

United States Department of the Interior



BUREAU OF LAND MANAGEMENT New Mexico State Office 301 Dinosaur Trail Santa Fe, New Mexico 87508 https://www.blm.gov/new-mexico

In Reply Refer To:

MAR 1 7 2021

NMNM141310 3105.2 (NM920)

Reference:

Communitization Agreement Mas Verde 25 Fed Com #701H Section 24: W2 Section 25: W2 T. 25 S., R. 25 E., N.M.P.M. Eddy County, NM

EOG Resources Attn: Kimberly Smith 5509 Champions Drive Midland, TX 79706

Ms. Smith:

Enclosed is an approved copy of Communitization Agreement NMNM141310 involving 320 acres of Federal land in lease NMNM104661 and 320 acres of Federal land in lease NMNM121934, Eddy County, New Mexico, which comprise a 640 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2 of Sec. 24 and the W2 of Sec. 25, T. 25 S., R. 25 E., NMPM, Eddy County, NM, and is effective March 1, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Sheila Mallory Deputy State DirectorDivision of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room) NMSO (NM925, File)

Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2 of Sec. 24 and the W2 of Sec. 25, T. 25 S., R. 25 E., as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

MAR 1 7 2021

Sheila Mallory
Deputy State Director
Division of Minerals

Effective: March 1, 2019

Contract No.: Com. Agr. NMNM141310



P.O. Box 2267, Midland, Texas 79702 Phone: (432) 686-3600 Fax: (432) 686-3773

January 16, 2020

nmnm 141310

Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508

RE: Federal Communitization Agreement covering the

Wolfcamp Formation, 640.00 acres W/2 of Section 24and W/2 of Section 25,

T25S-R25E

Eddy County, New Mexico

Mas Verde 25 Fed Com #701H | API 3001546389

To Whom This May Concern:

Enclosed is three (3) originals of a fully executed Communitization Agreement covering the above described lands, dated March 1, 2019, for the Mas Verde 25 Fed Com #701H well. Please return a document to me after approval.

Should you have any questions, please contact Katie McBryde, Landman II for EOG Resources, Inc. at (432) 848-9022 or via email at Katie McBryde@eogresources.com.

Sincerely,

EOG RESOURCES, INC.

Kimberly Smith Lead Land Tech

Kimberly smith@eogresources.com

Form 3160-5

UNITED STATES

FORM APPROVED

(Julie 2013)	DEPARTMENT OF THE IN			MB NO. 1004-0137 pires: January 31, 2018
SIINC	BUREAU OF LAND MANAG RY NOTICES AND REPOR	* C	5. Lease Serial	No.
Do not us	e this form for proposals to d well. Use form 3160-3 (APD)	rill or to re-enter an	NMNM12	The state of the s
abandone	d well. Use form 3160-3 (APD)	for such proposals.	6, It Indian, Al	lottee or Tribe Name
SUBMIT	IN TRIPLICATE - Other instru	uctions on page 2	7. If Unit or Ca	VAgreement, Name and/or No.
1. Type of Well	V X 31 -		8. Well Name a	
☑ Oil Well ☐ Gas Well [DE 25 FEDERAL COM 701H
	Contact: E ORPORATEDE-Mail: emily_foll s@	MILY FOLLIS peogresources.com	9. API Well No 30-015-46	389-00-X1
3a. Address .		 Phone No. (include area code) 432.636,3600 	10. Field and P	ool or Exploratory Area SAGE-WOLFCAMP (GAS)
MIDLAND, TX 79702			- OKITEE (SAGE-VIOLECAIVIF (GAS)
4. Location of Well (Footage, S	ec., T., R., M., or Survey Description)	×	11. County or F	Parish, State
Sec 25 T25S R25E SWS		85	EDDY CO	UNTY, NM
32.095558 N Lat, 104.35	7025 W Lon			
12. CHECK TH	E APPROPRIATE BOX(ES) T	O INDICATE NATURE O	F NOTICE, REPORT, OR	OTHER DATA
TYPE OF SUBMISSION		TYPE OF	ACTION	
	☐ Acidize	□ Deepen	☐ Production (Start/Resur	ne) Water Shut-Off
■ Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	□ Well Integrity
□ Subsequent Report	☐ Casing Repair	□ New Construction	Recomplete	□ Well linegrity □ Other
☐ Final Abandonment Notic	,	☐ Plug and Abandon	☐ Temporarily Abandon	Drilling Operations
_	☐ Convert to Injection	Plug Back	☐ Water Disposal	3 3
Attach the Bond under which the following completion of the inv	d Operation: Clearly state all pertinent ctionally or recomplete horizontally, give work will be performed or provide the olved operations. If the operation resultal Abandonment Notices must be filed for final inspection.	ve subsurface locations and measu e Bond No. on file with BLM/BIA Its in a multiple completion or reco	red and true vertical depths of all Required subsequent reports memoral is for	pertinent markers and zones, nust be filed within 30 days
changes: HSU change to 640 acres	s an amendment to our approve		•	OIL CONSERVATION ARTESIA DISTRICT
Fix cement volume in bott	om hole plug		1,0/19	
		Accepted for r	2/NMOCD	DEC 1 6 2019
		Accepted for		•
#C				RECEIVED
	4 F			9
14. I hereby certify that the forego	ing is true and correct.	T		3
	Electronic Submission #49	0296 verified by the BLM Wel ES INCORFORATED, sent to sing by PRISCILLA PEREZ or	the Carishad	
Name (Printed/Typed) BEN	HOCHER		ATORY ASSOC.	
II.	N. L. HEISEL		G 8	
Signature (Electro	onic Submission)	Date 10/29/20		
	THIS SPACE FOR	FEDERAL OR STATE	OFFICE USE	*

Office Carlsbad Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Approved By JEROMY PORTER ____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

TitlePETROLEUM ENGINEER

Date 11/18/2019

Revisions to Operator-Submitted EC Data for Sundry Notice #490296

Operator Submitted

BLM Revised (AFMSS)

Sundry Type:

DRG NOI

Lease:

NMNM121934

NOI

NMNM121934

Agreement:

Operator:

EOG RESOURCES INC PO BOX 2267 MIDLAND, TX 79702 Ph: 432-636-3600

Admin Contact:

EMILY FOLLIS

SR REGULATORY ADMINISTRATOR E-Mail: emily_follis@eogresources.com

Ph: 432.636.3600

Tech Contact:

BEN HOCHER REGULATORY ASSOC. E-Mail: Ben_Hocher@eogresources.com

Ph: 432-686-3623

Location:

State:

County:

EDDY COUNTY

Field/Pool:

98220 PURPLE SAGE; WOLF

Well/Facility:

MAS VERDE 25 FED COM 701H Sec 25 T25S R25E 720FSL 287FWL

EOG RESOURCES INCORPORATED

MIDLAND, TX 79702 Ph: 432.686.3600

EMILY FOLLIS SR REGULATORY ADMINISTRATOR E-Mail: emily_follis@eogresources.com

Ph: 432.636.3600

BEN HOCHER REGULATORY ASSOC. E-Mail: Ben_Hocher@eogresources.com

Ph: 432-636-3600

EDDY

PURPLE SAGE-WOLFCAMP (GAS)

MAS VERDE 25 FEDERAL COM 701H Sec 25 T25S R25E SWSW 720FSt, 287FWL 32.095558 N Lat, 104.357025 W Lon

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District III
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

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION

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

NM OIL CONSERVATION
ARTESIA DISTRICT

FORM C-102

OCT 15 2019 Revised August 1, 2011 Submit one copy to appropriate

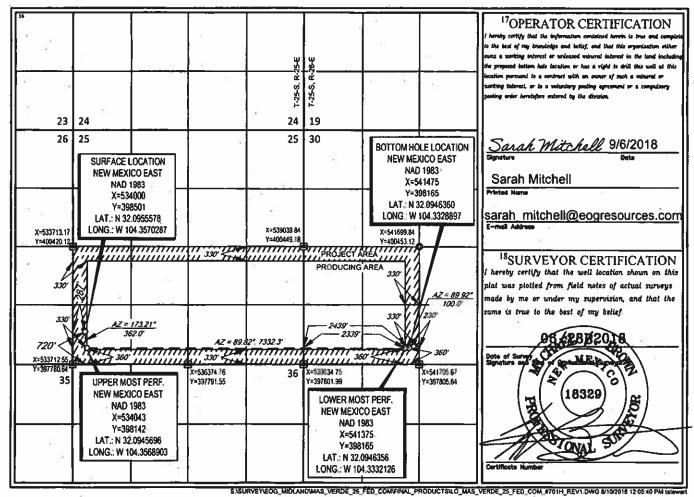
District Office

RECEIVED

AMENDED REPORT

30.015	API Numbe		00000	Pool Code	But	ala Cana Maléna	Pool Name	· i	1)
30-015-	463	• /	98220		⁵ Property Na	ole Sage Wolfca	ımp	611/4	II Number
3268				MAS VI		EDERAL COM			701H
'0GRID 7377	No.		-	EOG	Operator Na		a *		levation 549'
				T.	10 Surface Loc	ation		•	
UL or lot no. M	Section 25	Towaship 25-S	Range 25-E	Lot Ida —	Feet from the 720'	North/South line SOUTH	Feet from the 287'	Enst/West line WEST	EDDY
	-1	W.	¹¹ B	ottom Hole	Location If Di	fferent From Surf	ace		
UL or lot no.	Section 30	Township 25-S	Range 26-E	Lot Idn	Feet from the	North/South line SOUTH	Feet from the 2439'	East/West line WEST	EDDY
Dedicated Acres	13 Joint or		onsolidation Code	15 Order	No.				8)

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.



Rrf 10-18-19

Federal Communitization Agreement

Contract No. 77mm 141310

THIS AGREEMENT entered into as of the 1st day of March, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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 parties hereto as follows:

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

W/2 of Section 24 and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Containing 640.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be EOG Resources, Inc., 5509 Champions Drive, Midland, Texas 79706. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
 - All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to

Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. 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.
- 14. 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 instrument, 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.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

EOG Resources, Inc.

Operator/Working Interest Owner

en

By: Wendy Dalton, as Agent and Attorney-in-Fact
Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this \(\frac{1}{2} \) day of \(\frac{1}{2} \) day, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

KIMBERLY M SMITH
Notary ID #129820041
My Commission Expires
May 21, 2022

My Commission Expires

Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

I, the undersigned, hereby certify, on behalf of EOG Resources Inc, as successor by merger to EOG Y Resources, Inc., EOG A Resources, Inc., and EOG M Resources, Inc., Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

5||9||9 Date

Name: Wendy Dalton

Name: wendy Daiton

Title: Agent and Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this May of May, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

KIMBERLY M SMITH
Notary ID #129820041
My Commission Expires
May 21, 2022

My Commission Expires

Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

1/9/2020 Date Oxy Y-1 Company

itle: Hthray-1

ACKNOWLEDGEMENT

STATE OF Texas) ss COUNTY OF Have)

On this G day of personally appeared the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

DELEENA D. LANG
Notary Public, State of Texas
Comm. Expires 02-18-2022
Notary ID 128179978

My Commission Expires

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of EOG Resources, Inc., the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: ____

(signature of officer)

Printed: Wendy Dalton

TITLE: Agent and Attorney-in-Fact

Phone number: (432) 686-3600, email Midland_Land@eogresources.com

EXHIBIT "A"

Plat of communitized area covering 640.00 acres of the W/2 of Section 24 and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Mas Verde 25 Fed Com #701H T255 R25E MAS VERDE 25 FED COM #701H TRACT 2 NM-104661 3200 ACRES TRACT 2 NM-121934 320 ACRES T25S R25E

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2019 embracing the W/2 of Section 24, and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: EOG Resources, Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM-104661 Description of Land Committed: Township 25 North, Range 25 East, Eddy County, New Mexico, Section 24: W/2 Number of Acres: 320.00 Current Lessee of Record: EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company EOG Resources, Inc......68% Name of Working Interest Owners: Oxy Y-1 Company......32% Tract No. 2 NM-121934 Lease Serial Number: **Description of Land Committed:** Township 25 North, Range 25 East, Eddy County, New Mexico, Section 25: W/2

Number of Acres: 320.00

Current Lessee of Record: EOG Y Resources, Inc.,

EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company

Name of Working Interest Owners: EOG Resources, Inc.....80%

Oxy Y-1 Company......20%

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	50.00%
2	320.00	50.00%
Total	640.00	100.00%

Federal Communitization Agreement

Contract No. <u>MMMM 141310</u>

THIS AGREEMENT entered into as of the 1st day of March, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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 parties hereto as follows:

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

W/2 of Section 24 and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Containing 640.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be EOG Resources, Inc., 5509 Champions Drive, Midland, Texas 79706. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
 - All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to

- Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. 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.
- 14. 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 instrument, 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.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

EOG Resources, Inc.

Operator Working Interest Owner

By: Wendy Dalton, as Agent and Attorney-in-Fact
Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

) ss.

COUNTY OF MIDLAND)

On this 9 day of March, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

KIMBERLY M SMITH Notary ID #129820041 My Commission Expires May 21, 2022

My Commission Expires

Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

I, the undersigned, hereby certify, on behalf of EOG Resources Inc, as successor by merger to EOG Y Resources, Inc., EOG A Resources, Inc., and EOG M Resources, Inc., Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date

Name: Wendy Dakon

Title: Agent and Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this day of word, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

KIMBERLY M SMITH Notary ID #129820041 My Commission Expires May 21, 2022

My Commission Expires

Notary Public

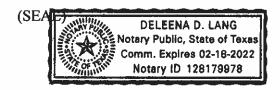
WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

The state of the s	Oxy 1-1 Company
1/9/2020 Date	By: John V- hold a Title: Attorney - in - Foot
	Dit.

ACKNOWLEDGEMENT

STATE OF	Texas)
120) ss
COUNTY OF_	HAZZIO)

On this day of Victor, 2019, before me, a Notary Public for the State of Tool personally appeared the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



My Commission Expires

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:	
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I, the undersigned, hereby certify, on behalf of EOG Resources, Inc., the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: Wendy Little (signature of officer) 8W

Printed: Wendy Dalton

TITLE: Agent and Attorney-in-Fact

Phone number: (432) 686-3600, email Midland_Land@eogresources.com

EXHIBIT "A"

Plat of communitized area covering 640.00 acres of the W/2 of Section 24 and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Mas Verde 25 Fed Com #701H

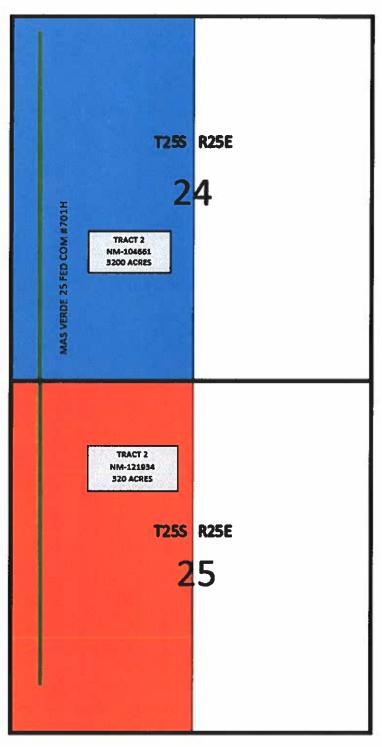


EXHIBIT "B"

To Communitization Agreement Dated March 1, 2019 embracing the W/2 of Section 24, and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: EOG Resources, Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM-104661 Description of Land Committed: Township 25 North, Range 25 East, Eddy County, New Mexico, Section 24: W/2 Number of Acres: 320.00 Current Lessee of Record: EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company EOG Resources, Inc......68% Name of Working Interest Owners: Oxy Y-1 Company......32% Tract No. 2 Lease Serial Number: NM-121934 Description of Land Committed: Township 25 North, Range 25 East, Eddy County, New Mexico, Section 25: W/2 Number of Acres: 320.00 Current Lessee of Record: EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company EOG Resources, Inc.....80% Name of Working Interest Owners: Oxy Y-1 Company......20%

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	50.00%
2	320.00	50.00%
Total	640.00	100.00%

Federal Communitization Agreement

Contract No. <u>Mmn m 141310</u>

THIS AGREEMENT entered into as of the 1st day of March, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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 parties hereto as follows:

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

W/2 of Section 24 and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Containing 640.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be EOG Resources, Inc., 5509 Champions Drive, Midland, Texas 79706. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
 - All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to

- Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. 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.
- 14. 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 instrument, 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.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

EOG Resources, Inc.

Operator/Working Interest Owner

WB.

By: Wendy Dalton, as Agent and Attorney-in-Fact
Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)	
) ss.
COUNTY OF MIDLAND)	

On this day of Mouch, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

KIMBERLY M SMITH Notary ID #129820041 My Commission Expires May 21, 2022

My Commission Expires

Mas Verde 25 Fed Com #701H

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

I, the undersigned, hereby certify, on behalf of EOG Resources Inc, as successor by merger to EOG Y Resources, Inc., EOG A Resources, Inc., and EOG M Resources, Inc., Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

3||9||19 Date

Name: Wendy Dalton

Title: Agent and Attorney-in-Fact

ACKNOWLEDGEMENT

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) ss.

COUNTY OF MIDLAND)

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(SEAL)

KIMBERLY M SMITH Notary ID #129820041 My Commission Expires May 21, 2022

My Commission Expires

Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

1/9 /2-62 ·

Oxy Y-1 Company

Title:

ACKNOWLEDGEMENT

STATE OF Texas) ss. COUNTY OF Harris)

On this day of Journal, 2019, before me, a Notary Public for the State of Texas personally appeared Journal known to me to be the Attorney Tract of the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

DELEENA D. LANG
Notary Public, State of Texas
Comm. Expires 02-18-2022
Notary ID 128179978

My Commission Expires

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION	AGREEMENT:	
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I, the undersigned, hereby certify, on behalf of EOG Resources, Inc., the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: Wom

(signature of officer) SW

Printed: Wendy Dalton

TITLE: Agent and Attorney-in-Fact

Phone number: (432) 686-3600, email Midland_Land@eogresources.com

EXHIBIT "A"

Plat of communitized area covering 640.00 acres of the W/2 of Section 24 and the W/2 of Section 25, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Mas Verde 25 Fed Com #701H

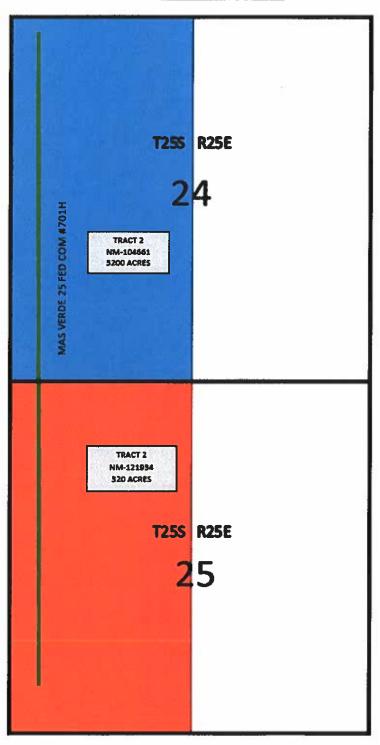


EXHIBIT "B"

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Operator of Communitized Area: EOG Resources, Inc.

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Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	50.00%
2	320.00	50.00%
Total	640.00	100.00%