

G72PI-200821-C-107B PLC-700

RECEIVED: 8/21/20	REVIEWER: DM	TYPE: PLC	APP NO: pDm2023431378
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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:** EOG Resources, Inc. **OGRID Number:** 7377  
**Well Name:** Gem 36 State Com 103H & others **API:** 30-025-46383  
**Pool:** Jennings; Upper Bone Spring Shale & others **Pool Code:** 97838

**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

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

- 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

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.

Lisa Trascher

Print or Type Name

9/17/2020  
Date

432-247-6331  
Phone Number

Lisa Trascher

Signature

lisa\_trascher@eogresources.com  
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.
30-025-46383
5. Indicate Type of Lease
STATE [X] FEE [ ]
6. State Oil & Gas Lease No.
VO-8648, VO-8649
7. Lease Name or Unit Agreement Name
Gem 36 State Com
8. Well Number 103H
9. OGRID Number
7377
10. Pool name or Wildcat
Jennings; Upper Bone Spring Shale [97838]

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 C : 248 feet from the North line and 1949 feet from the West line
Section 36 Township 25S Range 32E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3217'

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 PC 1312 to include the following wells:

Table with 3 columns: Well Name, API Number, and Location. Includes wells like Gem 36 State Com 103H, Jennings; Upper Bone Spring Shale [97838], etc.

Please see attached supporting documentation. These wells have uniform ownership. State Land Office has 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\_8/13/2020

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

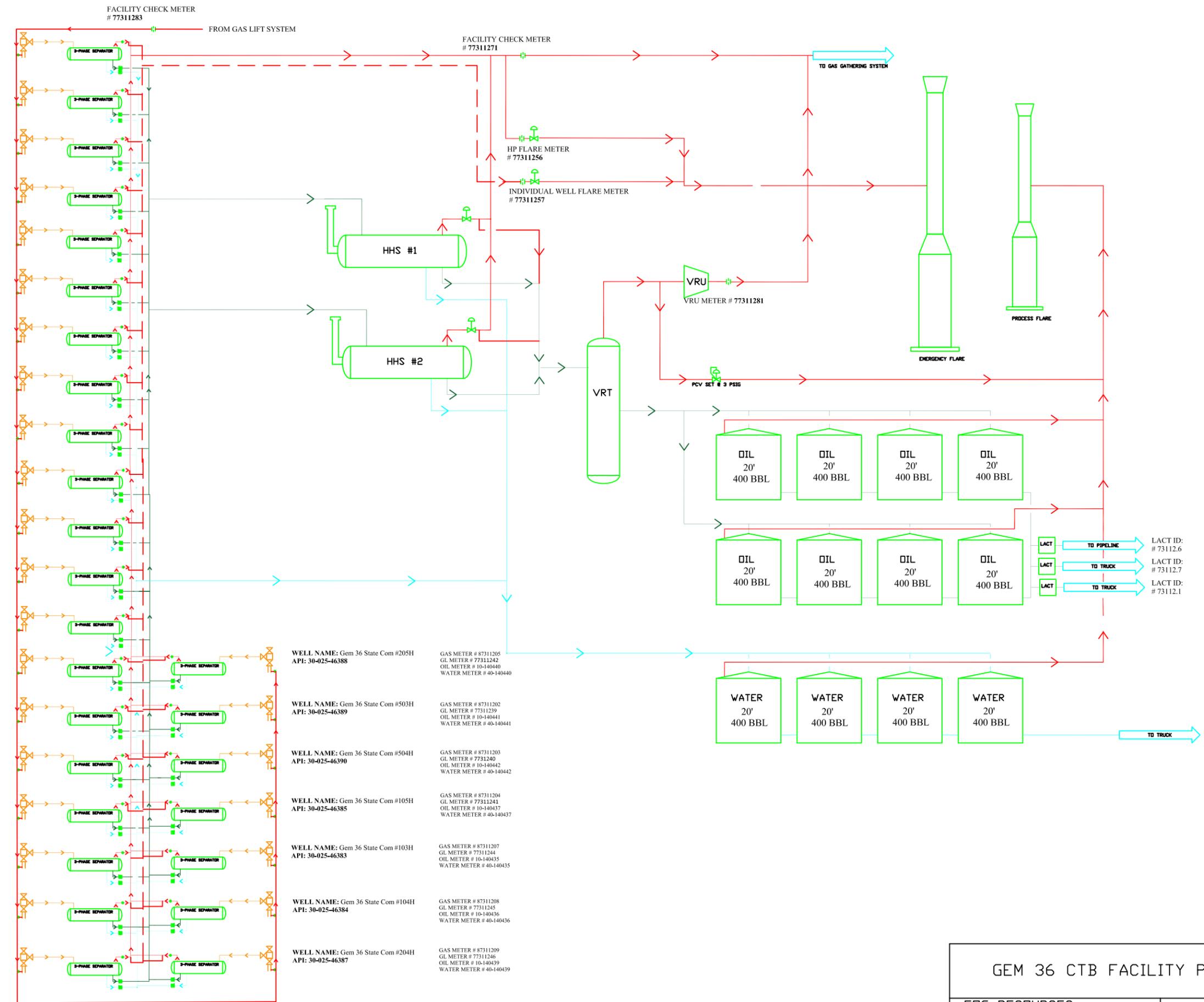
For State Use Only

APPROVED BY: TITLE DATE
Conditions of Approval (if any):

# FACILITY NAME: GEM 36 CTB

FACILITY CHECK METER # 77311283

- WELL NAME: Gem 36 State Com #701H  
API: 30-025-42780  
GAS METER # 77311201  
GL METER # 77311221  
OIL METER # 10-73087  
WATER METER # 40-73087
- WELL NAME: Gem 36 State Com #702Y  
API: 30-025-42948  
GAS METER # 77311202  
GL METER # 77311222  
OIL METER # 10-73222  
WATER METER # 40-73222
- WELL NAME: Gem 36 State Com #703H  
API: 30-025-43782  
GAS METER # 77311203  
GL METER # 77311223  
OIL METER # 10-73089  
WATER METER 1 # 40-73089  
WATER METER 2 # 42-73089
- WELL NAME: Gem 36 State Com #704H  
API: 30-025-43783  
GAS METER # 77311204  
GL METER # 77311224  
OIL METER # 10-73090  
WATER METER # 40-73090  
WATER METER 2 # 42-73090
- WELL NAME: Gem 36 State Com #005H  
API: 30-025-44263  
GAS METER # 77311205  
GL METER # 77311225  
OIL METER # 10-74041  
WATER METER 1 # 40-74041  
WATER METER 2 # 42-74041
- WELL NAME: Gem 36 State Com #006H  
API: 30-025-44264  
GAS METER # 77311206  
GL METER # 77311226  
OIL METER # 10-74042  
WATER METER 1 # 40-74042  
WATER METER 2 # 42-74042
- WELL NAME: Gem 36 State Com #707H  
API: 30-025-44265  
GAS METER # 77311210  
GL METER # 77311230  
OIL METER # 10-74639  
WATER METER 1 # 40-74639  
WATER METER 2 # 42-74639
- WELL NAME: Gem 36 State Com #708H  
API: 30-025-44266  
GAS METER # 77311211  
GL METER # 77311231  
OIL METER # 10-74640  
WATER METER 1 # 40-74640  
WATER METER 2 # 42-74640
- WELL NAME: Gem 36 State Com #709H  
API: 30-025-44267  
GAS METER # 77311212  
GL METER # 77311232  
OIL METER # 10-74641  
WATER METER 1 # 40-74641  
WATER METER 2 # 42-74641
- WELL NAME: Gem 36 State Com #705H  
API: 30-025-44440  
GAS METER # 77311208  
GL METER # 77311228  
OIL METER # 10-74864  
WATER METER 1 # 40-74864  
WATER METER 2 # 42-74864
- WELL NAME: Gem 36 State Com #706H  
API: 30-025-44441  
GAS METER # 77311209  
GL METER # 77311229  
OIL METER # 10-74865  
WATER METER 1 # 40-74865  
WATER METER 2 # 42-74865
- WELL NAME: Gem 36 State Com #601H  
API: 30-025-44567  
GAS METER # 77311207  
GL METER # 77311227  
OIL METER # 10-75074  
WATER METER 1 # 40-75074  
WATER METER 2 # 42-75074
- WELL NAME: Gem 36 State Com #721H  
API: 30-025-44568  
GAS METER # 77311213  
GL METER # 77311233  
OIL METER # 10-75075  
WATER METER 1 # 40-75075  
WATER METER 2 # 42-75075
- WELL NAME: Gem 36 State Com #102H  
API: 30-025-45526  
GAS METER # 77311214  
GL METER # 77311234  
OIL METER # 10-75421  
WATER METER 1 # 40-75421  
WATER METER 2 # 42-75421
- WELL NAME: Gem 36 State Com #201H  
API: 30-025-45527  
GAS METER # 77311215  
GL METER # 77311235  
OIL METER # 10-75422  
WATER METER 1 # 40-75422  
WATER METER 2 # 42-75422
- WELL NAME: Gem 36 State Com #202H  
API: 30-025-45528  
GAS METER # 77311216  
GL METER # 77311236  
OIL METER # 10-76542  
WATER METER 1 # 40-76542  
WATER METER 2 # 42-76542
- WELL NAME: Gem 36 State Com #506H  
API: 30-025-46392  
GAS METER # 87311206  
GL METER # 77311243  
OIL METER # 10-14044  
WATER METER # 40-14044
- WELL NAME: Gem 36 State Com #501H  
API: 30-025-45529  
GAS METER # 77311217  
GL METER # 77311237  
OIL METER # 10-75425  
WATER METER 1 # 40-75425  
WATER METER 2 # 42-75425
- WELL NAME: Gem 36 State Com #502H  
API: 30-025-45524  
GAS METER # 77311218  
GL METER # 77311238  
OIL METER # 10-75424  
WATER METER 1 # 40-75424  
WATER METER 2 # 42-75424
- WELL NAME: Gem 36 State Com #505H  
API: 30-025-46391  
GAS METER # 87311210  
GL METER # 77311247  
OIL METER # 10-14043  
WATER METER # 40-14043



- WELL NAME: Gem 36 State Com #205H  
API: 30-025-46388  
GAS METER # 87311205  
GL METER # 77311242  
OIL METER # 10-14040  
WATER METER # 40-14040
- WELL NAME: Gem 36 State Com #503H  
API: 30-025-46389  
GAS METER # 87311202  
GL METER # 77311239  
OIL METER # 10-14041  
WATER METER # 40-14041
- WELL NAME: Gem 36 State Com #504H  
API: 30-025-46390  
GAS METER # 87311203  
GL METER # 7731240  
OIL METER # 10-14042  
WATER METER # 40-14042
- WELL NAME: Gem 36 State Com #105H  
API: 30-025-46385  
GAS METER # 87311204  
GL METER # 77311241  
OIL METER # 10-14043  
WATER METER # 40-14043
- WELL NAME: Gem 36 State Com #103H  
API: 30-025-46383  
GAS METER # 87311207  
GL METER # 77311244  
OIL METER # 10-14045  
WATER METER # 40-14045
- WELL NAME: Gem 36 State Com #104H  
API: 30-025-46384  
GAS METER # 87311208  
GL METER # 77311245  
OIL METER # 10-14046  
WATER METER # 40-14046
- WELL NAME: Gem 36 State Com #204H  
API: 30-025-46387  
GAS METER # 87311209  
GL METER # 77311246  
OIL METER # 10-14049  
WATER METER # 40-14049

**GEM 36 CTB FACILITY PROCESS FLOW**

EDG RESOURCES MIDLAND DIVISION	BY: SDG	rev. 010 8/12/2020
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**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 low pressure flare meter.

Gem 36 State Com #701H gas allocation meter (S/N 77311201)  
Gem 36 State Com #702Y gas allocation meter (S/N 77311202)  
Gem 36 State Com #703H gas allocation meter (S/N 77311203)  
Gem 36 State Com #704H gas allocation meter (S/N 77311204)  
Gem 36 State Com #005H gas allocation meter (S/N 77311205)  
Gem 36 State Com #006H gas allocation meter (S/N 77311206)  
Gem 36 State Com #601H gas allocation meter (S/N 77311207)  
Gem 36 State Com #705H gas allocation meter (S/N 77311208)  
Gem 36 State Com #706H gas allocation meter (S/N 77311209)  
Gem 36 State Com #707H gas allocation meter (S/N 77311210)  
Gem 36 State Com #708H gas allocation meter (S/N 77311211)  
Gem 36 State Com #709H gas allocation meter (S/N 77311212)  
Gem 36 State Com #721H gas allocation meter (S/N 77311213)  
Gem 36 State Com #102H gas allocation meter (S/N 77311214)  
Gem 36 State Com #201H gas allocation meter (S/N 77311215)  
Gem 36 State Com #202H gas allocation meter (S/N 77311216)  
Gem 36 State Com #501H gas allocation meter (S/N 77311217)  
Gem 36 State Com #502H gas allocation meter (S/N 77311218)  
Gem 36 State Com #503H gas allocation meter (S/N 87311202)  
Gem 36 State Com #504H gas allocation meter (S/N 87311203)  
Gem 36 State Com #105H gas allocation meter (S/N 87311204)  
Gem 36 State Com #205H gas allocation meter (S/N 87311205)  
Gem 36 State Com #506H gas allocation meter (S/N 87311206)  
Gem 36 State Com #103H gas allocation meter (S/N 87311207)  
Gem 36 State Com #104H gas allocation meter (S/N 87311208)  
Gem 36 State Com #204H gas allocation meter (S/N 87311209)  
Gem 36 State Com #505H gas allocation meter (S/N 87311210)

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

Gem 36 State Com #701H oil allocation meter (S/N 10-73087)  
Gem 36 State Com #702Y oil allocation meter (S/N 10-73222)  
Gem 36 State Com #703H oil allocation meter (S/N 10-73089)  
Gem 36 State Com #704H oil allocation meter (S/N 10-73090)  
Gem 36 State Com #005H oil allocation meter (S/N 10-74041)  
Gem 36 State Com #006H oil allocation meter (S/N 10-74042)  
Gem 36 State Com #601H oil allocation meter (S/N 10-75074)

Gem 36 State Com #705H oil allocation meter (S/N 10-74864)  
Gem 36 State Com #706H oil allocation meter (S/N 10-74865)  
Gem 36 State Com #707H oil allocation meter (S/N 10-74639)  
Gem 36 State Com #708H oil allocation meter (S/N 10-74640)  
Gem 36 State Com #709H oil allocation meter (S/N 10-74641)  
Gem 36 State Com #721H oil allocation meter (S/N 10-75075)  
Gem 36 State Com #102H oil allocation meter (S/N 10-75421)  
Gem 36 State Com #201H oil allocation meter (S/N 10-75422)  
Gem 36 State Com #202H oil allocation meter (S/N 10-76542)  
Gem 36 State Com #501H oil allocation meter (S/N 10-75425)  
Gem 36 State Com #502H oil allocation meter (S/N 10-75424)  
Gem 36 State Com #503H oil allocation meter (S/N 10-140441)  
Gem 36 State Com #504H oil allocation meter (S/N 10-140442)  
Gem 36 State Com #105H oil allocation meter (S/N 10-140437)  
Gem 36 State Com #205H oil allocation meter (S/N 10-140440)  
Gem 36 State Com #506H oil allocation meter (S/N 10-140444)  
Gem 36 State Com #103H oil allocation meter (S/N 10-140435)  
Gem 36 State Com #104H oil allocation meter (S/N 10-140436)  
Gem 36 State Com #204H oil allocation meter (S/N 10-140439)  
Gem 36 State Com #505H oil allocation meter (S/N 10-140443)

The water will be measured using a vortex 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 meter (#77311271) 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 meter (#77311256) to flare. If an individual well needed to be flared for any operation reason it will be manually routed through the individual well flare meter (#77311257) 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 meter (#77311281). 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.



P.O. Box 2267, Midland, Texas 79702  
Phone: (432) 686-3640

Date: August 14, 2020

To: State of New Mexico Oil Conservation Division  
New Mexico State Land Office

Re: PC-1312 Commingling Amendment; Gem 36 State Com 103H, 104H, 105H,  
204H, 205H, 504H, 505H and 506H

To whom it may concern:

This letter serves to notice you that the ownership of the following wells is identical in working, royalty, overriding royalty interest and percentages as defined in 19.15.12.7 NMAC:

Well Name	Location	API #	Pool	Status
Gem 36 State Com 103H	C-36-25S-32E	30-025-46383	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 104H	C-36-25S-32E	30-025-46384	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 105H	D-36-25S-32E	30-025-46385	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 204H	C-36-25S-32E	30-025-46387	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 205H	D-36-25S-32E	30-025-46388	Jennings; Upper Bone Spring Shale [97838]	Permitted
Gem 36 State Com 504H	C-36-25S-32E	30-025-46390	WC-025 G-08 S253235G; LWR Bone Spring [97903]	Permitted
Gem 36 State Com 505H	C-36-25S-32E	30-025-46391	WC-025 G-08 S253235G; LWR Bone Spring [97903]	Permitted
Gem 36 State Com 506H	D-36-25S-32E	30-025-46392	WC-025 G-08 S253235G; LWR Bone Spring [97903]	Permitted

I certify that this information is true and correct to the best of my knowledge.

Sincerely,

**EOG Resources, Inc.**

By: Matthew Gray  
Matthew Gray  
Sr. Landman

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., Santa 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.  
Santa 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

<sup>1</sup> API Number 30-025- <b>46383</b>		<sup>2</sup> Pool Code 97838	<sup>3</sup> Pool Name Jennings; Upper Bone Spring Shale
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name GEM 36 STATE COM		<sup>6</sup> Well Number 103H
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.		<sup>9</sup> Elevation 3400'

<sup>10</sup>Surface Location

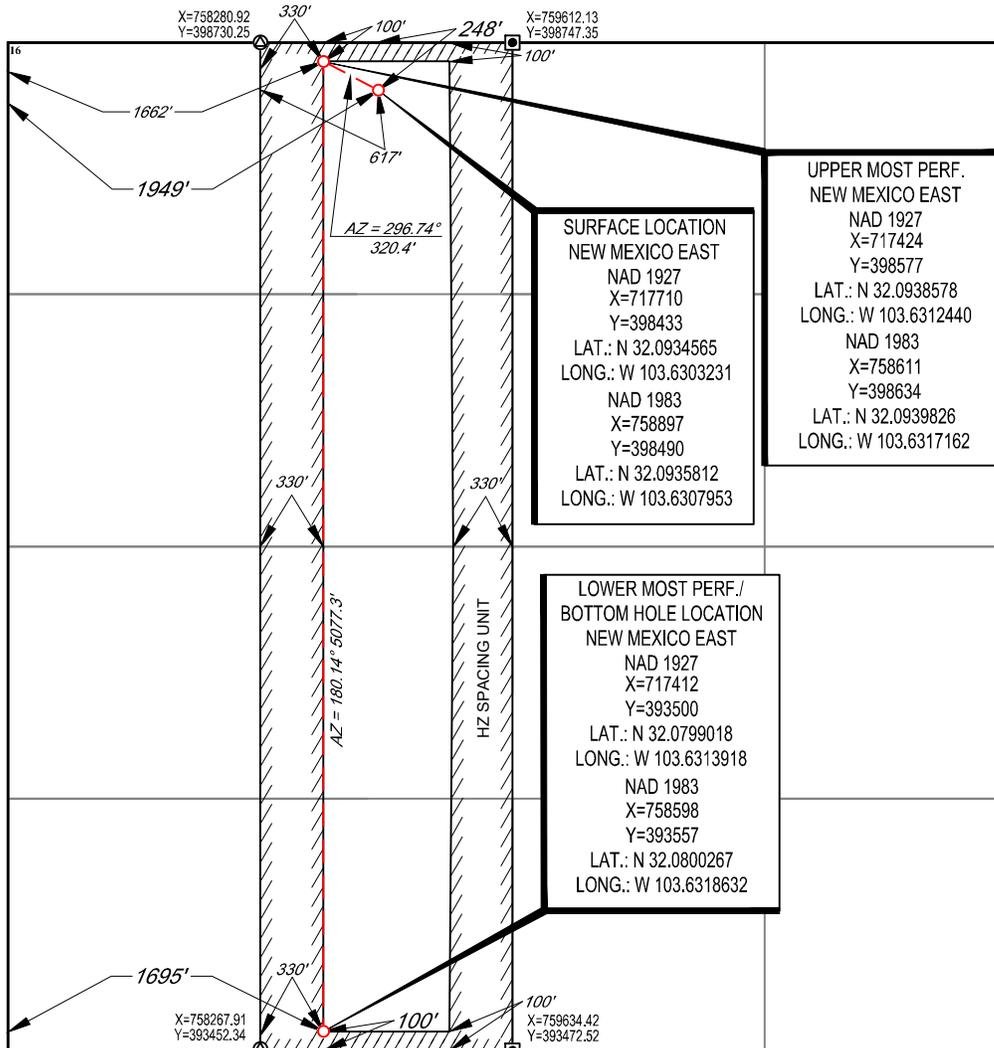
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	25-S	32-E	-	248'	NORTH	1949'	WEST	LEA

<sup>11</sup>Bottom 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
N	36	25-S	32-E	-	100'	SOUTH	1695'	WEST	LEA

<sup>12</sup> Dedicated Acres 160.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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* 9/19/19  
Signature Date

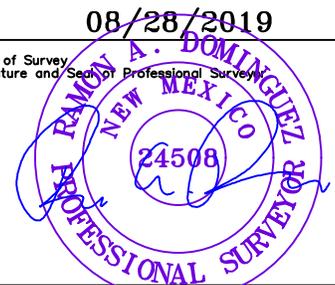
Star L Harrell  
Printed Name

star.harrell@eogresources.com  
E-mail Address

<sup>18</sup>SURVEYOR 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.

08/28/2019  
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., Santa 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.  
Santa 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

<sup>1</sup> API Number <b>30-025- 46384</b>		<sup>2</sup> Pool Code <b>97838</b>	<sup>3</sup> Pool Name <b>Jennings; Upper Bone Spring Shale</b>
<sup>4</sup> Property Code <b>313191</b>	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>		<sup>6</sup> Well Number <b>104H</b>
<sup>7</sup> OGRID No. <b>7377</b>	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>		<sup>9</sup> Elevation <b>3398'</b>

<sup>10</sup>Surface Location

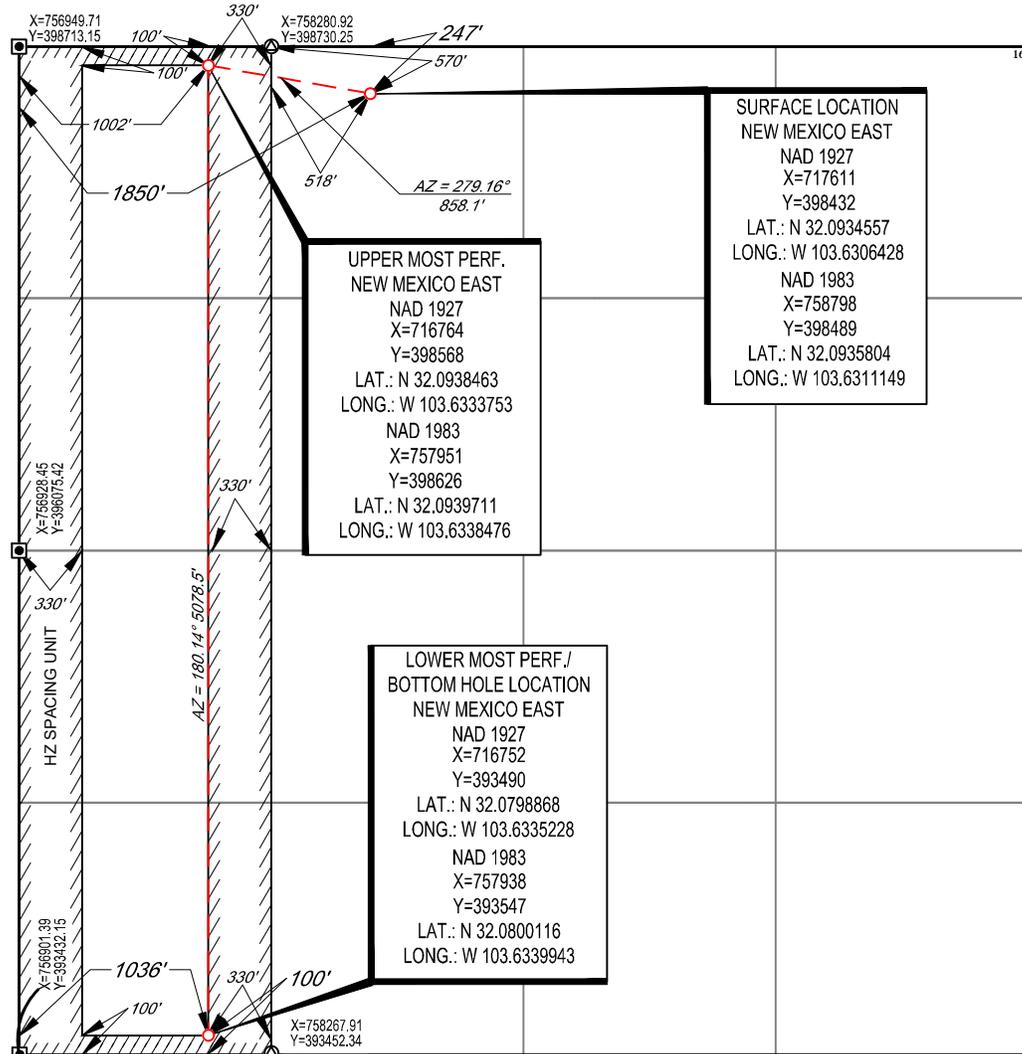
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>247'</b>	<b>NORTH</b>	<b>1850'</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup>Bottom 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
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>1036'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--	-------------------------------	----------------------------------	-------------------------

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<sup>17</sup>OPERATOR 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* 9/19/19  
Signature Date

Star L Harrell  
Printed Name

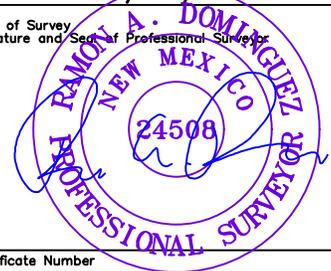
star\_harrell@egresources.com  
E-mail Address

<sup>18</sup>SURVEYOR 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.

08/28/2019

Date of Survey Signature and Seal of Professional Surveyor



Certificate Number

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811 S. First St., Artesia, NM 88210  
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District IV  
1220 S. St. Francis Dr., Santa 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.  
Santa 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

<sup>1</sup> API Number 30-025- <b>46385</b>		<sup>2</sup> Pool Code 97838	<sup>3</sup> Pool Name Jennings; Upper Bone Spring Shale
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name GEM 36 STATE COM		<sup>6</sup> Well Number 105H
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.		<sup>9</sup> Elevation 3390'

<sup>10</sup>Surface Location

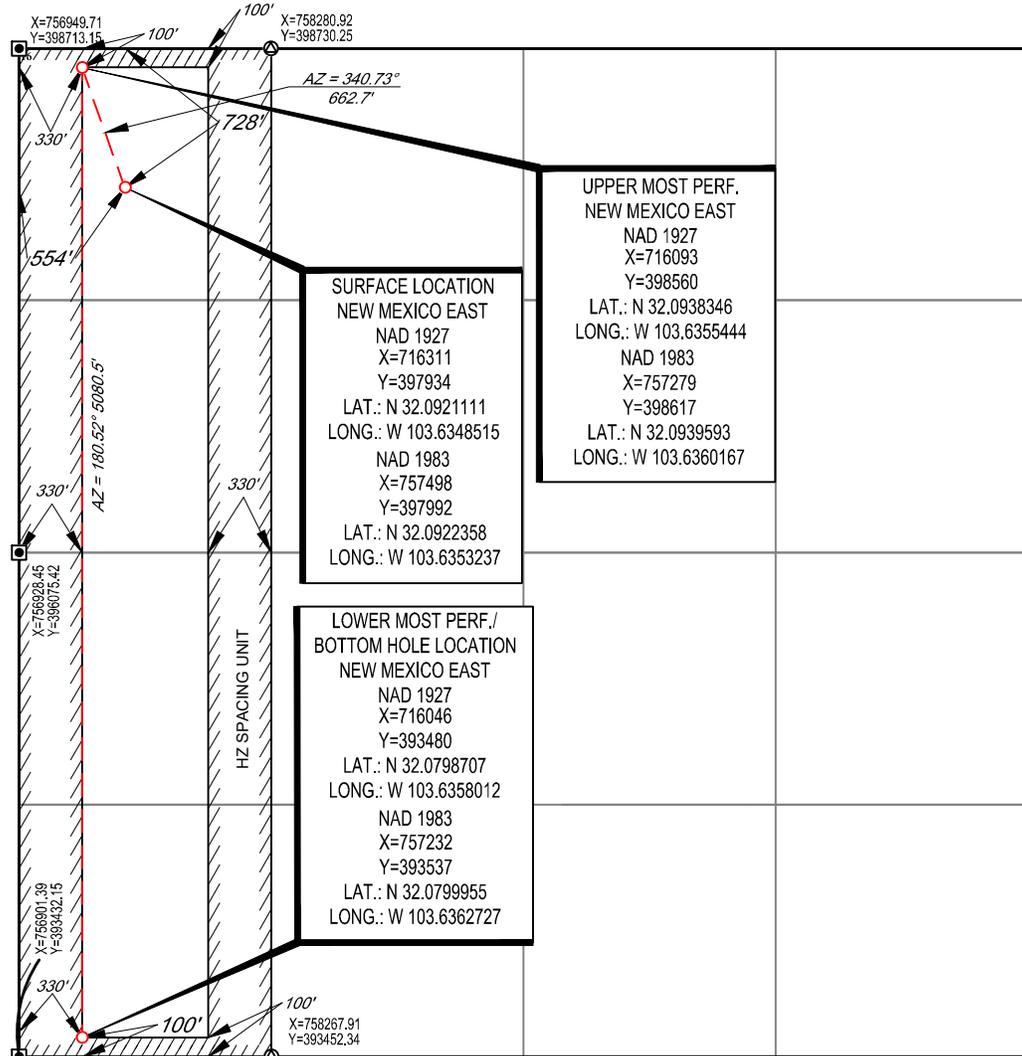
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	25-S	32-E	-	728'	NORTH	554'	WEST	LEA

<sup>11</sup>Bottom 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
M	36	25-S	32-E	-	100'	SOUTH	330'	WEST	LEA

<sup>12</sup> Dedicated Acres 160.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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*Star L Harrell* 9/20/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
E-mail Address

<sup>18</sup>SURVEYOR 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.

08/14/2019  
Date of Survey  
Signature and Seal of Professional Surveyor



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

FORM C-102

Revised August 1, 2011

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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025- <b>46388</b>		<sup>2</sup> Pool Code 97838	<sup>3</sup> Pool Name Jennings; Upper Bone Spring Shale
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name GEM 36 STATE COM		<sup>6</sup> Well Number 205H
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.		<sup>9</sup> Elevation 3389'

<sup>10</sup>Surface Location

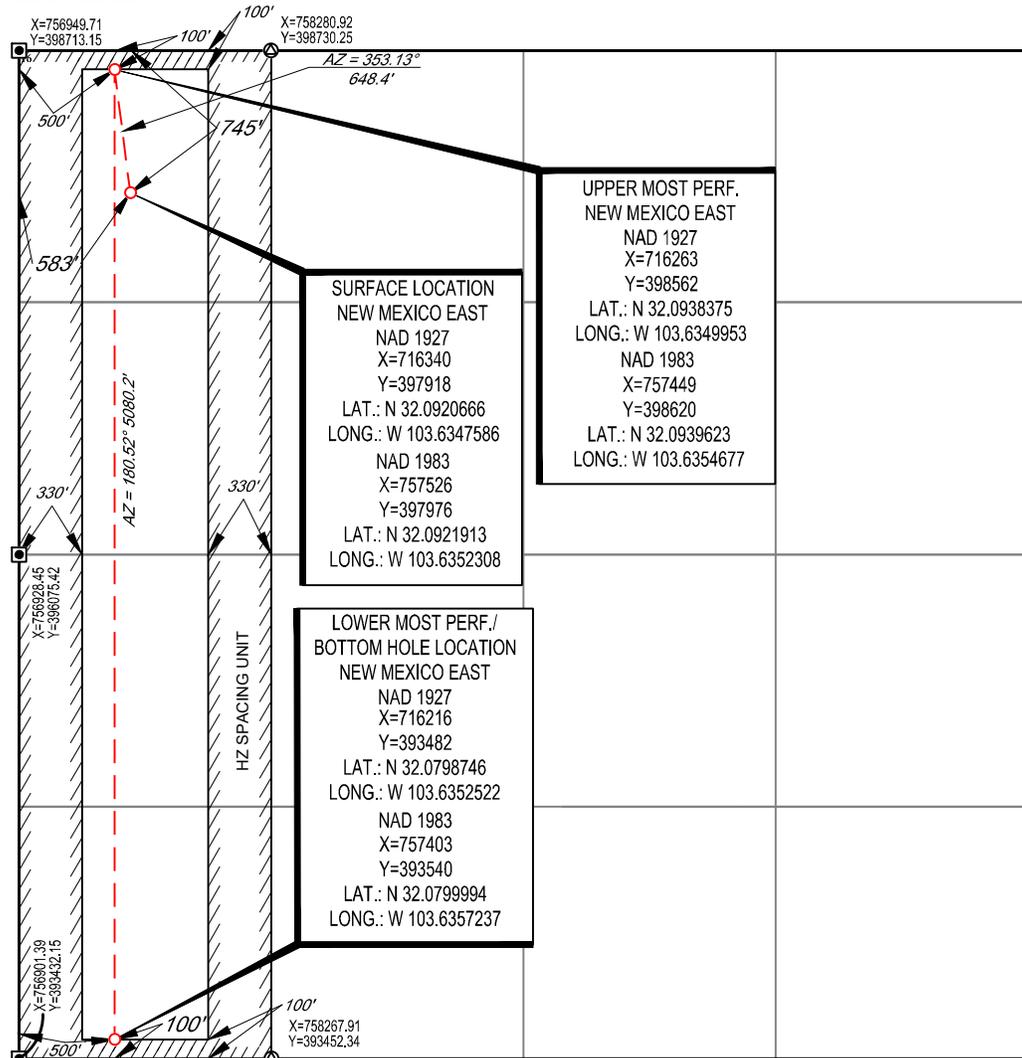
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	25-S	32-E	-	745'	NORTH	583'	WEST	LEA

<sup>11</sup>Bottom 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
M	36	25-S	32-E	-	100'	SOUTH	500'	WEST	LEA

<sup>12</sup> Dedicated Acres 160.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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*Star L Harrell* 9/20/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
E-mail Address

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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.

08/14/2019

Date of Survey  
Signature and Seal of Professional Surveyor



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

<sup>1</sup> API Number 30-025- <b>46388</b>		<sup>2</sup> Pool Code 97838	<sup>3</sup> Pool Name Jennings; Upper Bone Spring Shale
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name GEM 36 STATE COM		<sup>6</sup> Well Number 205H
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.		<sup>9</sup> Elevation 3389'

<sup>10</sup>Surface Location

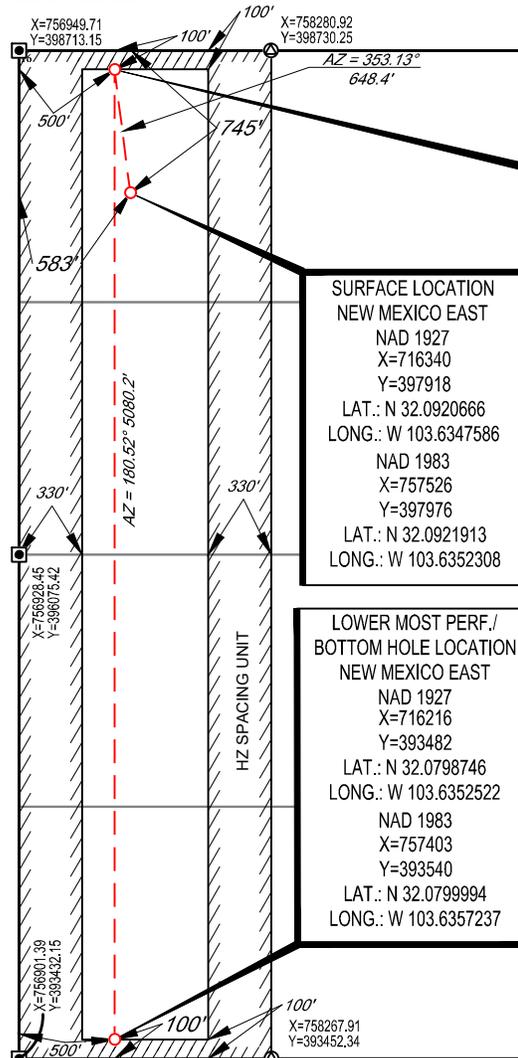
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	25-S	32-E	-	745'	NORTH	583'	WEST	LEA

<sup>11</sup>Bottom 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
M	36	25-S	32-E	-	100'	SOUTH	500'	WEST	LEA

<sup>12</sup> Dedicated Acres 160.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



UPPER MOST PERF. NEW MEXICO EAST NAD 1927 X=716263 Y=398562 LAT.: N 32.0938375 LONG.: W 103.6349953 NAD 1983 X=757449 Y=398620 LAT.: N 32.0939623 LONG.: W 103.6354677
SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=716340 Y=397918 LAT.: N 32.0920666 LONG.: W 103.6347586 NAD 1983 X=757526 Y=397976 LAT.: N 32.0921913 LONG.: W 103.6352308
LOWER MOST PERF./ BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=716216 Y=393482 LAT.: N 32.0798746 LONG.: W 103.6352522 NAD 1983 X=757403 Y=393540 LAT.: N 32.0799994 LONG.: W 103.6357237

**17 OPERATOR CERTIFICATION**  
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*Star L Harrell* 9/20/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
E-mail Address

**18 SURVEYOR 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.

08/14/2019  
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.  
Santa Fe, NM 87505

**HOBBS OCD**  
**RECEIVED**  
OCT 31 2019

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025- 46391</b>		<sup>2</sup> Pool Code <b>97903</b>		<sup>3</sup> Pool Name <b>WC-025 G-08 S253235G; Lower Bone Spring</b>	
<sup>4</sup> Property Code <b>313191</b>		<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>		<sup>6</sup> Well Number <b>505H</b>	
<sup>7</sup> OGRID No. <b>7377</b>		<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>		<sup>9</sup> Elevation <b>3399'</b>	

<sup>10</sup>Surface Location

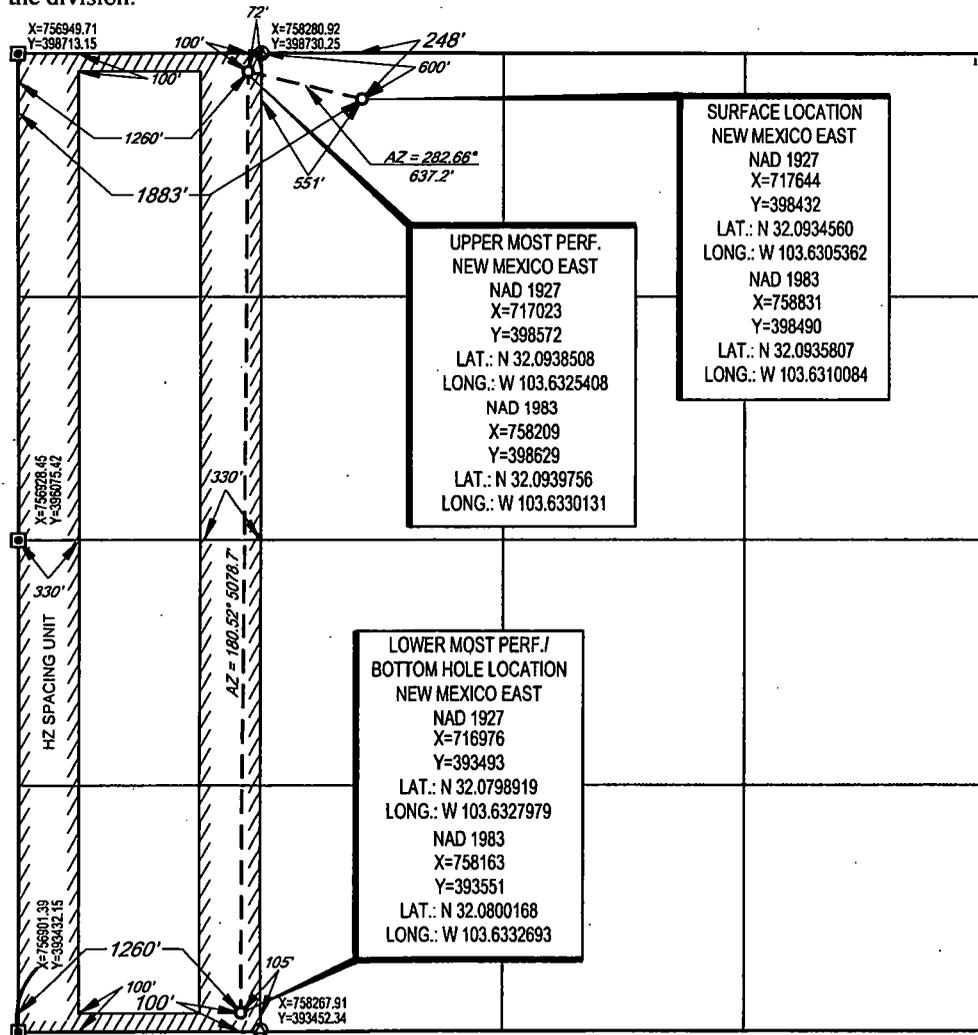
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>248'</b>	<b>NORTH</b>	<b>1883'</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup>Bottom 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
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>1260'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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*Star L Harrell* 9/20/19  
Signature Date

Star L Harrell  
Printed Name

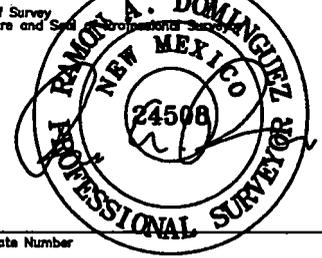
star\_harrell@eogresources.com  
E-mail Address

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08/28/2019

Date of Survey  
Signature and Seal of Professional Surveyor



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

<sup>1</sup> API Number <b>30-025- 46392</b>	<sup>2</sup> Pool Code <b>97903</b>	<sup>3</sup> Pool Name <b>WC-025 G-08 S253235G; Lower Bone Spring</b>
<sup>4</sup> Property Code <b>313191</b>	<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>	
<sup>7</sup> OGRID No. <b>7377</b>	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>6</sup> Well Number <b>506H</b>
		<sup>9</sup> Elevation <b>3389'</b>

<sup>10</sup>Surface Location

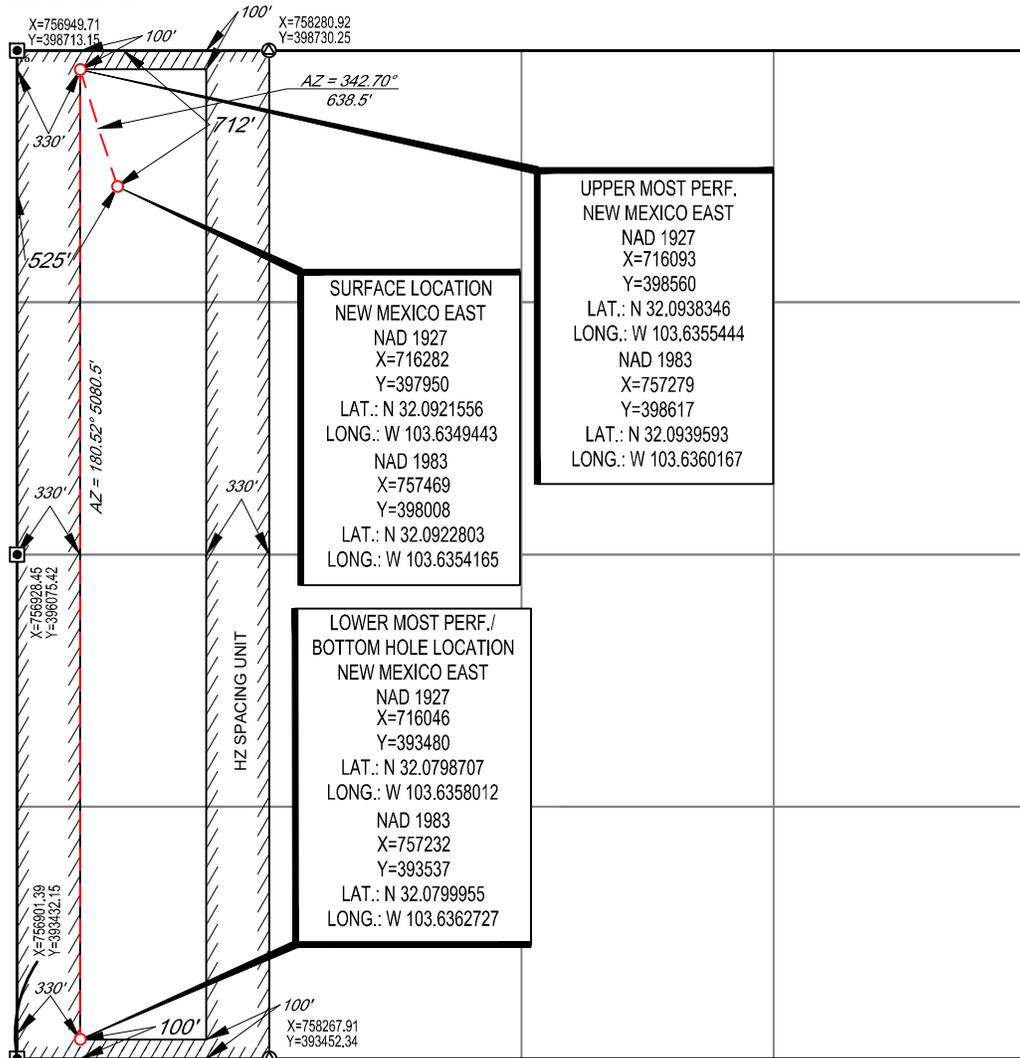
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>712'</b>	<b>NORTH</b>	<b>525'</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup>Bottom 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
<b>M</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>330'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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**SURFACE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=716282  
Y=397950  
LAT.: N 32.0921556  
LONG.: W 103.6349443  
NAD 1983  
X=757469  
Y=398008  
LAT.: N 32.0922803  
LONG.: W 103.6354165

**LOWER MOST PERF./  
BOTTOM HOLE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=716046  
Y=393480  
LAT.: N 32.0798707  
LONG.: W 103.6358012  
NAD 1983  
X=757232  
Y=393537  
LAT.: N 32.0799955  
LONG.: W 103.6362727

**UPPER MOST PERF.**  
NEW MEXICO EAST  
NAD 1927  
X=716093  
Y=398560  
LAT.: N 32.0938346  
LONG.: W 103.6355444  
NAD 1983  
X=757279  
Y=398617  
LAT.: N 32.0939593  
LONG.: W 103.6360167

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*Star L Harrell* 9/20/19  
Signature Date

**Star L Harrell**  
Printed Name

star\_harrell@eogresources.com  
E-mail Address

**<sup>18</sup>SURVEYOR 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.

08/14/2019  
Date of Survey

*Ramon A. Dominguez*  
Signature and Seal of Professional Surveyor

**RAMON A. DOMINGUEZ**  
NEW MEXICO  
24508  
PROFESSIONAL SURVEYOR

Certificate Number

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031192  
Book 2140 Page 283  
1 of 8  
10/04/2018 10:59 AM  
BY WAYNE COLE

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**EOG Resources Inc  
Gem 36 State Com Well #5H  
Vertical Extent: Bone Spring  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : W2E2  
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 1, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **14<sup>th</sup> Day of May, 2018**.



**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031192  
Book 2140 Page 283  
2 of 8  
10/04/2018 10:59 AM  
BY WAYNE COLE

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

**STATE/STATE OR  
STATE/FEE**  
Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #05H  
API #: 30-025-44263

STATE OF NEW MEXICO )  
COUNTY OF LEA            SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 1, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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 NMOCDD, 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.

2018 MAY 10 AM 10:01

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031192  
Book 2140 Page 283  
3 of 8  
10/04/2018 10:59 AM  
BY WAYNE COLE

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 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2E/2**

**Lea County, New Mexico**

Containing **160.00** 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, 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.

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KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the 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

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BY WAYNE COLE

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.

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BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

**EOG Resources, Inc.**

Wendy Dalton  
By: Wendy Dalton *WD*  
Its: Agent and Attorney-in-Fact

**LESSEE OF RECORD (LEASE #: V0-8648):**

**EOG Y Resources, Inc.**

Wendy Dalton  
By: Wendy Dalton *WD*  
Its: Agent and Attorney-in-Fact

**ACKNOWLEDGEMENTS**

STATE OF TEXAS           §  
  § ss.  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

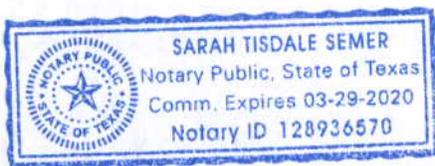


March 29, 2020  
My Commission Expires  
Sarah Tisdale Semer  
Notary Public in and for the State of Texas

2018 MAY 10 AM 10:01

STATE OF TEXAS           §  
  § ss.  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.



March 29, 2020  
My Commission Expires  
Sarah Tisdale Semer  
Notary Public in and for the State of Texas

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **February 1, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the W/2E/2 of Section 36-T25S-R32E, N.M.P.M., 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  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 NE/4  
Lea County, New Mexico  
No. of Acres: 80.00

**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 SE/4  
Eddy County, New Mexico  
No. of Acres: 80.00

2018 MAY 10 AM 10:01

**RECORDER'S MEMORANDUM**

At the time of recording, this instrument was found to be partially illegible. All blackouts, creases, streaks and white-outs were present at recording.

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BY WAYNE COLE

**RECAPITULATION**

<b>Tract Number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	160.00	100.00000000%

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**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

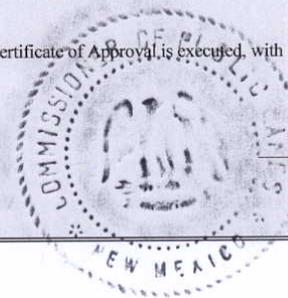
**EOG Resources Inc**  
**Gem 36 State Com Well #6H**  
**Vertical Extent: Bone Spring**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : E2W2**  
**Lea County, New Mexico**

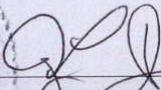
There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 15, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **14<sup>th</sup> Day of May, 2018**.



  
\_\_\_\_\_  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

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KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised Dec. 2014

COMMUNITIZATION AGREEMENT  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #06H  
API #: 30-025-44264

STATE OF NEW MEXICO )  
COUNTY OF LEA            ss)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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.

MAY 10 AM 10:00

ONLINE version  
March 2017

State/State  
State/Fee

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

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 25 South, Range 32 East, N.M.P.M.**  
**Section 36: E/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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, 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.

ONLINE version  
March 2017

State/State  
State/Fee

2018 MAY 10 AM 9:59

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the 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

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KEITH MANES, COUNTY CLERK  
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BY HAYNE COLE

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.

ONLINE version  
March 2017

State/State  
State/Fee

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KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

EOG Resources, Inc.

*Wendy Dalton*  
By: Wendy Dalton  
Its: Agent and Attorney-in-Fact

**LESSEE OF RECORD (LEASE #: V0-8648):**

EOG Y Resources, Inc.

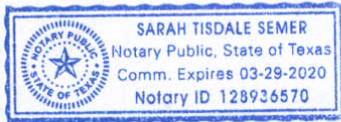
*Wendy Dalton*  
By: Wendy Dalton  
Its: Agent and Attorney-in-Fact

2018 MAY 10 AM 10:00

**ACKNOWLEDGEMENTS**

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

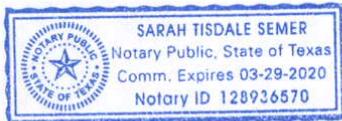
This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.



March 29, 2020  
My Commission Expires  
*Sarah Tisdale Semer*  
Notary Public in and for the State of Texas

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on April 30, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.



March 29, 2020  
My Commission Expires  
*Sarah Tisdale Semer*  
Notary Public in and for the State of Texas

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **February 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the E/2W/2 of Section 36-T25S-R32E, N.M.P.M., 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
Lessee of Record:	EOG Y Resources, Inc.
Serial No. of Lease:	V0-8648
Date of Lease:	January 1, 2010
Description of Lands Committed:	<b>Insofar and only insofar as lease covers:</b> <u>Township 25 South, Range 32 East, N.M.P.M.</u> Section 36: E/2 NW/4 Lea County, New Mexico
No. of Acres:	80.00

2018 MAY 10 AM 10:00

**TRACT NO. 2**

Lessor:	State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record:	EOG Resources, Inc.
Date of Lease:	January 1, 2010
Serial No. of Lease:	V0-8649
Description of Lands Committed:	<b>Insofar and only insofar as lease covers:</b> <u>Township 25 South, Range 32 East, N.M.P.M.</u> Section 36: E/2 SW/4 Eddy County, New Mexico
No. of Acres:	80.00

**RECORDER'S MEMORANDUM**

At the time of recording, this instrument was found to be partially illegible. All blackouts, creases, streaks and white-outs were present at recording.

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**RECAPITULATION**

<b>Tract Number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	<hr/> 160.00	<hr/> 100.00000000%

2018 MAY 10 AM 10:00

32477

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**EOG Resources Inc  
Gem 36 State Com Well No. 001H  
Vertical Extent: Bone Spring  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : E2E2  
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 15, 2014**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 9<sup>th</sup> day of February, 2015.

  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico





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, 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. 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.

5. 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.

6. The commencement, completion, and continued operation or production of a well or wells for 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.

7. 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.

8. 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.

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 until midnight, local time, January 1, 2015, and as long thereafter as either: drilling operations are conducted upon the communitized area in accordance with the State of New Mexico oil and gas leases committed hereto, or 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 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 lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner 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.

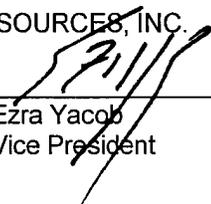
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR:

EOG RESOURCES, INC.

By:

Ezra Jacob  
Vice President



2014 DEC 29 AM 8 32

NON-OPERATORS: LESSEES OF RECORD

YATES PETROLEUM CORPORATION

By: Kately H. Porter  
Printed Name: \_\_\_\_\_  
Title: Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF NEW MEXICO §  
COUNTY OF EDDY §

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of December, by Kately H. Porter as Attorney-in-Fact for Yates Petroleum Corporation, a New Mexico corporation, on behalf of said corporation.

My Commission Expires: 9/22/18



OFFICIAL SEAL  
SAMANTHA DAVIS  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires: 9/29/2018

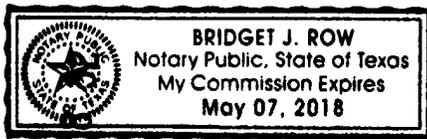
[Signature]  
Notary Public

STATE OF TEXAS §  
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of December, 2014 by Ezra Jacob as Vice President for EOG Resources, Inc., a Delaware corporation, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

[Signature]  
Notary Public



2014 DEC 29 AM

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement dated October 15, 2014 by and between EOG Resources, Inc. and Yates Petroleum Corporation, covering E/2 E/2 Section 36, T25S, R32E NMPM Lea County, NM

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: Daniel E. Gonzalez  
Current Lessee of Record: EOG Resources, Inc. 100%  
Serial No. of Lease: VO-8649  
Date of Lease: January 1, 2010  
Description of Lands Committed: E/2 SE/4 Section 36, T25S, R32E, NMPM, Lea County, NM  
No. of Acres: 80.0

**Tract No. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: Yates Petroleum Corporation  
Serial No. of Lease: VO-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: E/2 NE/4 Section 36, T25S, R32E, NMPM, Lea County, NM  
No. of Acres: 80.0

**RECAPITULATION**

<b>Tract number Committed</b>	<b>Number of Acres In Communitized Area</b>	<b>Percentage of Interest</b>
No. 1	80.00	50%
No. 2	80.00	50%
Total	160.00	100%

2014 DEC 29 AM 8 32

32477

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

MAR 12 2015

at 2:49 o'clock P M  
and recorded in Book 1947  
Page 723  
Pat Chappelle, Lea County Clerk  
By A. Beauchamp Deputy



45459

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

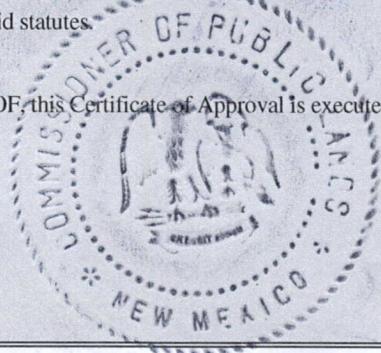
EOG Resources Inc  
Gem 36 State Com Well #701H  
Vertical Extent: Wolfcamp  
Township: 25 South, Range: 32 East, NMPM  
Section 36 : E2E2  
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 6, 2015**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 19<sup>th</sup> day of January, 2016.



*[Handwritten Signature]*  
\_\_\_\_\_  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



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

Subdivisions **E/2 E/2** of Sect **36** Twnshp **25** South Rng **32** East NMPM **Lea** County, NM containing **160** 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 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, 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. 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.

ONLINE version  
December 2014

State/State  
State/Fee

2016 JAN -6 AM 10:15

5. 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.

6. The commencement, completion, and continued operation or production of a well or wells for 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.

7. 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.

8. **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.**

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

2016 JAN -6 AM 10: 15

thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner 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.

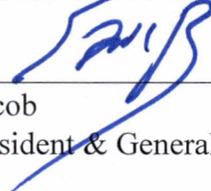
12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

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: EOG RESOURCES, INC.

BY:  PB  
Ezra Jacob  
Vice President & General Manager

2016 JAN -6 AM 10: 15

LESSEES OF RECORD:

Yates Petroleum Corporation

By: Kathy H. Porter  
Kathy H. Porter *PK*

Title: Attorney-in-Fact

Date: 12/09/2015

EOG RESOURCES, INC.

By: Ezra Yacob  
Ezra Yacob, *EB*  
Vice President & General Manager

Date: 11.13.15

(Attach additional pages if needed)

ONLY version  
December 2014

State/State  
State/Fee

2016 JAN -6 15

State/State or State/Fee Communitization

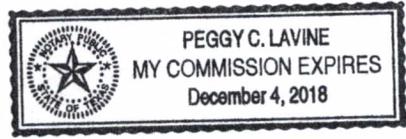
Acknowledgments

State of Texas )

County of Midland )

This instrument was acknowledged before me on November 13, 2015 by Ezra Yacob as Vice President and General Manager on behalf of EOG Resources, Inc., a Delaware corporation on behalf of said corporation.

Peggy C. Lavine  
Notary Public  
My commission expires: 12-4-18



State of New Mexico )

County of Eddy )

This instrument was acknowledged before me on December 9<sup>th</sup>, 2015 by Kathy H. Porter as Attorney-in-Fact on behalf of Yates Petroleum Corporation a New Mexico corporation on behalf of said corporation.

OFFICIAL SEAL  
SAMANTHA DAVIS  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires: 9/29/18

Samantha Davis  
Notary Public  
My commission expires: 9/29/2018

Acknowledgment in an Individual Capacity

State of )

SS)

County of )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

2006 JAN -6 AM 10:15

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated October 6, 2015 by and between EOG Resources, Inc., covering the Subdivisions E/2 E/2 Section 36, Township 25 South, Range 32 East., NMPM, Lea County, NM  
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

Lessee of Record: Yates Petroleum Corporation

Serial No. of Lease: VO-8648

Date of Lease: January 1, 2010

Description of Lands Committed:

Subdivisions: E/2 NE/4 Section 36, Township 25 South, Range 32 East NMPM, Lea County NM

No. of Acres: 80.0

**TRACT NO. 2**

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

Lessee of Record: EOG Resources, Inc.

Serial No. of Lease: VO 8649

Date of Lease: January 1, 2010

Description of Lands Committed:

Subdivisions: E/2 SE/4, Section 36, Township 25 South, Range 32 East NMPM, Lea County

NM No. of Acres: 80.0

2016 JAN -6 PM 10:15

**RECAPITULATION**

<b>Tract number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80	50
No. 2	80	50
	160	100

ONLINE version

State/State

December 2014

State/Fee

M:/winword/Gem 36 701 & 702 Communitization\_State\_State\_form\_DEC 2014.docx

**STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED**

**FEB 16 2016**

at 9:26 o'clock A M  
and recorded in Book 2006  
Page \_\_\_\_\_  
Pat Chappelle, Lea County Clerk  
By [Signature] Deputy



45459

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031194  
Book 2140 Page 285  
1 of 9  
10/04/2018 10:59 AM  
BY WAYNE COLE

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**EOG Resources Inc**  
**Gem 36 State Com Well #703H-704H**  
**Vertical Extent: Wolfcamp**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : W2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 1, 2017**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **6<sup>th</sup> Day of April, 2018**.



  
\_\_\_\_\_  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031194  
Book 2140 Page 285  
2 of 9  
10/04/2018 10:59 AM  
BY WAYNE COLE

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

**STATE/STATE OR  
STATE/FEE**  
Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #703H  
API #: 30-025-43782  
Well Name: Gem 36 State Com #704H  
API #: 30-025-43783

STATE OF NEW MEXICO )  
COUNTY OF EDDY ) SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **October 1, 2017**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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 **Wolfcamp** 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.

APR -3 AM 9:56

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031194  
Book 2140 Page 285  
3 of 9  
10/04/2018 10:59 AM  
BY WAYNE COLE

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 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2E/2**

**Lea County, New Mexico**

Containing **160.00** 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, 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.

2018 APR -3

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031194  
Book 2140 Page 285  
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BY WAYNE COLE

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the 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

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LEA COUNTY, NM  
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BY WAYNE COLE

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.

ONLINE Version  
March 2017

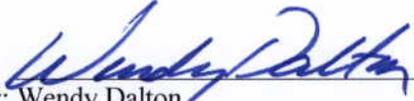
State/State  
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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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10/04/2018 10:59 AM  
BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

**EOG Resources, Inc.**

  
By: Wendy Dalton  
Its: Agent and Attorney-in-Fact *EGW*

**LESSEE OF RECORD (LEASE #: V0-8648):**

**EOG Y Resources, Inc.**

  
By: Wendy Dalton  
Its: Agent and Attorney-in-Fact *EGW*

**ACKNOWLEDGEMENTS**

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on March 16, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

2018 APR -3 AM 9:56

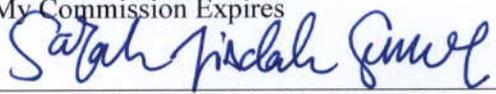
RECORDER'S MEMORANDUM  
Acknowledgment  
Incomplete

March 29, 2020  
My Commission Expires  
  
Notary Public in and for the State of Texas

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on March 16, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.

  
SARAH TISDALE SEMER  
Notary Public, State of Texas  
Comm. Expires 03-29-2020  
Notary ID 128936570

March 29, 2020  
My Commission Expires  
  
Notary Public in and for the State of Texas

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031194  
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BY WAYNE COLE

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **October 1, 2017**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the W/2E/2 of Section 36-T25S-R32E, N.M.P.M., 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  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 NE/4  
Lea County, New Mexico  
No. of Acres: 80.00

**TRACT NO. 2**

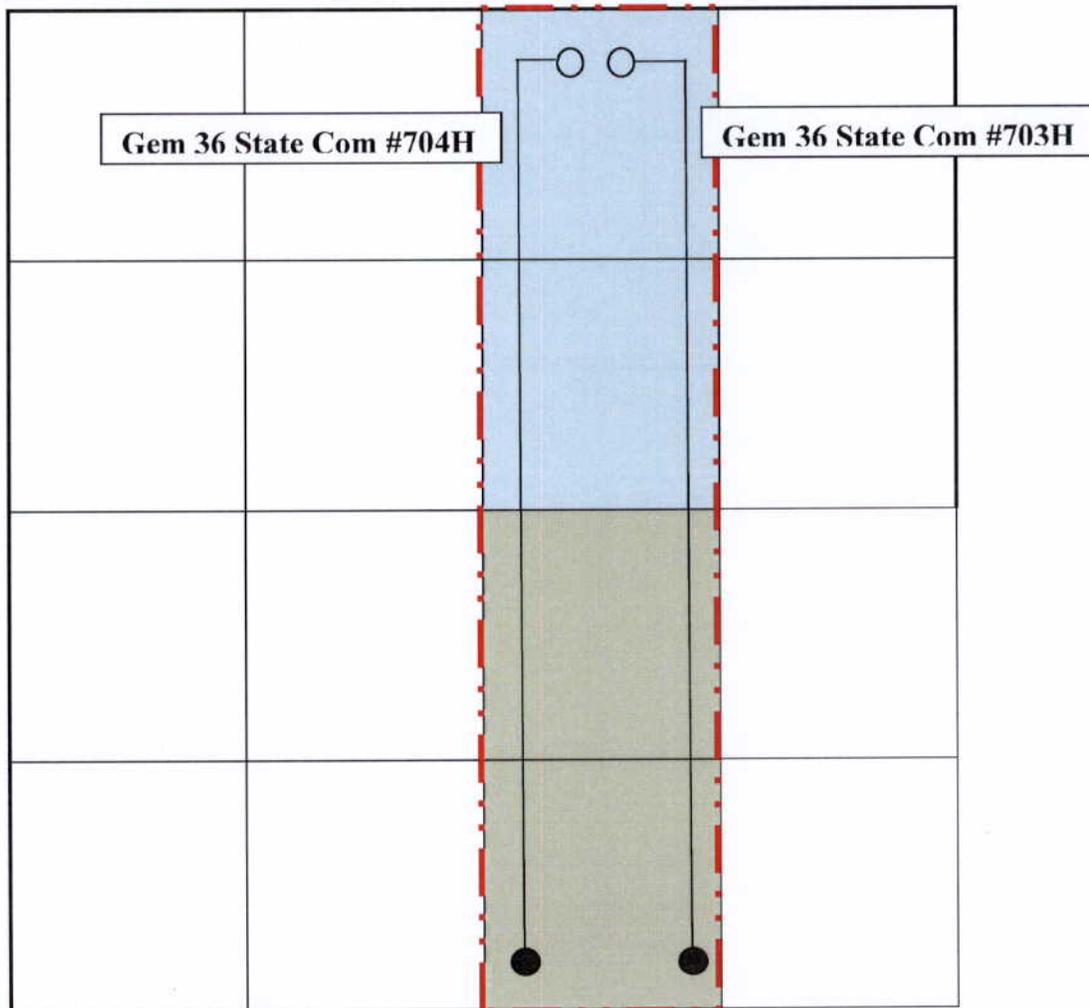
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 SE/4  
Eddy County, New Mexico  
No. of Acres: 80.00

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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

### EXHIBIT "B"

Plat of communitized area covering 160 acres in the  
W/2E/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico



Gem 36 State Com #703H  
Gem 36 State Com #704H

-  Proposed communitized area
-  Surface hole locations
-  Bottom hole locations
-  Tract 1: V0-8648
-  Tract 2: V0-8649

**RECORDER'S MEMORANDUM**

At the time of recording, this instrument was found to be partially illegible. All blackouts, creases, streaks and white-outs were present at recording.

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**RECAPITULATION**

<b>Tract Number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	160.00	100.00000000%

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**EOG Resources Inc**  
**Gem 36 State Com Well #705-707H**  
**Vertical Extent: Wolfcamp**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : W2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **12<sup>th</sup> Day of September, 2018**.



**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised Dec. 2014

COMMUNITIZATION AGREEMENT  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #705H  
API #: 30-025-44440

STATE OF NEW MEXICO )  
COUNTY OF LEA SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **May 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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 **Wolfcamp** 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.

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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

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 25 South, Range 32 East, N.M.P.M.**  
**Section 36: E/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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, 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.

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KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the 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

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KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

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.

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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

**EOG Resources, Inc.**

Wendy Dalton  
By: Wendy Dalton *CD*  
Its: Agent and Attorney-in-Fact

**LESSEE OF RECORD (LEASE #: V0-8648):**

**EOG Y Resources, Inc.**

Wendy Dalton  
By: Wendy Dalton *CD*  
Its: Agent and Attorney-in-Fact

**ACKNOWLEDGEMENTS**

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

March 29, 2020  
My Commission Expires  
Sarah Tisdale Semer  
Notary Public in and for the State of Texas



STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.

March 29, 2020  
My Commission Expires  
Sarah Tisdale Semer  
Notary Public in and for the State of Texas



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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **May 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the E/2W/2 of Section 36-T25S-R32E, N.M.P.M., 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  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: E/2 NW/4  
Lea County, New Mexico  
No. of Acres: 80.00

**TRACT NO. 2**

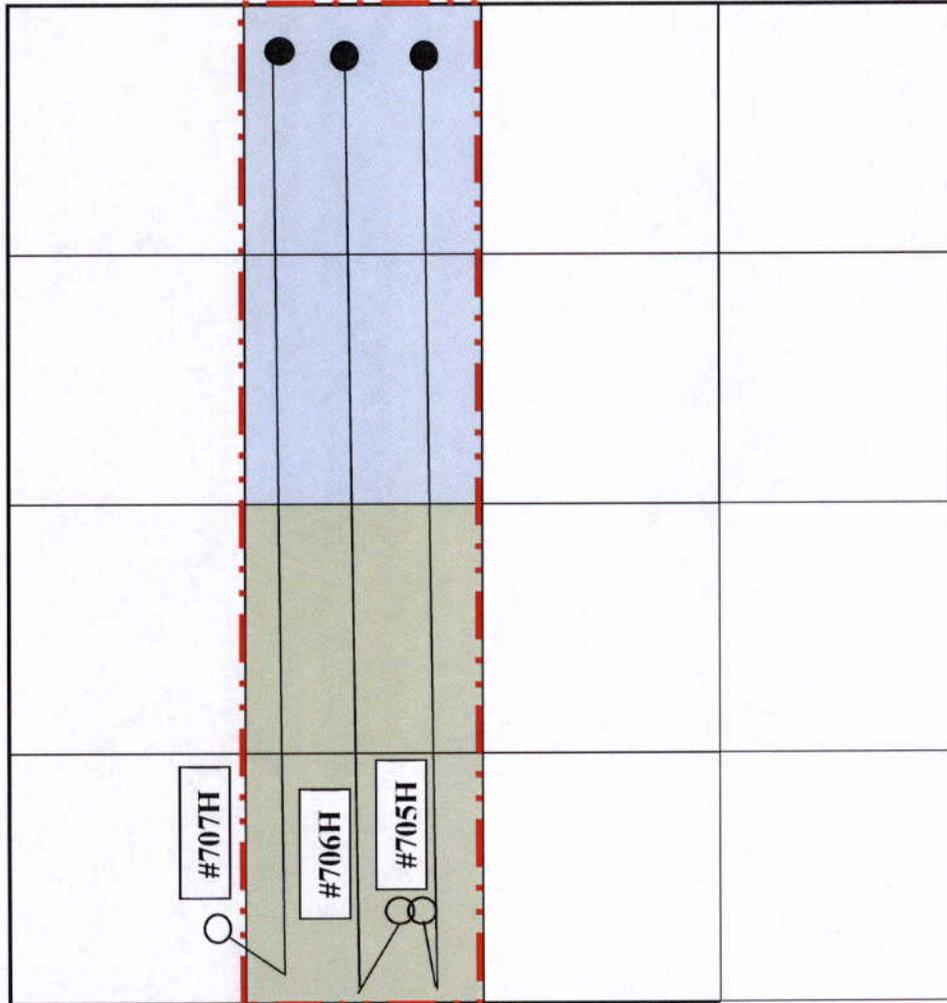
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: E/2 SW/4  
Eddy County, New Mexico  
No. of Acres: 80.00

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BY WAYNE COLE

### EXHIBIT "B"

Plat of communitized area covering 160 acres in the  
E/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico



**Gem 36 State Com #705H, #706H, and #707H**

-  Proposed communitized area
-  Surface hole locations
-  Bottom hole locations
-  Tract 1: V0-8648
-  Tract 2: V0-8649

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**RECAPITULATION**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	<hr/> 160.00	<hr/> 100.00000000%

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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**EOG Resources Inc**  
**Gem 36 State Com Well #708, 709 & 721H**  
**Vertical Extent: Wolfcamp**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : W2W2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **12<sup>th</sup> Day of September, 2018**.



  
\_\_\_\_\_  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

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

**STATE/STATE OR  
STATE/FEE**  
Revised Dec. 2014

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #708H  
API #: 30-025-44266

STATE OF NEW MEXICO )  
COUNTY OF LEA            SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **May 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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 **Wolfcamp** 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.

2018 AUG 24 AM 10:02

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
000031185  
Book 2140 Page 276  
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10/04/2018 10:59 AM  
BY WAYNE COLE

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 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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, 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.

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KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

4. **EOG Resources, Inc.** shall be the Operator of the said communitized area and all matters of the 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

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BY WAYNE COLE

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.

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BY WAYNE COLE

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

**EOG Resources, Inc.**

Wendy Dalton  
By: Wendy Dalton *WCD*  
Its: Agent and Attorney-in-Fact

**LESSEE OF RECORD (LEASE #: V0-8648):**

**EOG Y Resources, Inc.**

Wendy Dalton  
By: Wendy Dalton *WCD*  
Its: Agent and Attorney-in-Fact

**ACKNOWLEDGEMENTS**

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

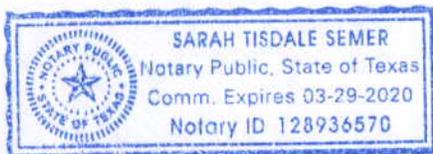
This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.



March 29, 2020  
My Commission Expires  
Sarah Tisdale Semer  
Notary Public in and for the State of Texas

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on August 10, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.



March 29, 2020  
My Commission Expires  
Sarah Tisdale Semer  
Notary Public in and for the State of Texas

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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **May 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the W/2W/2 of Section 36-T25S-R32E, N.M.P.M., 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  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 NW/4  
Lea County, New Mexico  
No. of Acres: 80.00

**TRACT NO. 2**

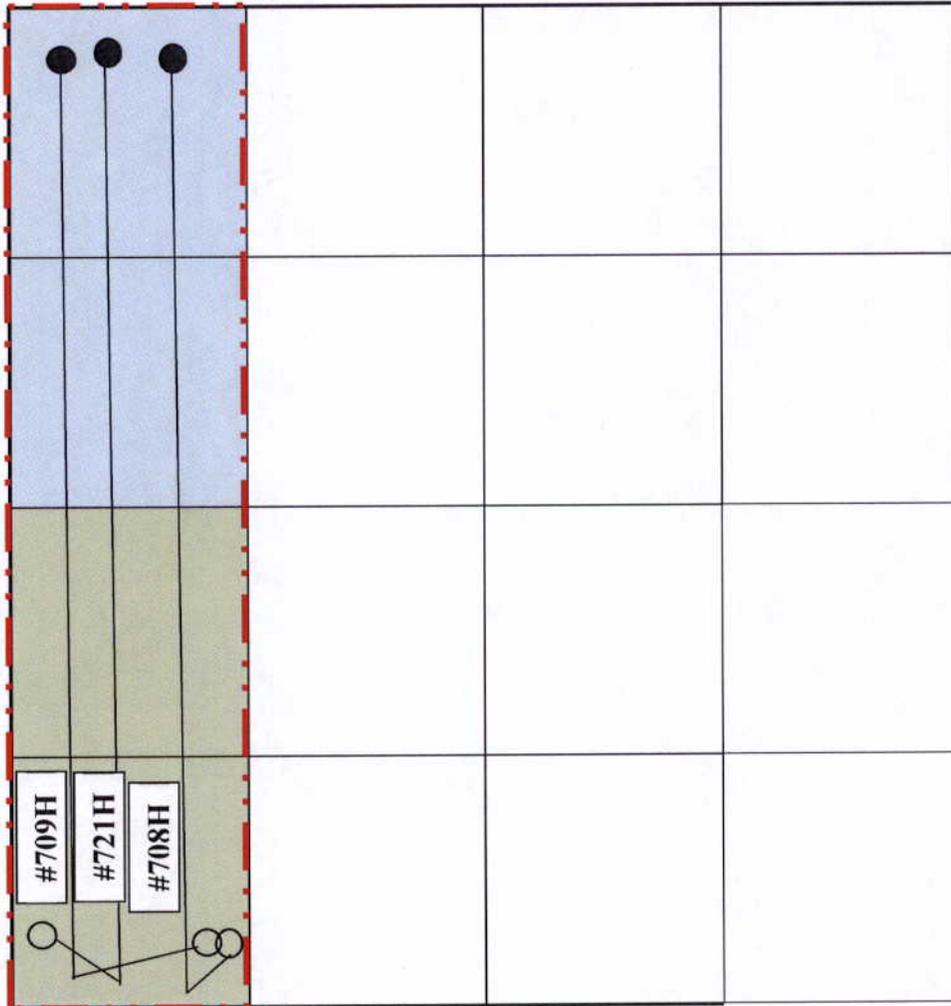
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 SW/4  
Eddy County, New Mexico  
No. of Acres: 80.00

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BY WAYNE COLE

### EXHIBIT "B"

Plat of communitized area covering 160 acres in the  
W/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico



**Gem 36 State Com #708H, #709H, and #721H**

-  Proposed communitized area
-  Surface hole locations
-  Bottom hole locations
-  Tract 1: V0-8648
-  Tract 2: V0-8649

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY WAYNE COLE

**RECAPITULATION**

<b>Tract Number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	<hr/> 160.00	<hr/> 100.00000000%

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LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**EOG Resources Inc**  
**Gem 36 State Com #601H**  
**Vertical Extent: Bone Spring**  
**Township: 25 South, Range: 32 East, NMPM**  
**Section 36 : W2W2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **19<sup>th</sup> Day of October, 2018**.



*[Handwritten Signature]*

**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

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KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised Dec. 2014

2018 SEP 14 AM 10:29

COMMUNITIZATION AGREEMENT  
ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name: Gem 36 State Com #601H  
API #: 30-025-44567

STATE OF NEW MEXICO )  
COUNTY OF LEA SS)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **May 15, 2018**, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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.

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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12/18/2018 12:06 PM  
BY ANGELA BEAUCHAMP

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 **2018 SEP 14 AM 10: 25**

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

**Township 25 South, Range 32 East, N.M.P.M.**  
**Section 36: W/2W/2**

**Lea County, New Mexico**

Containing **160.00** 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, 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 the said communitized area and all matters of the operation shall be determined and performed by **EOG Resources, Inc.**

2018 SEP 14 AM 10:25

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

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BY ANGELA BEAUCHAMP

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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.

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

**OPERATOR and LESSEE OF RECORD (LEASE #: V0-8649):**

2018 SEP 14 AM 10:25

**EOG Resources, Inc.**

*Wendy Dalton*

By: Wendy Dalton *car*  
Its: Agent and Attorney-in-Fact

**LESSEE OF RECORD (LEASE #: V0-8648):**

**EOG Y Resources, Inc.**

*Wendy Dalton*

By: Wendy Dalton *car*  
Its: Agent and Attorney-in-Fact

**ACKNOWLEDGEMENTS**

STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on August 20, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Resources, Inc.**, a Delaware Corporation, on behalf of same.

March 29, 2020  
My Commission Expires  
*Sarah Tisdale Semer*  
Notary Public in and for the State of Texas



STATE OF TEXAS §  
§ ss.  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on August 20, 2018, by Wendy Dalton Agent and Attorney-in-Fact, of **EOG Y Resources, Inc.** a New Mexico Corporation, on behalf of same.

March 29, 2020  
My Commission Expires  
*Sarah Tisdale Semer*  
Notary Public in and for the State of Texas



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BY ANGELA BEAUCHAMP

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement, dated **2018 SEP 14 AM 10:25**  
**May 15, 2018**, by and between EOG Resources, Inc. and EOG Y Resources, Inc., covering the  
W/2W/2 of Section 36-T25S-R32E, N.M.P.M., 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  
Lessee of Record: EOG Y Resources, Inc.  
Serial No. of Lease: V0-8648  
Date of Lease: January 1, 2010  
Description of Lands  
Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 NW/4  
Lea County, New Mexico  
No. of Acres: 80.00

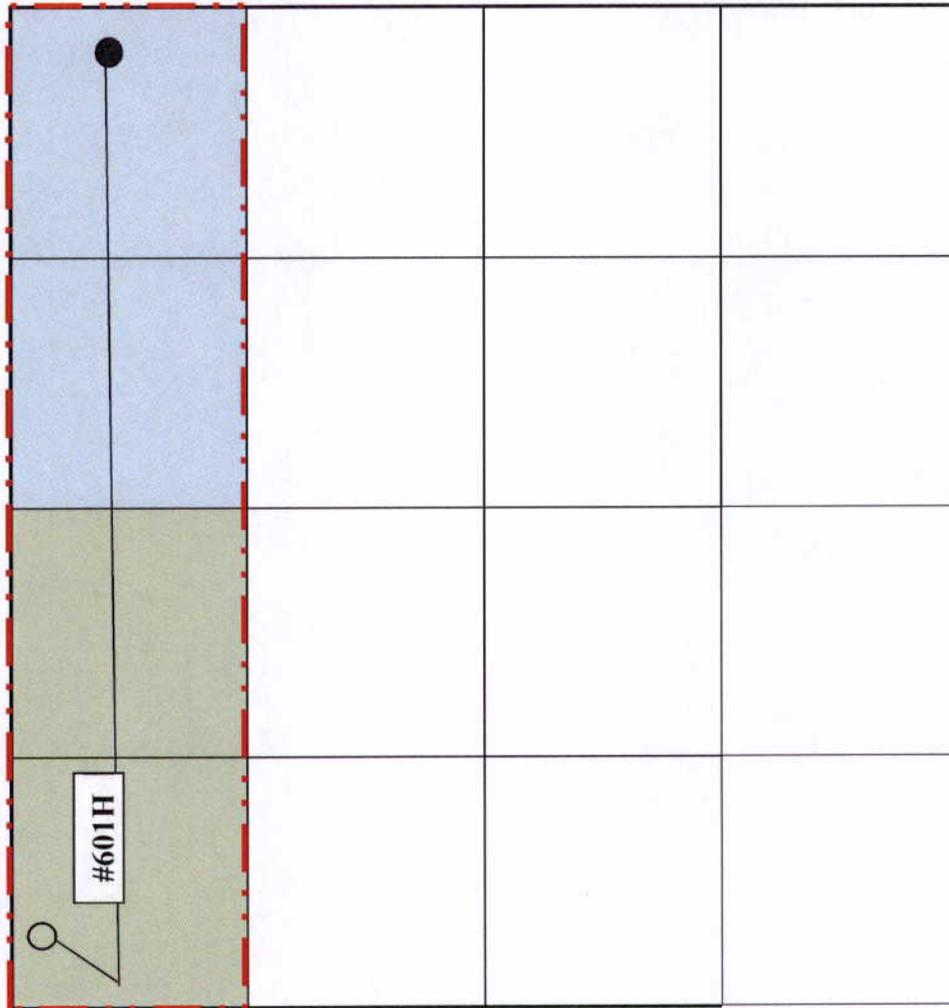
**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of  
Public Lands  
Lessee of Record: EOG Resources, Inc.  
Date of Lease: January 1, 2010  
Serial No. of Lease: V0-8649  
Description of Lands  
Committed: **Insofar and only insofar as lease covers:**  
Township 25 South, Range 32 East, N.M.P.M.  
Section 36: W/2 SW/4  
Eddy County, New Mexico  
No. of Acres: 80.00

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KEITH MANES, COUNTY CLERK  
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BY ANGELA BEAUCHAMP

### EXHIBIT "B"

Plat of communitized area covering 160 acres in the  
W/2W/2 of Section 36-T25S-R32E, N.M.P.M., Lea County, New Mexico



Gem 36 State Com #601H

-  Proposed communitized area
-  Surface hole location
-  Bottom hole location
-  Tract 1: V0-8648
-  Tract 2: V0-8649

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BY ANGELA BEAUCHAMP

**RECAPITULATION**

2018 SEP 14 AM 10:26

<b>Tract Number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
No. 1	80.00	50.00000000%
No. 2	80.00	50.00000000%
	<hr/> 160.00	<hr/> 100.00000000%