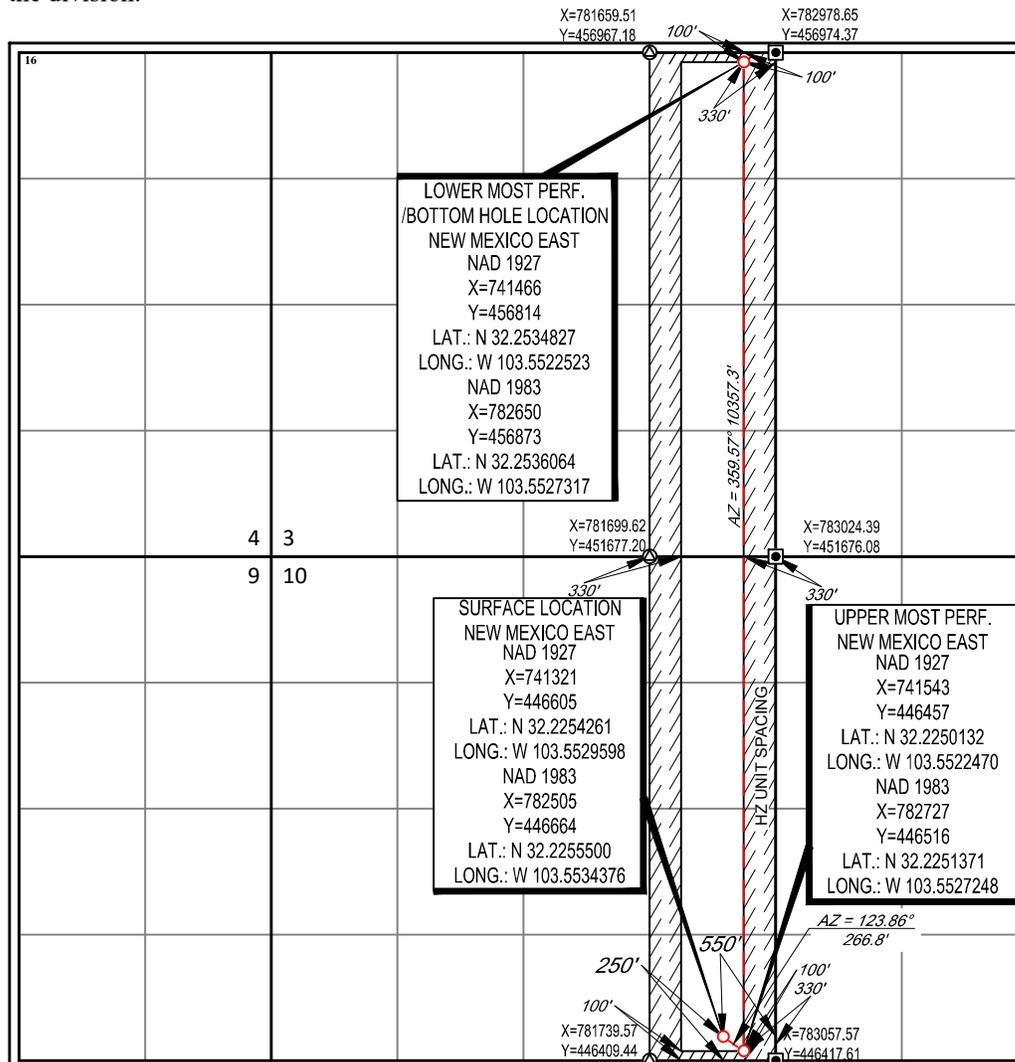
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 10 | 24-S | 33-E | - | 250' | SOUTH | 550' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 1 | 3 | 24-S | 33-E | - | 100' | NORTH | 330' | EAST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.05 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

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¹⁷OPERATOR CERTIFICATION

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Emily Follis 01/07/2020
Signature Date

Emily Follis
Printed Name
emily_follis@eogresources.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

11/20/2019

Date of Survey
Signature and Seal of Professional Surveyor
RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR
Certificate Number

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State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--------------------------------------|--|--|--|---|----------------------------------|
| ¹ API Number 30-025- | | ² Pool Code 59900 | | ³ Pool Name Triple X; Bone Spring | |
| ⁴ Property Code 313956 | | ⁵ Property Name NEPTUNE 10 STATE COM | | | ⁶ Well Number 303H |
| ⁷ OGRID No. 7377 | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3608' |

¹⁰Surface Location

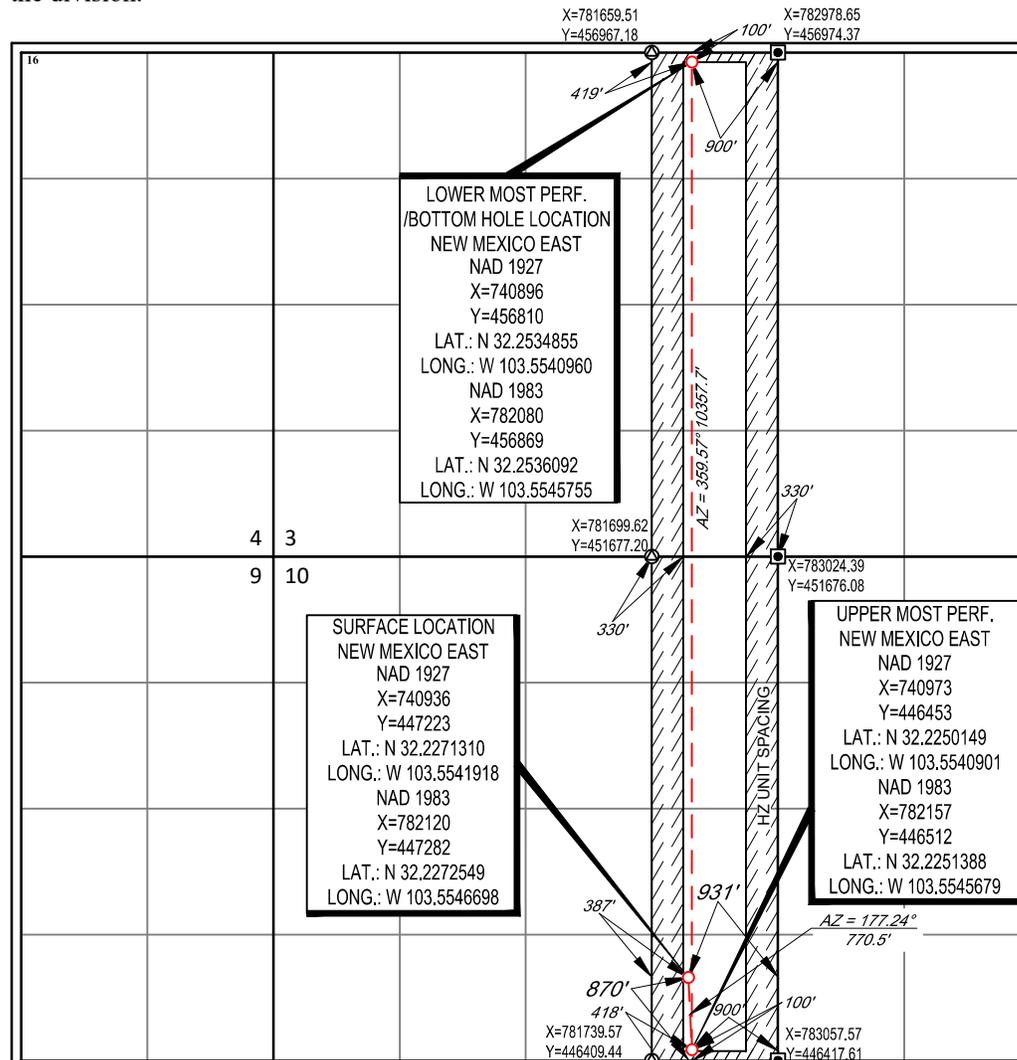
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 10 | 24-S | 33-E | - | 870' | SOUTH | 931' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 1 | 3 | 24-S | 33-E | - | 100' | NORTH | 900' | EAST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.05 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

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¹⁷OPERATOR CERTIFICATION
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Star L Harrell 1/16/2020
Signature Date

Star L Harrell
Printed Name

star.harrell@eogresources.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

11/20/2019
Date of Survey

RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR

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State of New Mexico
Energy, Minerals & Natural Resources
Department **HOBBS OCD**
OIL CONSERVATION DIVISION
1220 South St. Francis Dr. JAN 21 2020
Sante Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|--|----------------------------------|
| ¹ API Number 30-025-44467 | | ² Pool Code 98135 | | ³ Pool Name WC-025 G-09 S243310P; UPPER WOLFCAMP | |
| ⁴ Property Code 313956 | | ⁵ Property Name NEPTUNE 10 STATE COM | | | ⁶ Well Number 401H |
| ⁷ OGRID No. 7377 | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3613' |

¹⁰Surface Location

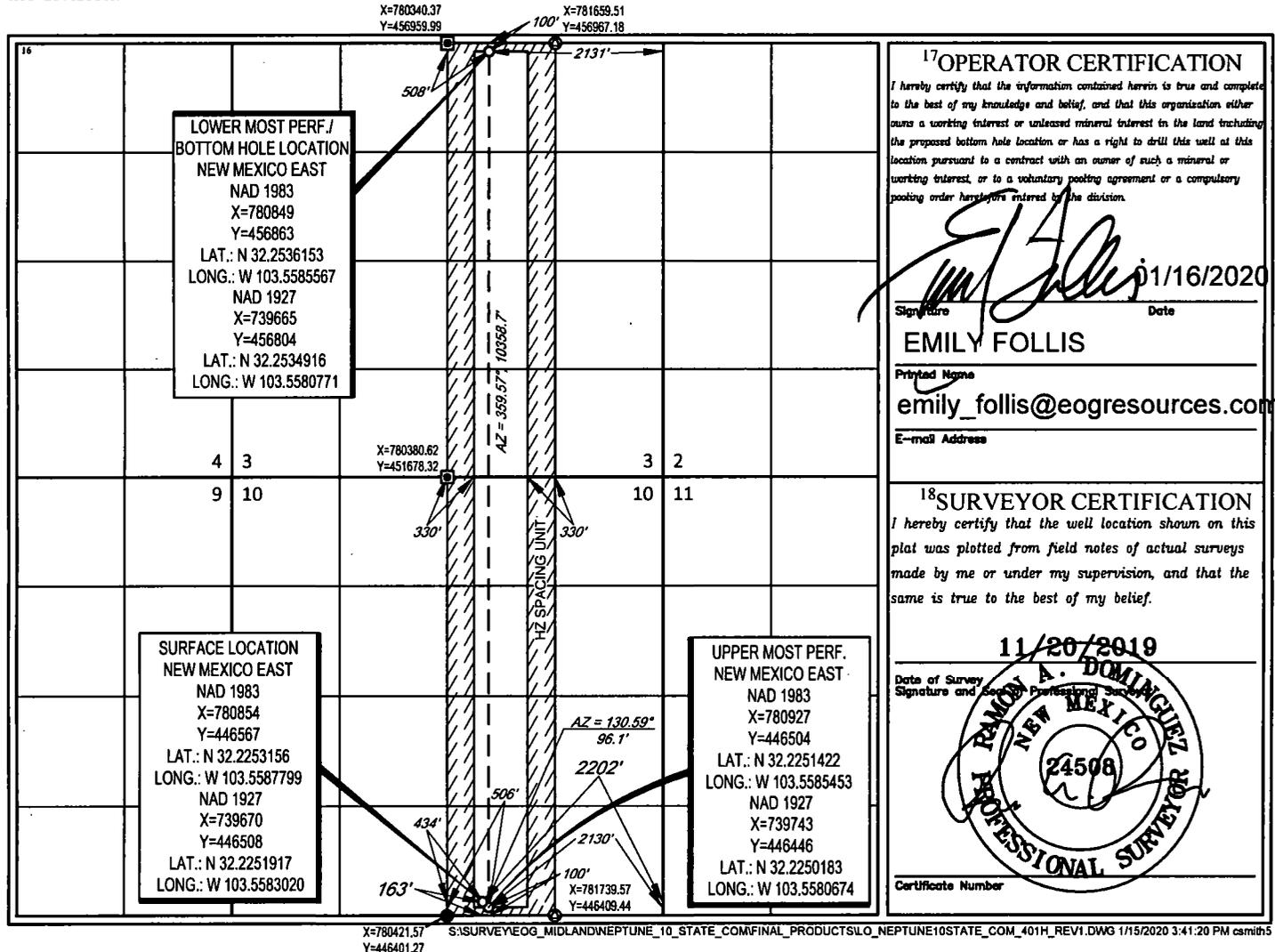
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 10 | 24-S | 33-E | - | 163' | SOUTH | 2202' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 2 | 3 | 24-S | 33-E | - | 100' | NORTH | 2131' | EAST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.08 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

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**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

| | |
|---------------------------------|--|
| KNOW ALL MEN BY THESE PRESENTS: | Well Name: <u>Neptune 10 State Com #101H</u> |
| | API #: 30-025-44468 |
| STATE OF NEW MEXICO) | <u>Neptune 10 State Com #205H</u> |
| SS) | API #: 30-025-46735 |
| COUNTY OF LEA) | <u>Neptune 10 State Com #206H</u> |
| | API #: 30-025-44469 |
| | <u>Neptune 10 State Com #303H</u> |
| | API #: 30-025-46736 |

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 13, 2020**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Township 24 South, Range 33 East, NMPM,
Section 3: E/2 E/2
Section 10: E/2 E/2
Lea County, New Mexico

Containing **320.08** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **EOG Resources, Inc.** shall be the Operator of said communitized area and all matters of operation shall be determined and performed by **EOG Resources, Inc.**.
5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR/LESSEE OF RECORD:

EOG Resources, Inc.

BY: _____

NAME: Wendy Dalton

TITLE: Agent & Attorney-In-Fact

LESSEE OF RECORD:

Devon Energy Production Company, L.P.

BY: _____

NAME: _____

TITLE: _____

ACKNOWLEDGEMENTS

State of Texas)

County of Midland)

This instrument was acknowledged before me on the _____ day of _____ 2020 by Wendy Dalton as Agent and Attorney-In-Fact on behalf of EOG Resources, Inc., a Delaware corporation on behalf of said corporation.

Notary Public, State of Texas
My commission expires:

State of _____)

County of _____)

This instrument was acknowledged before me on the _____ day of _____ 2020 by _____, as _____ for Devon Energy Production Company, L.P.

Notary Public, State of Texas
My commission expires:

EXHIBIT A

Attached to and made a part of that Communitization Agreement entered into February 13, 2020, EOG Resources, Inc. as Operator/Lessee of Record and Devon Energy Production Company, L.P. as Lessee of Record covering the E/2 E/2 Section 3 and the E/2 E/2 Section 10, Township 24 South, Range 33 East NMPM, Lea County, New Mexico

OPERATOR of Communitized Area: **EOG Resources, Inc.**

DESCRIPTION OF LEASES COMMITTED:TRACT NO. 1

Lessor: State of New Mexico acting by and through its
Commissioner of Public Lands

Original Lessee of Record: Santa Fe Energy Operating Partners, L.P.

Lessee(s) of Record: EOG Resources, Inc. & Devon Energy Production, L.P.

Serial No. of Lease: VA-730-1

Date of Lease: November 1, 1992

Lands Committed: INSO FAR AND ONLY INSO FAR as said lease covers:
Township 24 South, Range 33 East, NMPM,
Section 10: E/2 SE/4
Lea County, New Mexico

No. of Acres: 80.00 acres

Royalty Rate: 0.125000000

TRACT NO. 2

Lessor: State of New Mexico acting by and through its
Commissioner of Public Lands

Original Lessee of Record: Daniel E. Gonzales

Lessee(s) of Record: EOG Resources, Inc. & Devon Energy Production, L.P.

Serial No. of Lease: V0-5289-2

Date of Lease: April 1, 1998

Lands Committed: INSO FAR AND ONLY INSO FAR as said lease covers:
Township 24 South, Range 33 East, NMPM,
Section 3: Lot 1, SE/4 NE/4 and the E/2 SE/4 of,
Lea County, New Mexico

No. of Acres: 160.05 acres

Royalty Rate: 0.166666667

TRACT NO. 3

Lessor: State of New Mexico acting by and through its
Commissioner of Public Lands

Original Lessee of Record: Eloy F. Sanchez

Lessee(s) of Record: EOG Resources, Inc. & Devon Energy Production, L.P.

Serial No. of Lease: V0-4397-2

Date of Lease: July 1, 1994

Lands Committed: INSOFAR AND ONLY INSOFAR as said lease covers:
Township 24 South, Range 33 East, NMPM,
Section 10: E/2 NE/4
Lea County, New Mexico

No. of Acres: 80.00 acres

Royalty Rate: 0.166666667

RECAPITULATION

| Tract Number | Number of Acres Committed | Percentage of Interest in Communitized Area |
|--------------|---------------------------|---|
| 1 | 80.00 | 24.996094% |
| 2 | 160.08 | 50.007811% |
| 3 | 320.00 | 24.996094% |
| Total | 640.23 | 100.00% |

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

| | |
|---------------------------------|---|
| KNOW ALL MEN BY THESE PRESENTS: | Well Name: <u>Neptune 10 State Com #102H,</u> |
| | API #: 30-025-44464 |
| STATE OF NEW MEXICO) | <u>Neptune 10 State Com #204H,</u> |
| SS) | API #: 30-025-46734 |
| COUNTY OF LEA) | <u>Neptune 10 State Com #401H,</u> |
| | API #: 30-025-44467 |

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 13, 2020**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Township 24 South, Range 33 East, NMPM,
Section 3: W/2 E/2
Section 10: W/2 E/2
Lea County, New Mexico

Containing **320.08** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **EOG Resources, Inc.** shall be the Operator of said communitized area and all matters of operation shall be determined and performed by **EOG Resources, Inc.**.
5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR/LESSEE OF RECORD:

EOG Resources, Inc.

BY: _____

NAME: Wendy Dalton

TITLE: Agent & Attorney-In-Fact

LESSEE OF RECORD:

Devon Energy Production Company, L.P.

BY: _____

NAME: _____

TITLE: _____

ACKNOWLEDGEMENTS

State of Texas)

County of Midland)

This instrument was acknowledged before me on the _____ day of _____ 2020 by Wendy Dalton as Agent and Attorney-In-Fact on behalf of EOG Resources, Inc., a Delaware corporation on behalf of said corporation.

Notary Public, State of Texas
My commission expires:

State of _____)

County of _____)

This instrument was acknowledged before me on the _____ day of _____ 2020 by _____, as _____ for Devon Energy Production Company, L.P.

Notary Public, State of Texas
My commission expires:

EXHIBIT A

Attached to and made a part of that Communitization Agreement entered into February 13, 2020, EOG Resources, Inc. as Operator/Lessee of Record and Devon Energy Production Company, L.P. as Lessee of Record covering the W/2 E/2 Section 3 and the W/2 E/2 Section 10, Township 24 South, Range 33 East NMPM, Lea County, New Mexico

OPERATOR of Communitized Area: **EOG Resources, Inc.**

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lessor: State of New Mexico acting by and through its
Commissioner of Public Lands

Original Lessee of Record: Santa Fe Energy Operating Partners, L.P.

Lessee(s) of Record: EOG Resources, Inc. & Devon Energy Production, L.P.

Serial No. of Lease: VA-730-1

Date of Lease: November 1, 1992

Lands Committed: INSO FAR AND ONLY INSO FAR as said lease covers:
Township 24 South, Range 33 East, NMPM,
Section 10: W/2 SE/4
Lea County, New Mexico

No. of Acres: 80.00 acres

Royalty Rate: 0.125000000

TRACT NO. 2

Lessor: State of New Mexico acting by and through its
Commissioner of Public Lands

Original Lessee of Record: Daniel E. Gonzales

Lessee(s) of Record: EOG Resources, Inc. & Devon Energy Production, L.P.

Serial No. of Lease: V0-5289-2

Date of Lease: April 1, 1998

Lands Committed: INSO FAR AND ONLY INSO FAR as said lease covers:
Township 24 South, Range 33 East, NMPM,
Section 3: Lot 2, SW/4 NE/4 and the W/2 SE/4 of,
Lea County, New Mexico

No. of Acres: 160.08 acres

Royalty Rate: 0.166666667

TRACT NO. 3

Lessor: State of New Mexico acting by and through its
Commissioner of Public Lands

Original Lessee of Record: Eloy F. Sanchez

Lessee(s) of Record: EOG Resources, Inc. & Devon Energy Production, L.P.

Serial No. of Lease: V0-4397-2

Date of Lease: July 1, 1994

Lands Committed: INSOFAR AND ONLY INSOFAR as said lease covers:
Township 24 South, Range 33 East, NMPM,
Section 10: W/2 NE/4
Lea County, New Mexico

No. of Acres: 80.00 acres

Royalty Rate: 0.166666667

RECAPITULATION

| Tract Number | Number of Acres Committed | Percentage of Interest in Communitized Area |
|--------------|---------------------------|---|
| 1 | 80.00 | 24.993752% |
| 2 | 160.08 | 50.012497% |
| 3 | 320.00 | 24.993752% |
| Total | 640.23 | 100.00% |