

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

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

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

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

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

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

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

 Print or Type Name

Patrick

 Signature

Date

Phone Number

e-mail Address



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

February 8, 2024

VIA ONLINE FILING

Dylan Fuge, Acting Division Director
Director, Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the S/2 of Section 5, and all of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the “Lands”)

Dear Mr. Fuge:

Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the **Dagger Lake South 8 Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 480-acre spacing unit comprised of the SE/4 of Section 5 and the E/2 of Section 8, in the Red Tank; Bone Spring, East [51687] – currently dedicated to the **Dagger Lake South 8 Fed Com 510H** (API. No. 30-025-49271), **Dagger Lake South 8 Fed Com 512H** (API. No. 30-025-49557), **Dagger Lake South 8 Fed Com 514H** (API. No. 30-025-49558), **Dagger Lake South 8 Fed Com 516H** (API. No. 30-025-48830), **Dagger Lake South 8 Fed Com 556H** (API. No. 30-025-49561), **Dagger Lake South 8 Fed Com 558H** (API. No. 30-025-48831), **Dagger Lake South 8 Fed Com 564H** (API. No. 30-025-49610), **Dagger Lake South 8 Fed Com 566H** (API. No. 30-025-49603), **Dagger Lake South 8 Fed Com 606H** (API. No. 30-025-48834), and **Dagger Lake South 8 Fed Com 608H** (API. No. 30-025-48835);

(b) The 480-acre spacing unit comprised of the SW/4 of Section 5 and the W/2 of Section 8, in the Red Tank; Bone Spring, East [51687] – currently dedicated to the **Dagger Lake South 8 Fed Com 502H** (API. No. 30-025-48827), **Dagger Lake South 8 Fed Com 504H** (API. No. 30-025-49270), **Dagger Lake South 8 Fed Com 506H** (API. No. 30-025-48828), **Dagger Lake South 8 Fed Com 508H** (API. No. 30-025-48829), **Dagger Lake South 8 Fed Com 552H** (API. No. 30-025-49559), **Dagger Lake South 8 Fed Com 554H** (API. No. 30-025-49560), **Dagger Lake South 8 Fed Com 560H** (API. No. 30-025-49609), **Dagger Lake South 8 Fed Com 562H** (API. No. 30-025-49682),



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Dagger Lake South 8 Fed Com 602H (API. No. 30-025-48832), and **Dagger Lake South 8 Fed Com 604H** (API. No. 30-025-48833);

(c) The 240-acre spacing unit comprised of the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in the WC-025 G-10 S213328O; Wolfcamp [98033] – currently dedicated to the **Dagger Lake South 8 Fed Com 708H** (API. No. 30-025-49685);

(d) The 240-acre spacing unit comprised of the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in the WC-025 G-10 S213328O; Wolfcamp [98033] – currently dedicated to the **Dagger Lake South 8 Fed Com 706H** (API. No. 30-025-49684);

(e) The 480-acre spacing unit comprised of the SW/4 of Section 5 and the W/2 of Section 8, in the WC-025 G-10 S213328O; Wolfcamp [98033] – currently dedicated to the **Dagger Lake South 8 Fed Com 702H** (API. No. 30-025-49622) and **Dagger Lake South 8 Fed Com 704H** (API. No. 30-025-49683); and

(f) Pursuant to 19.15.12.10.C(4)(g), *future additions of pools, leases or leases and pools to the Dagger Lake South 8 Tank Battery* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the **Dagger Lake South 8 Tank Battery** located in the SW/4 SE/4 (Unit O) of Section 8. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador’s current development plan, flow lines, well pads, and central tank battery (“Facility Pad”) in the subject area. The plat also identifies the wellbores (including surface/bottomhole locations) and lease/spacing unit boundaries.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Oscar Gonzalez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and an example gas analysis (attachment B to the statement).

Exhibit 3 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units.

Exhibit 4 includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered “leases” as defined by 19.15.12.7(C) NMAC. **Exhibit 5** is a list of the interest owners (including any owners of royalty



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or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the Bureau of Land Management and the New Mexico State Land Office since federal and state lands are involved.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink that reads "Paula M. Vance".

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

Dagger Lake South 8 Commingling Map

Date Published:
11/21/2023



- Bottom Locations
- Surface Locations
- Wellbores
- ~ 480 acres Unit
- ~ 240 acres Unit
- V061523
- NMNM 096244
- NMNM 024683
- Well Pad
- Facility Pad
- Flowline

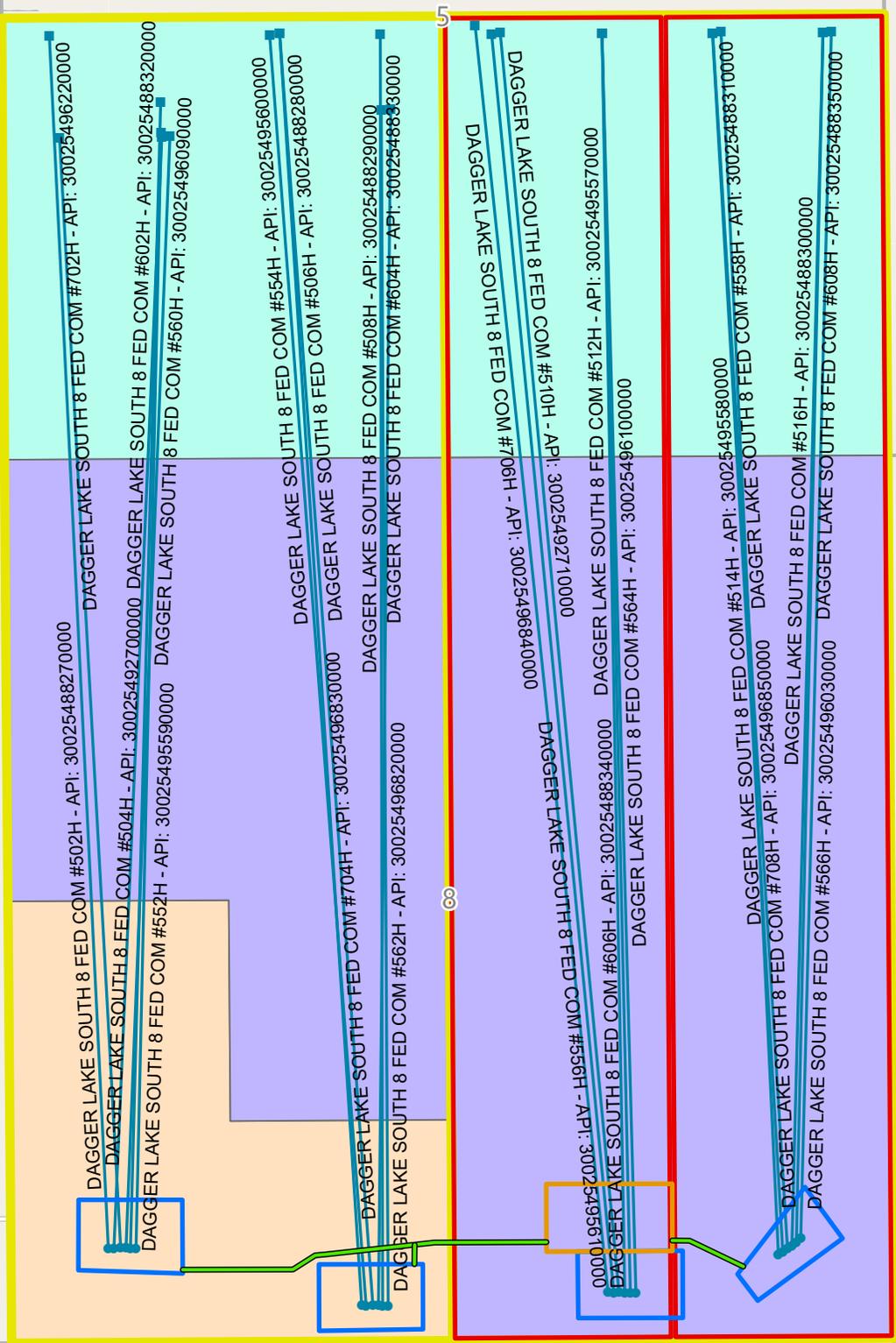


EXHIBIT
1



1:12,000

1 inch equals 1,000 feet

Map Prepared by: americo.gamarral
Date: November 21, 2023
Project: \\gis\UserData\agamarra\temp\20231120 Dagger Lake 8 Commingling\Dagger Lake 8.aprx
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Sources: IHS; ESR; US DOI BLM Carlsbad, NM Field Office, GIS Department; Texas Cooperative Wildlife Collection, Texas A&M University; United States Census Bureau (TIGER);

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Matador Production Company
OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240
APPLICATION TYPE:
 Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
[51687] RED TANK; BONE SPRING, EAST	43.0 °	43.1° oil 1,327 BTU/CF	\$68.88/bbl oil Deemed 40°/Sweet (Jul '23 realized price)	12,100 bopd
[51687] RED TANK; BONE SPRING, EAST	1333 BTU/CF			22,400 mcf
[98033] WC-025 G-10 S2133280; WOLFCAMP	43.8 °		2,000 bopd	
[98033] WC-025 G-10 S2133280; WOLFCAMP	1298 BTU/CF		4,000 mcf	

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code-
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: *Oscar Gonzalez* TITLE: Production Engineer DATE: 11/08/2023
TYPE OR PRINT NAME Oscar Gonzalez TELEPHONE NO.: (972) 629-2147
E-MAIL ADDRESS: ogonzalez@matadorresources.com

EXHIBIT
2

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5427 • Fax 972.371.5201

ogonzalez@matadorresources.com

Oscar Gonzalez
Production Engineer

November 8, 2023

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) gas and oil production from the spacing units comprised of the S/2 of Section 05 and All of Section 08 of Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the “Lands”).

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current oil and gas production from twenty-four (24) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Pronto Midstream, LLC gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from FESCO attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled

with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Pronto Midstream, LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

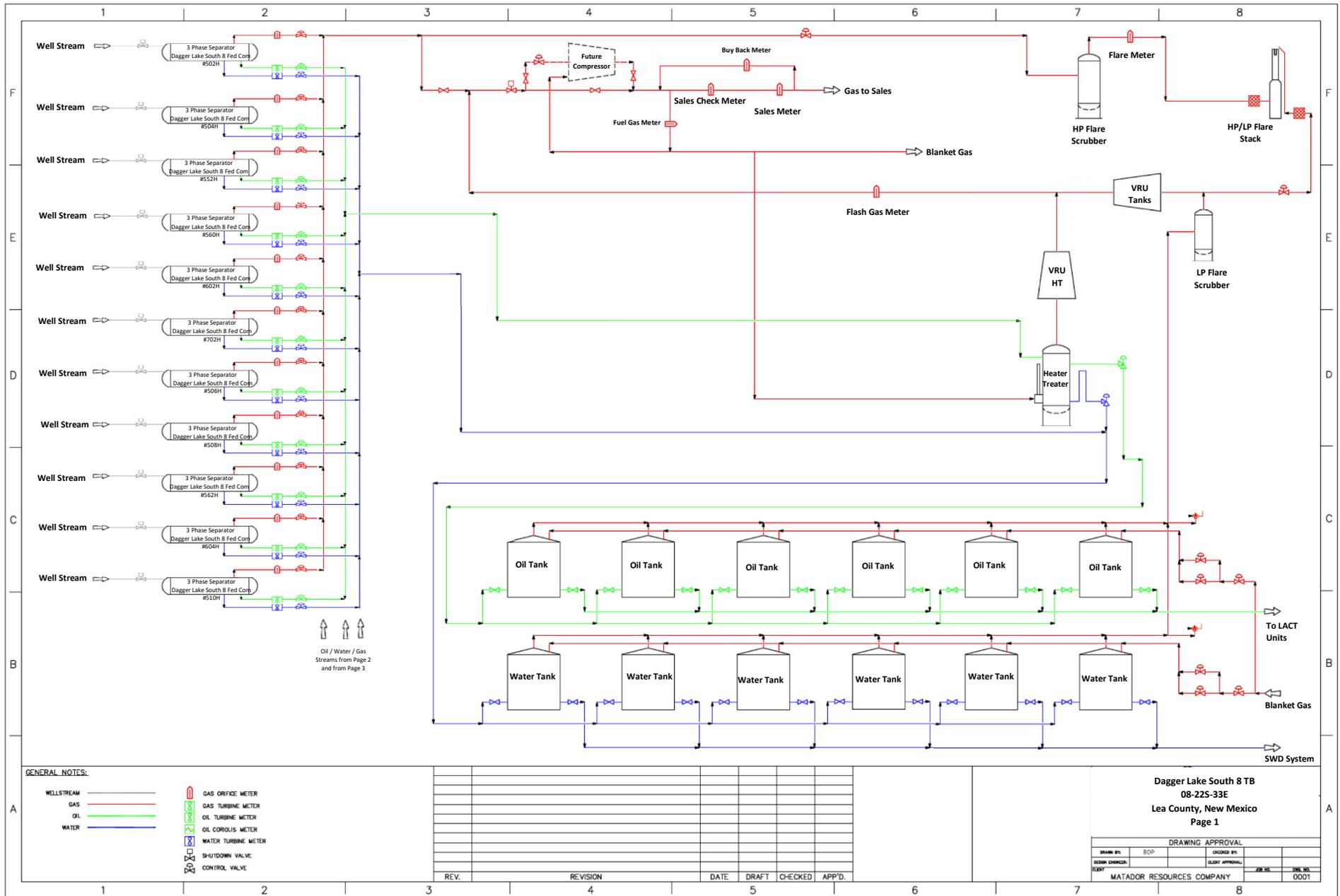
In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read "Oscar Gonzalez", with a long horizontal flourish extending to the right.

Oscar Gonzalez
Production Engineer



FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Sample: Nina Cotell Federal COM No. 201H
First Stage Separator
Spot Gas Sample @ 564 psig & 121 °F

Date Sampled: 01/03/2019

Job Number: 91026.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

Table with 3 columns: COMPONENT, MOL%, GPM. Rows include Hydrogen Sulfide*, Nitrogen, Carbon Dioxide, Methane, Ethane, Propane, Isobutane, n-Butane, 2-2 Dimethylpropane, Isopentane, n-Pentane, Hexanes, Heptanes Plus, and Totals.

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.496 (Air=1)
Molecular Weight ----- 100.86
Gross Heating Value ----- 5355 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.748 (Air=1)
Compressibility (Z) ----- 0.9961
Molecular Weight ----- 21.59
Gross Heating Value
Dry Basis ----- 1307 BTU/CF
Saturated Basis ----- 1285 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: <0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) Dennis Field
Analyst: NG
Processor: RG
Cylinder ID: G-248



Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.784		2.314
Carbon Dioxide	0.152		0.310
Methane	75.730		56.259
Ethane	13.338	3.652	18.572
Propane	5.526	1.559	11.284
Isobutane	0.560	0.188	1.507
n-Butane	1.433	0.463	3.857
2,2 Dimethylpropane	0.012	0.005	0.040
Isopentane	0.273	0.102	0.912
n-Pentane	0.317	0.118	1.059
2,2 Dimethylbutane	0.003	0.001	0.012
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.030	0.013	0.120
2 Methylpentane	0.090	0.038	0.359
3 Methylpentane	0.049	0.020	0.196
n-Hexane	0.125	0.053	0.499
Methylcyclopentane	0.061	0.022	0.238
Benzene	0.021	0.006	0.076
Cyclohexane	0.085	0.030	0.331
2-Methylhexane	0.018	0.009	0.084
3-Methylhexane	0.020	0.009	0.093
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.056	0.025	0.257
n-Heptane	0.047	0.022	0.218
Methylcyclohexane	0.077	0.032	0.350
Toluene	0.020	0.007	0.085
Other C8's	0.064	0.030	0.327
n-Octane	0.022	0.012	0.116
Ethylbenzene	0.003	0.001	0.015
M & P Xylenes	0.009	0.004	0.044
O-Xylene	0.002	0.001	0.010
Other C9's	0.031	0.016	0.181
n-Nonane	0.009	0.005	0.053
Other C10's	0.014	0.008	0.092
n-Decane	0.005	0.003	0.033
Undecanes (11)	<u>0.014</u>	<u>0.009</u>	<u>0.097</u>
Totals	100.000	6.460	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.748	(Air=1)
Compressibility (Z) -----	0.9961	
Molecular Weight -----	21.59	
Gross Heating Value		
Dry Basis -----	1307	BTU/CF
Saturated Basis -----	1285	BTU/CF

FESCO, Ltd.

1100 Fesco Ave. - Alice, Texas 78332

Sample: Nina Cotell Federal COM No. 201H
 First Stage Separator
 Spot Gas Sample @ 564 psig & 121 °F

Date Sampled: 01/03/2019

Job Number: 91026.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.152		0.310
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.784		2.314
Methane	75.730		56.259
Ethane	13.338	3.652	18.572
Propane	5.526	1.559	11.284
Isobutane	0.560	0.188	1.507
n-Butane	1.445	0.467	3.897
Isopentane	0.273	0.102	0.912
n-Pentane	0.317	0.118	1.059
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.125	0.053	0.499
Cyclohexane	0.085	0.030	0.331
Other C6's	0.172	0.073	0.687
Heptanes	0.202	0.087	0.890
Methylcyclohexane	0.077	0.032	0.350
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.021	0.006	0.076
Toluene	0.020	0.007	0.085
Ethylbenzene	0.003	0.001	0.015
Xylenes	0.011	0.004	0.054
Octanes Plus	<u>0.159</u>	<u>0.084</u>	<u>0.899</u>
Totals	100.000	6.460	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity -----	4.231	(Air=1)
Molecular Weight -----	122.08	
Gross Heating Value -----	6530	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity -----	0.748	(Air=1)
Compressibility (Z) -----	0.9961	
Molecular Weight -----	21.59	
Gross Heating Value		
Dry Basis -----	1307	BTU/CF
Saturated Basis -----	1285	BTU/CF

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

¹ API Number		² Pool Code		³ Pool Name		
⁴ Property Code		⁵ Property Name			⁶ Well Number	
		DAGGER LAKE SOUTH 8 FED COM			706H	
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation	
		AMEREDEV OPERATING, LLC.			3574'	

¹⁰Surface Location

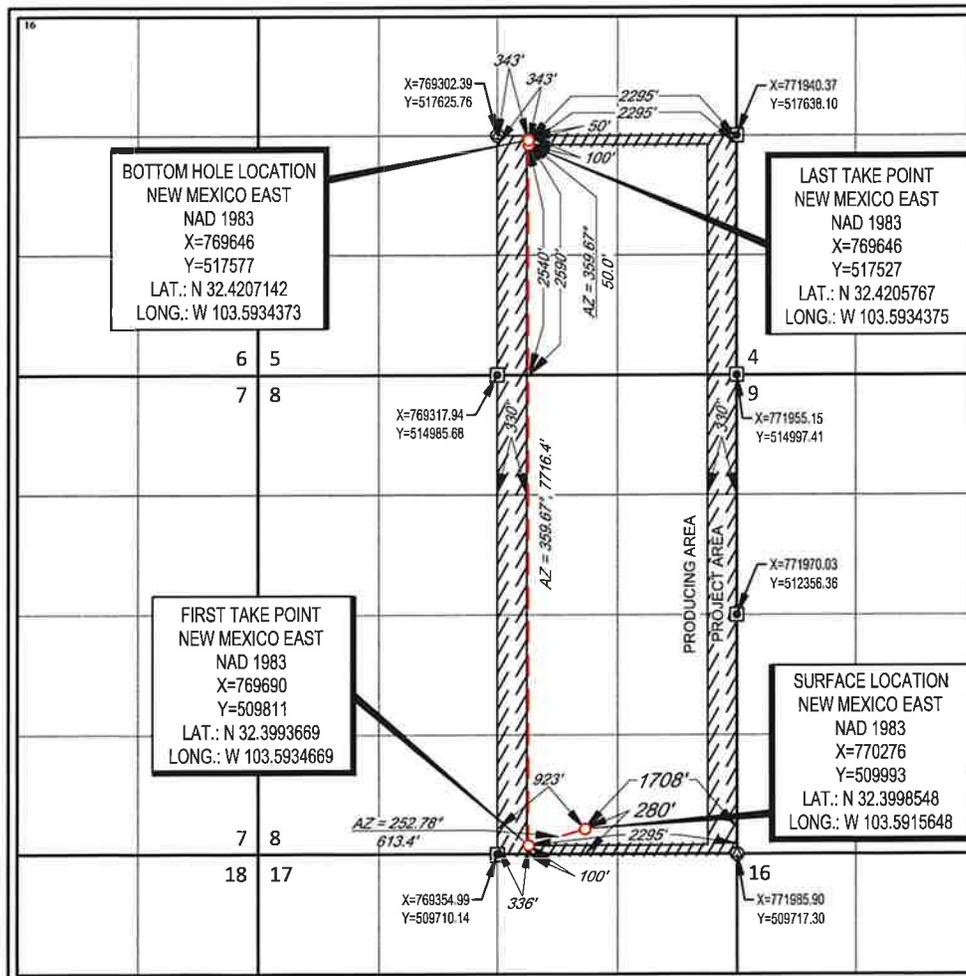
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	22-S	33-E	-	280'	SOUTH	1708'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22-S	33-E	-	2590'	SOUTH	2295'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
480			

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



¹⁷OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

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

04/30/2022

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

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 606H
⁷ OGRID No.		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 3576'

¹⁰Surface Location

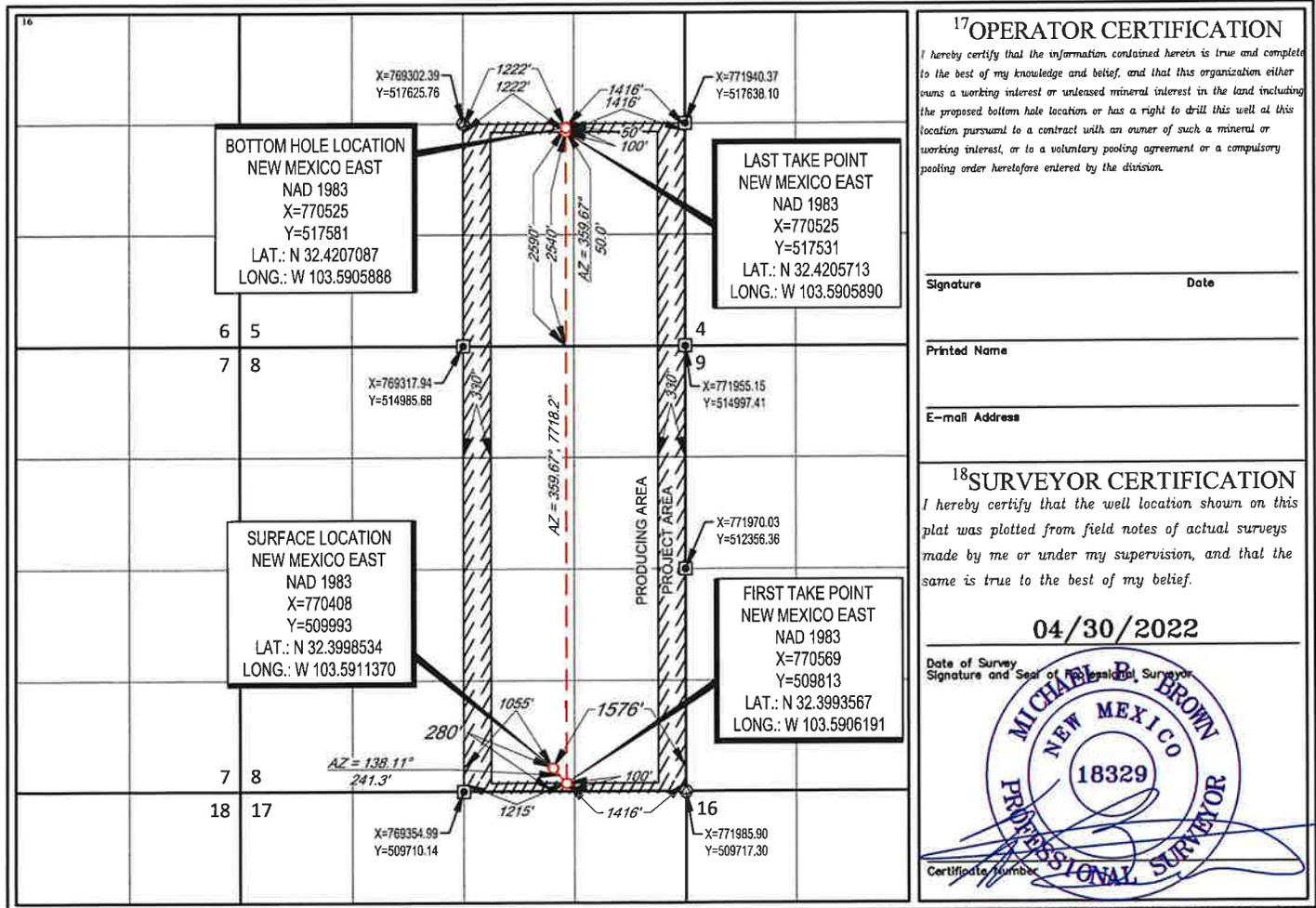
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	22-S	33-E	-	280'	SOUTH	1576'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22-S	33-E	-	2590'	SOUTH	1416'	EAST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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



S:\SURVEY\AMEREDEV_OPERATING_LLCDAGGER_LAKE_SOUTH_8_FED_COM\FINAL_PRODUCTS\ILO_DAGGER_LAKE_SOUTH_8_FED_COM_606H.DWG 5/10/2022 4:13:59 PM adisabella

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
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1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 604H
⁷ OGRID No.		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 3569'

¹⁰Surface Location

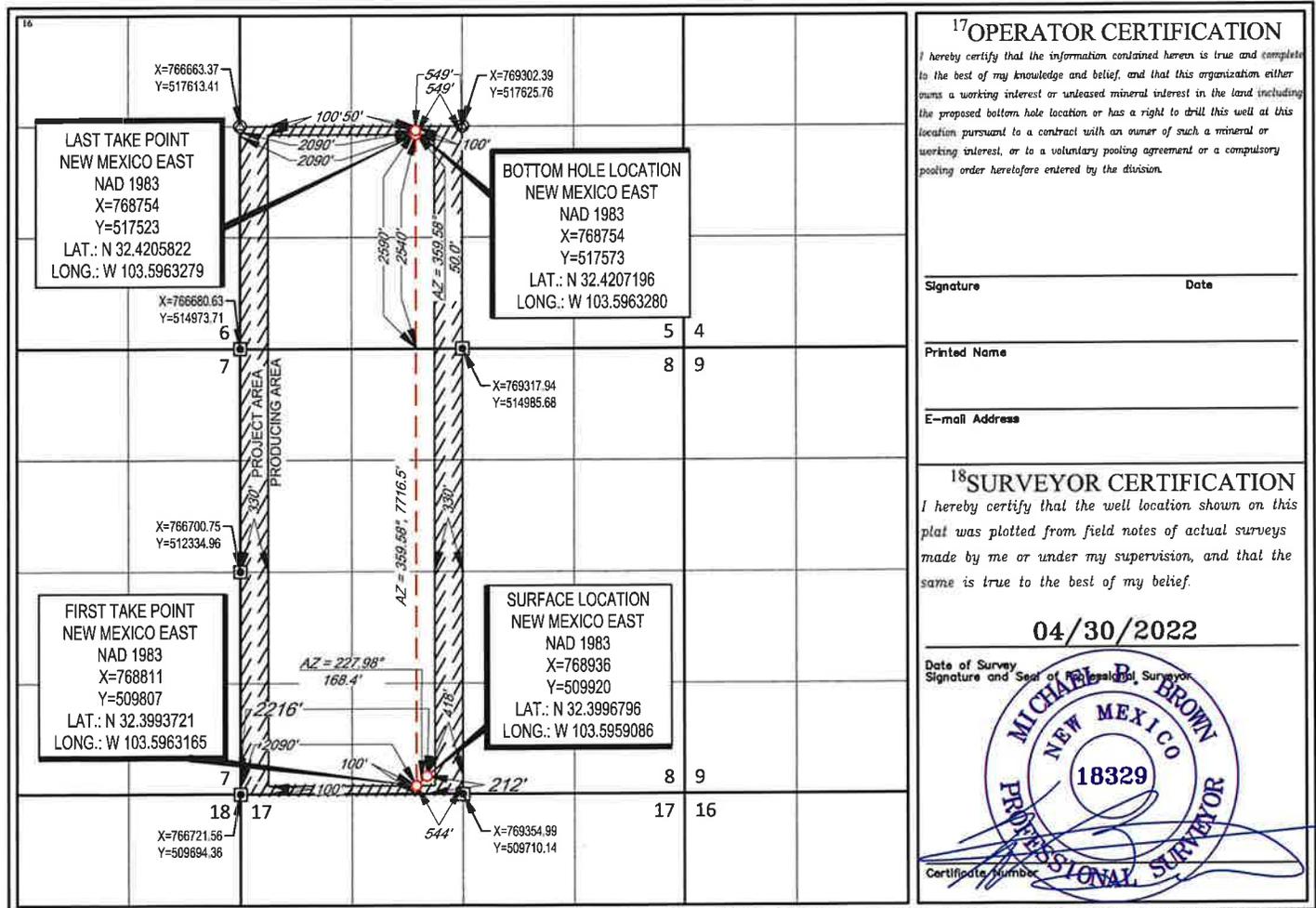
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	22-S	33-E	-	212'	SOUTH	2216'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	5	22-S	33-E	-	2590'	SOUTH	2090'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
¹ Property Code	⁵ Property Name DAGGER LAKE SOUTH 8 FED COM	
⁷ OGRID No.	⁸ Operator Name AMEREDEV OPERATING, LLC.	⁶ Well Number 602H ⁹ Elevation 3575'

¹⁰Surface Location

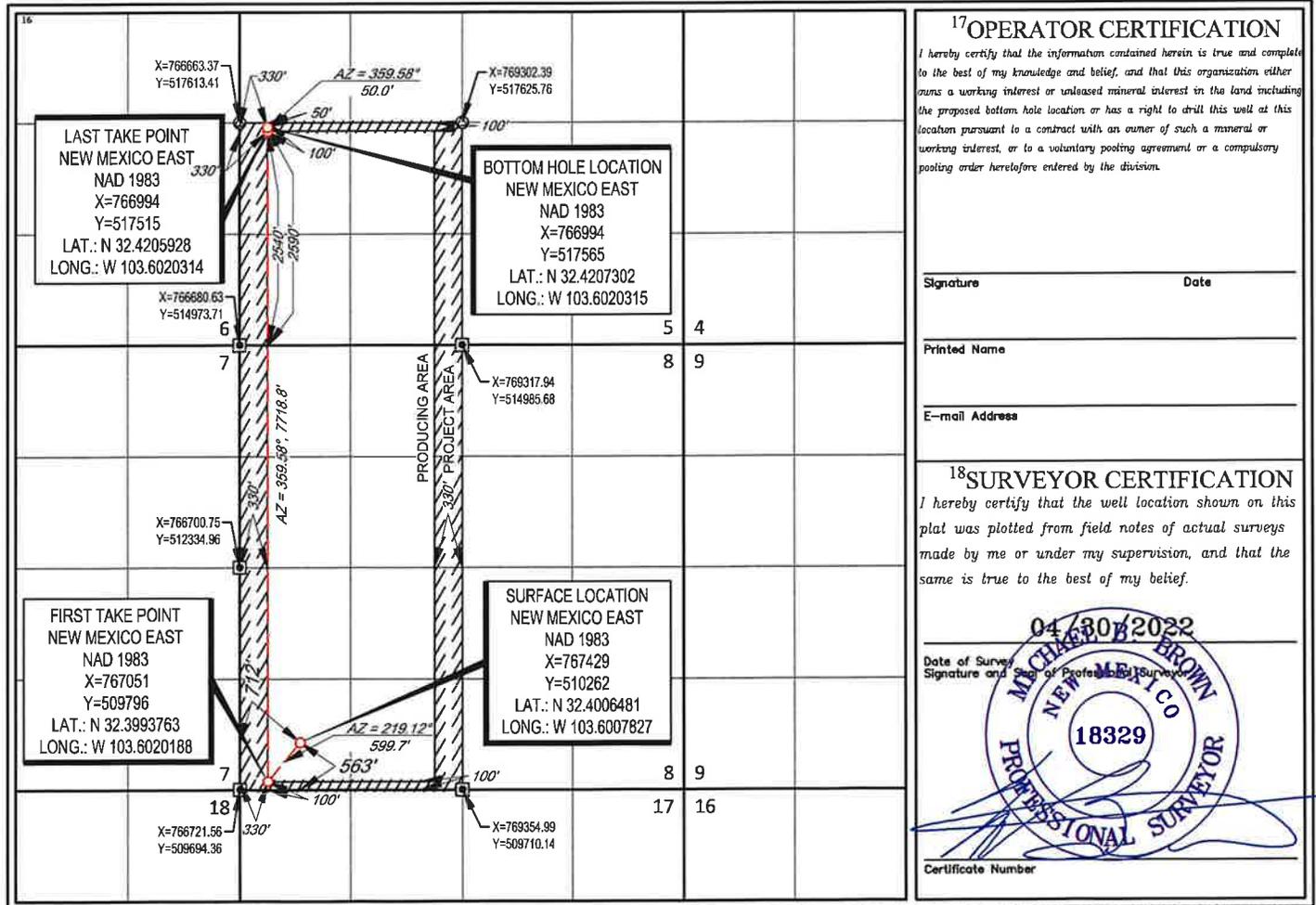
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	22-S	33-E	-	563'	SOUTH	712'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22-S	33-E	-	2590'	SOUTH	330'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name		
⁴ Property Code		⁵ Property Name			⁶ Well Number	
		DAGGER LAKE SOUTH 8 FED COM			564H	
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation	
		AMEREDEV OPERATING, LLC.			3576'	

¹⁰Surface Location

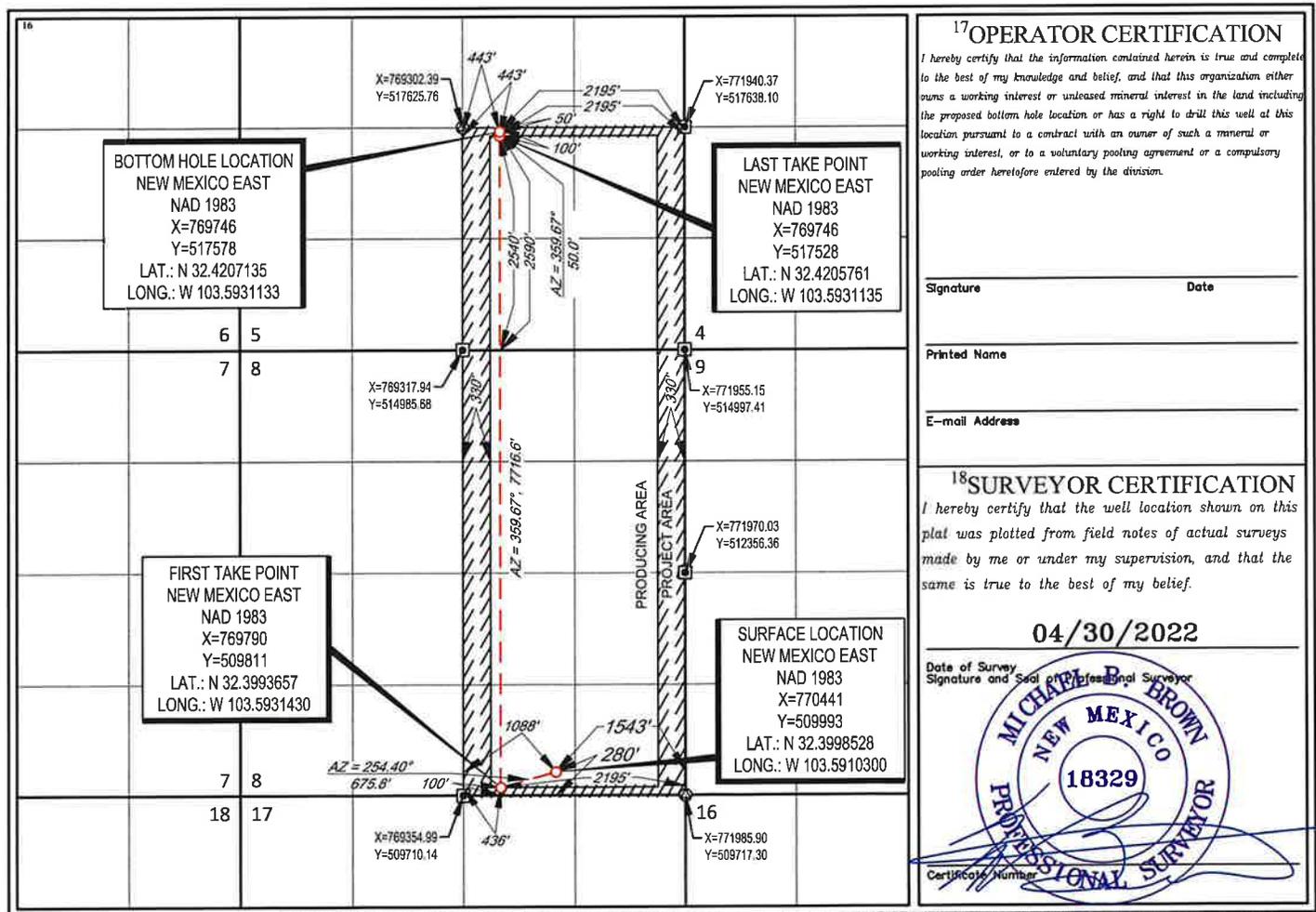
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	22-S	33-E	-	280'	SOUTH	1543'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22-S	33-E	-	2590'	SOUTH	2195'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
480			

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



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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 562H
⁷ OGRID No.		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 3569'

¹⁰Surface Location

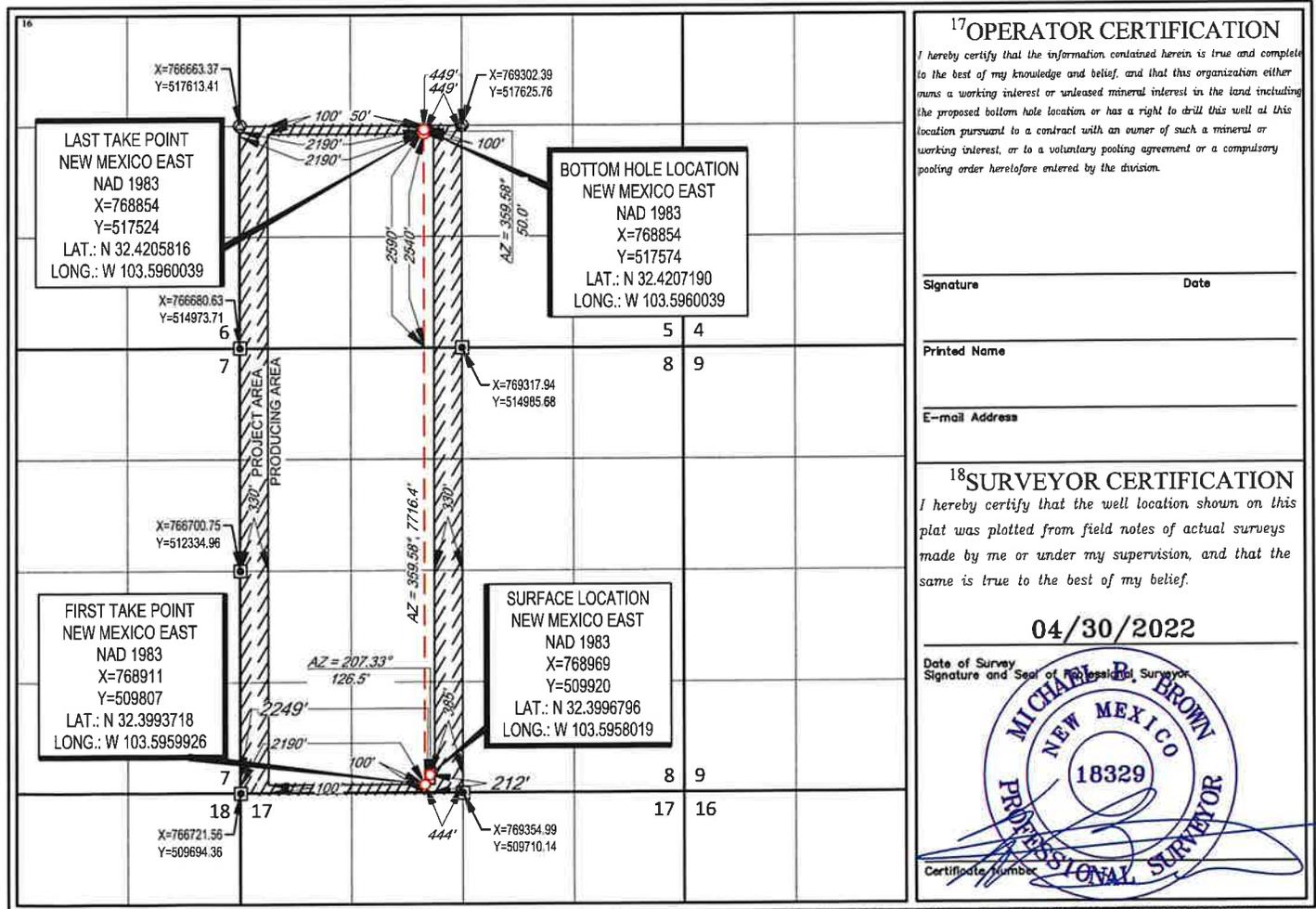
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	22-S	33-E	-	212'	SOUTH	2249'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	5	22-S	33-E	-	2590'	SOUTH	2190'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 556H
⁷ OGRID No.		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 3575'

¹⁰Surface Location

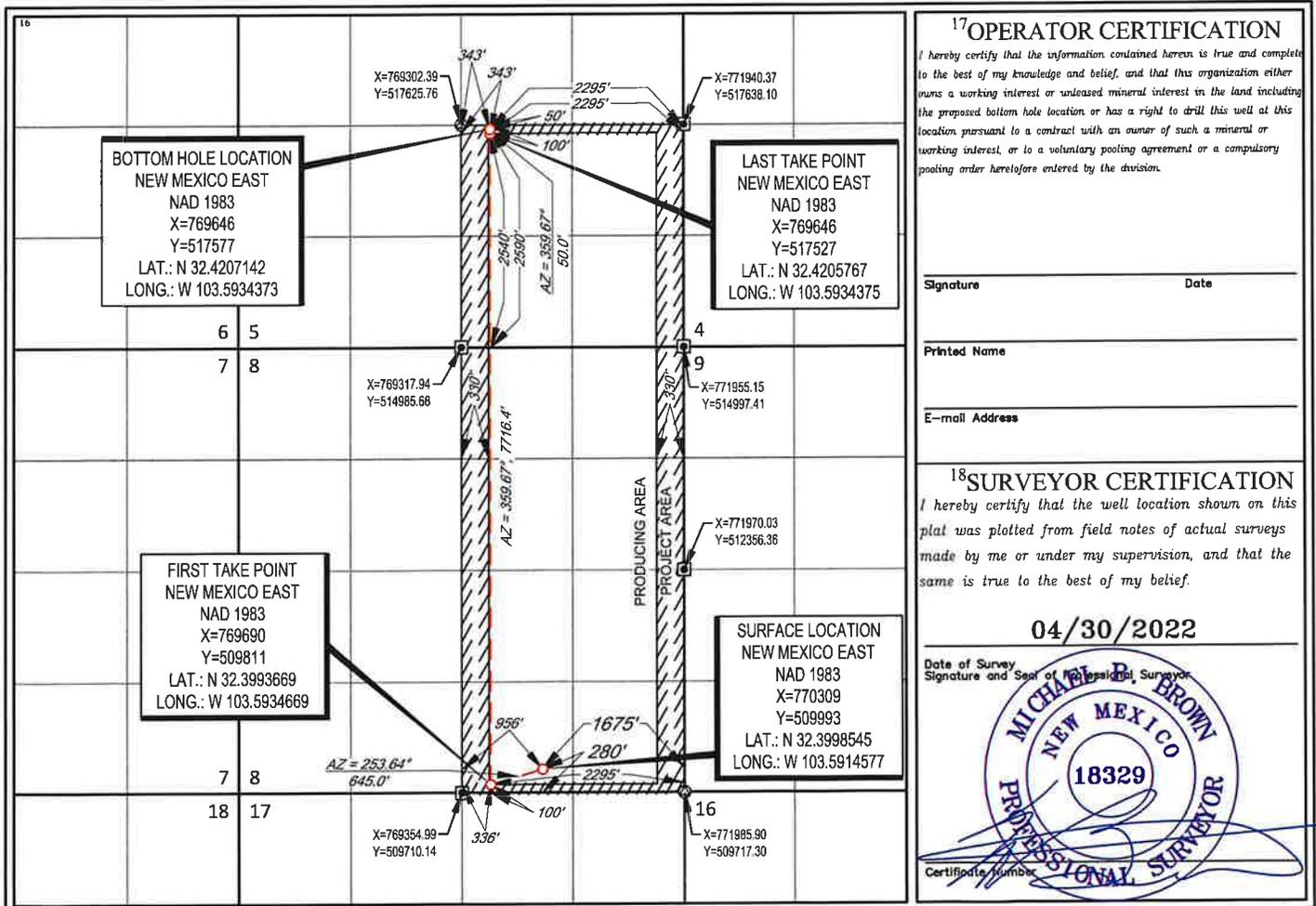
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	22-S	33-E	-	280'	SOUTH	1675'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22-S	33-E	-	2590'	SOUTH	2295'	EAST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 510H
⁷ OGRID No.		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 3575'

¹⁰Surface Location

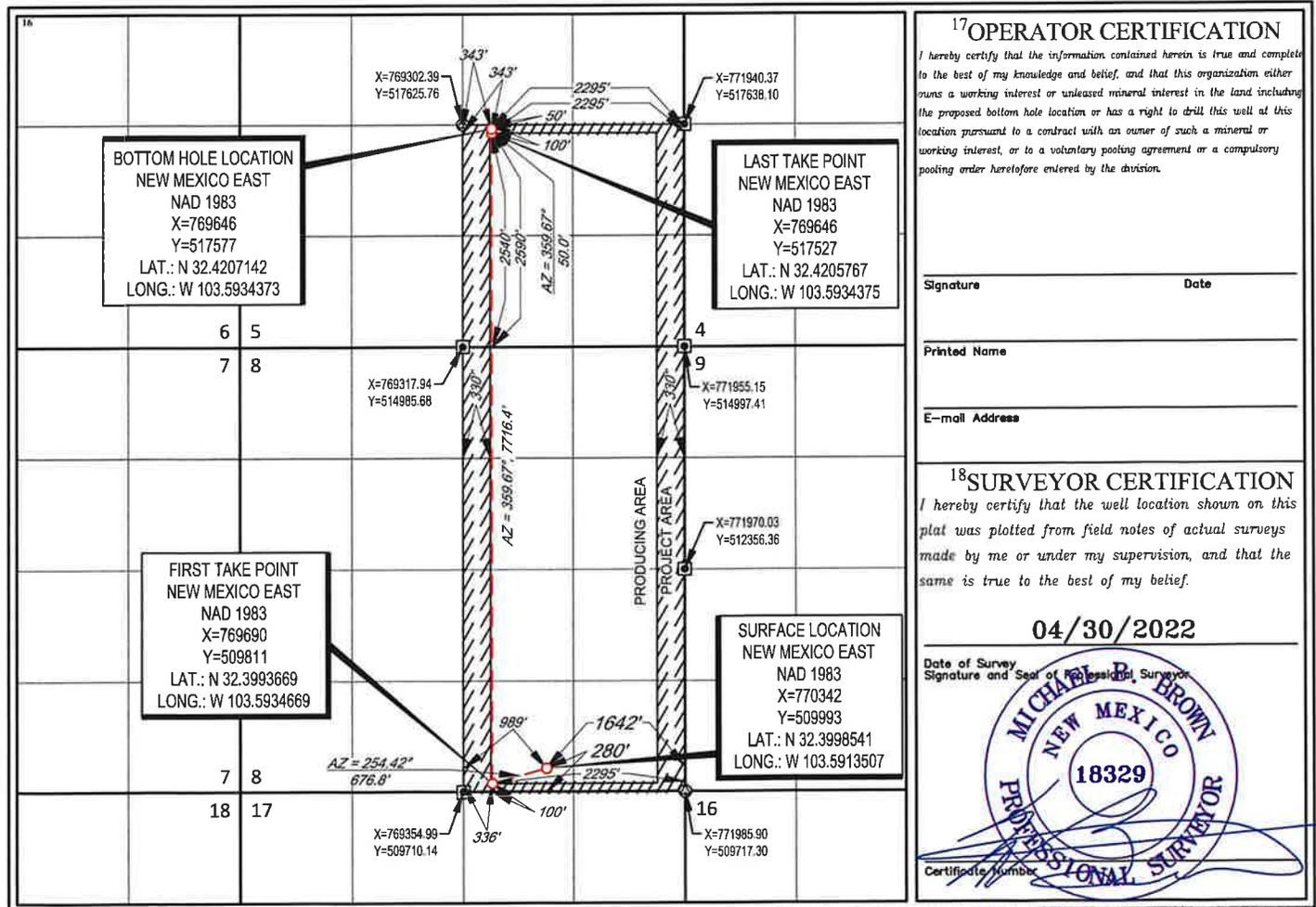
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	22-S	33-E	-	280'	SOUTH	1642'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22-S	33-E	-	2590'	SOUTH	2295'	EAST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 508H
⁷ GRID No.		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 3569'

¹⁰Surface Location

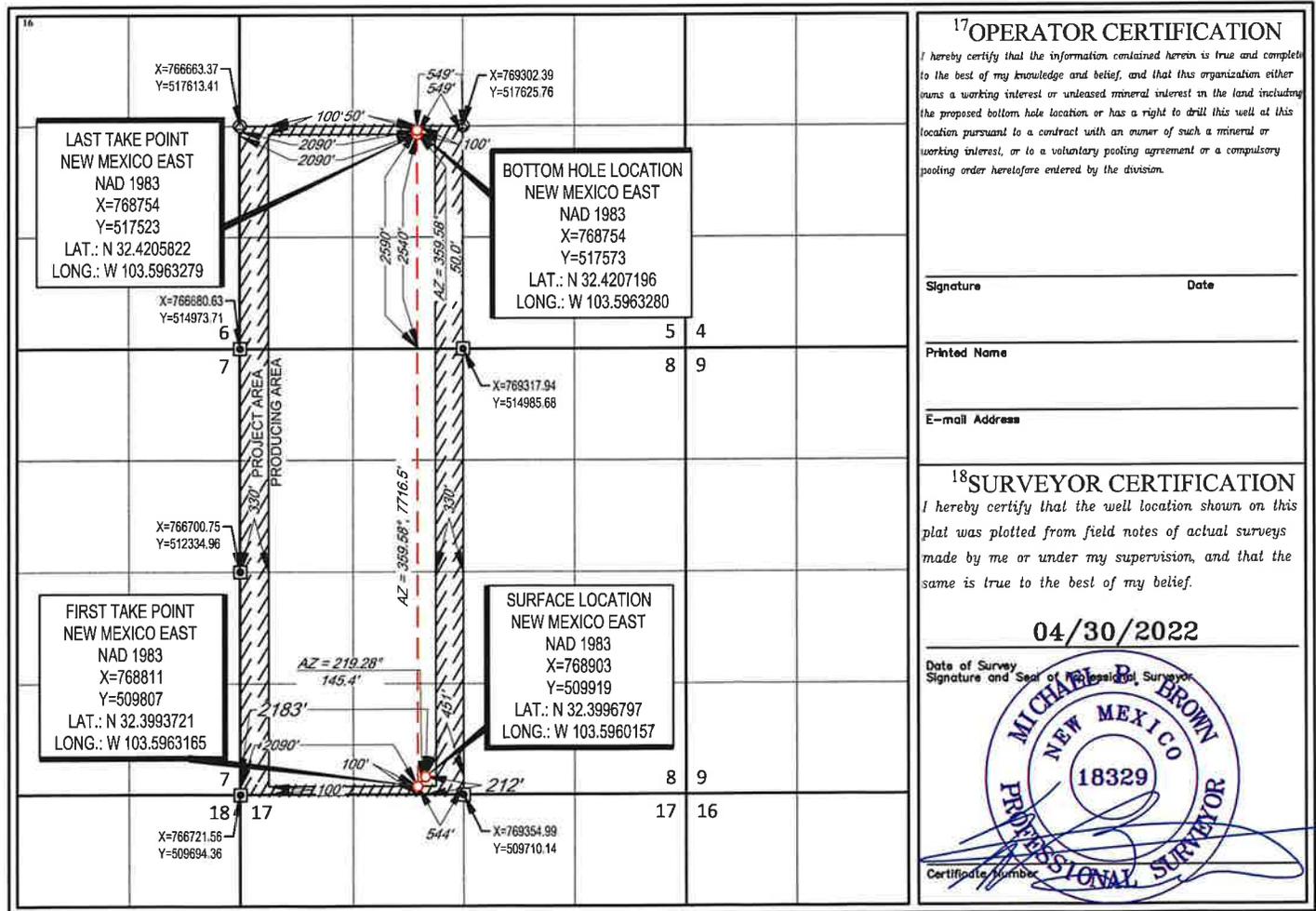
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	22-S	33-E	-	212'	SOUTH	2183'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	5	22-S	33-E	-	2590'	SOUTH	2090'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



S:\SURVEY\AMEREDEV_OPERATING_LLCDAGGER_LAKE_SOUTH_8_FED_COM\FINAL_PRODUCTS\I_O_DAGGER_LAKE_SOUTH_8_FED_COM_508H.DWG 5/10/2022 8:36:08 AM adisabella

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District IV
1720 S. St. Francis Dr., Santa Fe, NM 87505
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 514H				
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3596'				
¹⁰ Surface Location									
UL or lot no. P	Section 8	Township 22-S	Range 33-E	Lot Idn -	Feet from the 539'	North/South line SOUTH	Feet from the 635'	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. I	Section 5	Township 22-S	Range 33-E	Lot Idn -	Feet from the 2531'	North/South line SOUTH	Feet from the 660'	East/West line EAST	County LEA
¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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

NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)
539' FSL - SEC. 8
635' FEL - SEC. 8
X=771348 Y=510255
LAT.: N 32.4005542
LONG.: W 103.5880876
KICK OFF POINT (KOP)
50' FSL - SEC. 8
660' FEL - SEC. 8
X=771326 Y=509765
LAT.: N 32.3992104
LONG.: W 103.5881699

FIRST PERFORATION POINT (FPP)
100' FSL - SEC. 8
660' FEL - SEC. 8
X=771325 Y=509815
LAT.: N 32.3993479
LONG.: W 103.5881698

BLM PERFORATION POINT (BPP)
0' FSL - SEC. 5
660' FEL - SEC. 5
X=771296 Y=514994
LAT.: N 32.4135834
LONG.: W 103.5881492

LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)
2531' FSL - SEC. 5
660' FEL - SEC. 5
X=771281 Y=517525
LAT.: N 32.4205390
LONG.: W 103.5881392

17 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.

Signature _____ Date _____

Printed Name _____

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.

08/10/2022

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number _____

NEW MEXICO EAST
NAD 1927

SURFACE LOCATION (SHL) X=730166 Y=510184 LAT N 32.4004309 LONG. W 103.5876024	KICK OFF POINT (KOP) X=730143 Y=508705 LAT.: N 32.3980872 LONG.: W 103.5876849
FIRST PERFORATION POINT (FPP) X=730143 Y=508755 LAT N 32.3982248 LONG.: W 103.5876847	BLM PERFORATION POINT (BPP) X=730113 Y=514934 LAT N 32.4134801 LONG.: W 103.5876837
LAST PERFORATION POINT (LPP) X=730089 Y=517464 LAT.: N 32.4204158 LONG.: W 103.5876534	BOTTOM HOLE LOCATION (BHL) X=730089 Y=517464 LAT.: N 32.4204158 LONG.: W 103.5876534

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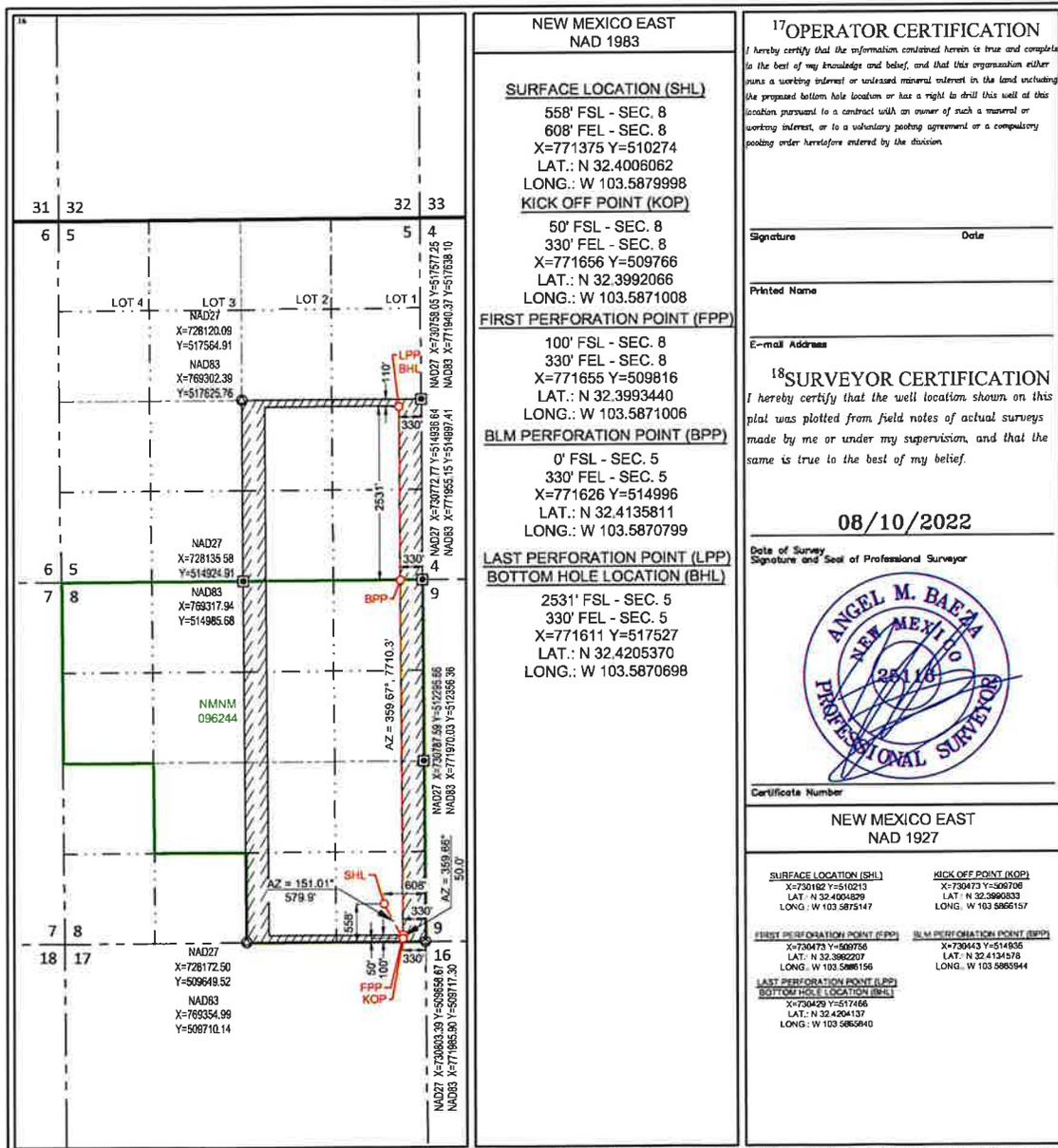
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 516H				
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3596'				
¹⁰ Surface Location									
UL or lot no. P	Section 8	Township 22-S	Range 33-E	Lot Idn -	Feet from the 558'	North/South line SOUTH	Feet from the 608'	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. I	Section 5	Township 22-S	Range 33-E	Lot Idn -	Feet from the 2531'	North/South line SOUTH	Feet from the 330'	East/West line EAST	County LEA
¹² Dedicated Acres 480		¹³ Infat or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)
558' FSL - SEC. 8
608' FEL - SEC. 8
X=771656 Y=510274
LAT.: N 32.4006062
LONG.: W 103.5879998
KICK OFF POINT (KOP)
50' FSL - SEC. 8
330' FEL - SEC. 8
X=771656 Y=509766
LAT.: N 32.3992066
LONG.: W 103.5871008

FIRST PERFORATION POINT (FPP)
100' FSL - SEC. 8
330' FEL - SEC. 8
X=771656 Y=509816
LAT.: N 32.3993440
LONG.: W 103.5871006

BLM PERFORATION POINT (BPP)
0' FSL - SEC. 5
330' FEL - SEC. 5
X=771626 Y=514996
LAT.: N 32.4135811
LONG.: W 103.5870799

LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)
2531' FSL - SEC. 5
330' FEL - SEC. 5
X=771611 Y=517527
LAT.: N 32.4205370
LONG.: W 103.5870698

17 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 undivided 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.

Signature _____ Date _____

Printed Name _____

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.

08/10/2022

Date of Survey
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA
NEW MEXICO
PROFESSIONAL SURVEYOR

Certificate Number _____

NEW MEXICO EAST
NAD 1927

SURFACE LOCATION (SHL) X=730182 Y=510213 LAT. N 32.4004829 LONG. W 103.5875147	KICK OFF POINT (KOP) X=730473 Y=506706 LAT. N 32.3990833 LONG. W 103.5866157
FIRST PERFORATION POINT (FPP) X=730473 Y=506756 LAT. N 32.3982207 LONG. W 103.5866156	BLM PERFORATION POINT (BPP) X=730443 Y=514936 LAT. N 32.4134578 LONG. W 103.5865944
LAST PERFORATION POINT (LPP) BOTTOM HOLE LOCATION (BHL) X=730429 Y=517466 LAT.: N 32.4204137 LONG.: W 103.5858940	

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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

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 558H
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3597'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	B	22-S	33-E	-	520'	SOUTH	662'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	5	22-S	33-E	-	2530'	SOUTH	1314'	EAST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)
520' FSL - SEC. 8
662' FEL - SEC. 8
X=771321 Y=510236
LAT.: N 32.4005025
LONG.: W 103.5881752
KICK OFF POINT (KOP)
50' FSL - SEC. 8
1314' FEL - SEC. 8
X=770672 Y=509764
LAT.: N 32.3992181
LONG.: W 103.5902888

FIRST PERFORATION POINT (FPP)
100' FSL - SEC. 8
1314' FEL - SEC. 8
X=770671 Y=509814
LAT.: N 32.3993555
LONG.: W 103.5902887

BLM PERFORATION POINT (BPP)
0' FSL - SEC. 5
1314' FEL - SEC. 5
X=770642 Y=514992
LAT.: N 32.4135879
LONG.: W 103.5902684

LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)
2530' FSL - SEC. 5
1314' FEL - SEC. 5
X=770627 Y=517522
LAT.: N 32.4205431
LONG.: W 103.5902585

¹⁷OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

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

08/10/2022

Date of Survey _____
Signature and Seal of Professional Surveyor

Certificate Number _____

NEW MEXICO EAST
NAD 1927

SURFACE LOCATION (SHL) X=728138 Y=510175 LAT. N 32.4003782 LONG. W 103.5876900	KICK OFF POINT (KOP) X=728480 Y=509703 LAT. N 32.3890949 LONG. W 103.5886037
FIRST PERFORATION POINT (FPP) X=728480 Y=509753 LAT. N 32.3882322 LONG. W 103.5886035	BLM PERFORATION POINT (BPP) X=728459 Y=514031 LAT. N 32.4134847 LONG. W 103.5897828
LAST PERFORATION POINT (LPP) X=728445 Y=517481 LAT. N 32.4204198 LONG. W 103.5887727	BOTTOM HOLE LOCATION (BHL) X=728445 Y=517481 LAT. N 32.4204198 LONG. W 103.5887727

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 566H				
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3597'				
¹⁰ Surface Location									
UL or lot no. P	Section 8	Township 22-S	Range 33-E	Lot Idn -	Feet from the 597'	North/South line SOUTH	Feet from the 554'	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. I	Section 5	Township 22-S	Range 33-E	Lot Idn -	Feet from the 2531'	North/South line SOUTH	Feet from the 435'	East/West line EAST	County LEA
¹² Dedicated Acres 480		¹³ Lot or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)

597' FSL - SEC. 8
554' FEL - SEC. 8
X=771428 Y=510313
LAT.: N 32.4007126
LONG.: W 103.5878249
KICK OFF POINT (KOP)

50' FSL - SEC. 8
435' FEL - SEC. 8
X=771551 Y=509766
LAT.: N 32.3992078
LONG.: W 103.5874410
FIRST PERFORATION POINT (FPP)

100' FSL - SEC. 8
435' FEL - SEC. 8
X=771550 Y=509816
LAT.: N 32.3993452
LONG.: W 103.5874408
BLM PERFORATION POINT (BPP)

0' FSL - SEC. 5
435' FEL - SEC. 5
X=771521 Y=514995
LAT.: N 32.4135818
LONG.: W 103.5874202
LAST PERFORATION POINT (LPP)

BOTTOM HOLE LOCATION (BHL)

2531' FSL - SEC. 5
435' FEL - SEC. 5
X=771506 Y=517526
LAT.: N 32.4205376
LONG.: W 103.5874100

¹⁷OPERATOR CERTIFICATION

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Signature _____ Date _____

Printed Name _____

E-mail Address _____

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08/10/2022

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number _____

NEW MEXICO EAST
NAD 1927

<u>SURFACE LOCATION (SHL)</u> X=730248 Y=510252 LAT: N 32.4005884 LONG: W 103.5873388	<u>KICK OFF POINT (KOP)</u> X=730388 Y=509705 LAT: N 32.3896845 LONG: W 103.5869335
<u>FIRST PERFORATION POINT (FPP)</u> X=730368 Y=509755 LAT: N 32.3892720 LONG: W 103.5868538	<u>BLM PERFORATION POINT (BPP)</u> X=730338 Y=514935 LAT: N 32.4134586 LONG: W 103.5869346
<u>LAST PERFORATION POINT (LPP)</u> X=730324 Y=517485 LAT: N 32.4204144 LONG: W 103.5869243	

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 708H				
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3596'				
¹⁰ Surface Location									
UL or lot no. P	Section 8	Township 22-S	Range 33-E	Lot Idn -	Feet from the 501'	North/South line SOUTH	Feet from the 689'	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. I	Section 5	Township 22-S	Range 33-E	Lot Idn -	Feet from the 2531'	North/South line SOUTH	Feet from the 535'	East/West line EAST	County LEA
¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)

501' FSL - SEC. 8
689' FEL - SEC. 8
X=771294 Y=510216
LAT.: N 32.4004503
LONG.: W 103.5882624
KICK OFF POINT (KOP)

50' FSL - SEC. 8
535' FEL - SEC. 8
X=771451 Y=509766
LAT.: N 32.3992090
LONG.: W 103.5877650

FIRST PERFORATION POINT (FPP)

100' FSL - SEC. 8
535' FEL - SEC. 8
X=771450 Y=509816
LAT.: N 32.3993464
LONG.: W 103.5877648

BLM PERFORATION POINT (BPP)

0' FSL - SEC. 5
535' FEL - SEC. 5
X=771421 Y=514995
LAT.: N 32.4135825
LONG.: W 103.5877442

LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)

2531' FSL - SEC. 5
535' FEL - SEC. 5
X=771406 Y=517526
LAT.: N 32.4205383
LONG.: W 103.5877341

¹⁷OPERATOR CERTIFICATION

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Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

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08/10/2022

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number _____

NEW MEXICO EAST
NAD 1927

<u>SURFACE LOCATION (SHL)</u> X=730111 Y=510156 LAT. N 32.4002270 LONG. W 103.5877773	<u>KICK OFF POINT (KOP)</u> X=730268 Y=506795 LAT. N 32.3990357 LONG. W 103.5872799
<u>FIRST PERFORATION POINT (FPP)</u> X=730268 Y=506755 LAT. N 32.3982231 LONG. W 103.5872797	<u>BLM PERFORATION POINT (BPP)</u> X=730238 Y=514934 LAT. N 32.4134583 LONG. W 103.5872587
<u>LAST PERFORATION POINT (LPP)</u> <u>BOTTOM HOLE LOCATION (BHL)</u> X=730274 Y=517485 LAT. N 32.4204159 LONG. W 103.5872483	

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name DAGGER LAKE SOUTH 8 FED COM	Well Number 704H
OGRID No.	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3573'

Surface Location

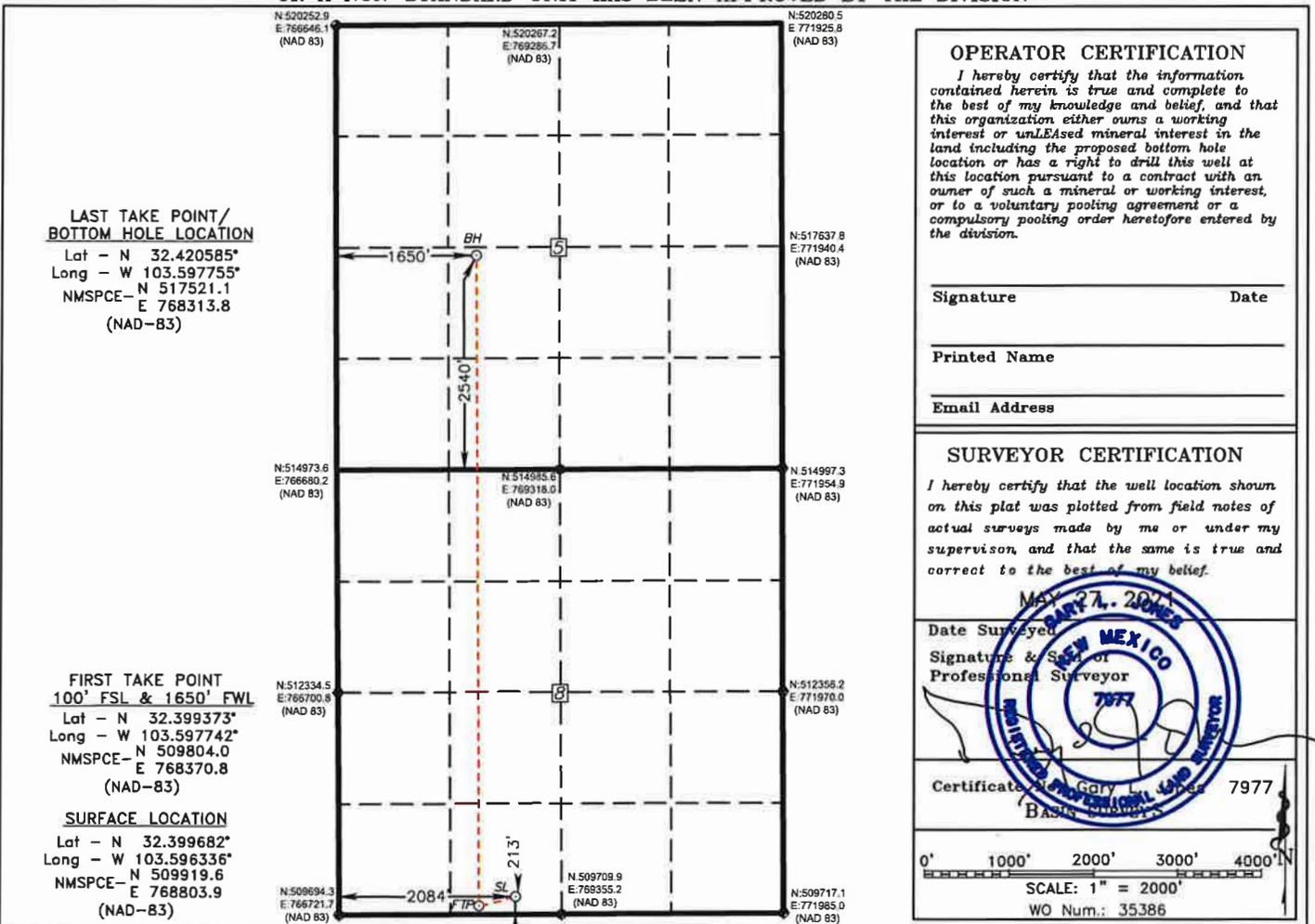
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
0	8	22 S	33 E		213	SOUTH	2084	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
K	5	22 S	33 E		2540	SOUTH	1650	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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 1220 South St. Francis Dr.
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name DAGGER LAKE SOUTH 8 FED COM	Well Number 608H
OGRID No.	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3598'

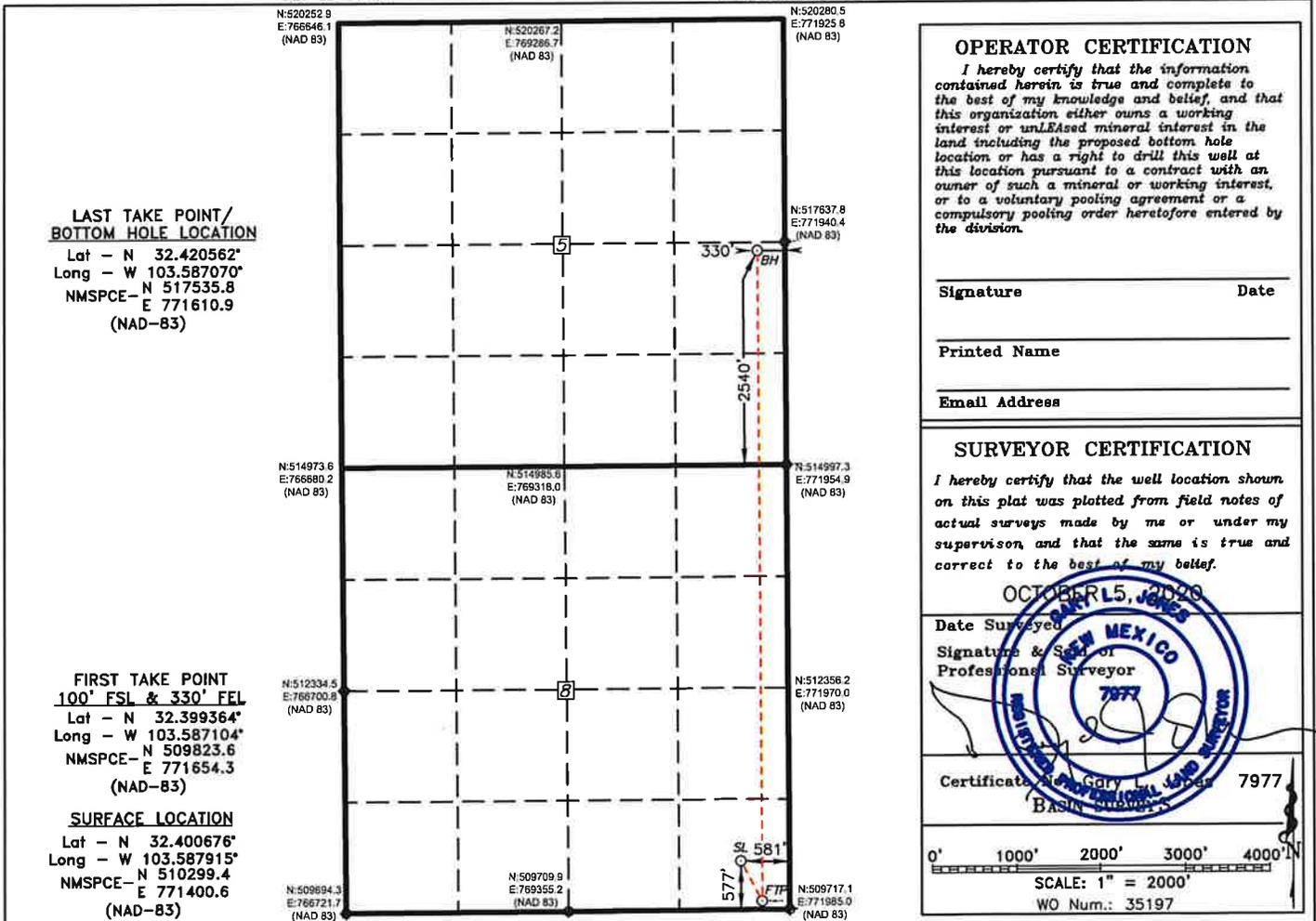
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
P	8	22 S	33 E		577	SOUTH	581	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
I	5	22 S	33 E		2540	SOUTH	330	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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OPERATOR CERTIFICATION

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Signature _____ Date _____
 Printed Name _____
 Email Address _____

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 and correct to the best of my belief.

OCTOBER 15, 2020

Date Surveyed _____
 Signature & Seal of Professional Surveyor
 Certificate No. GARY L. JONES 7977
 BASIN SURVEYOR

0' 1000' 2000' 3000' 4000'
 SCALE: 1" = 2000'
 WO Num.: 35197

DISTRICT I
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WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	DAGGER LAKE SOUTH 8 FED COM		554H
OGRID No.	Operator Name		Elevation
	ADVANCE ENERGY PARTNERS HAT MESA		3571'

Surface Location

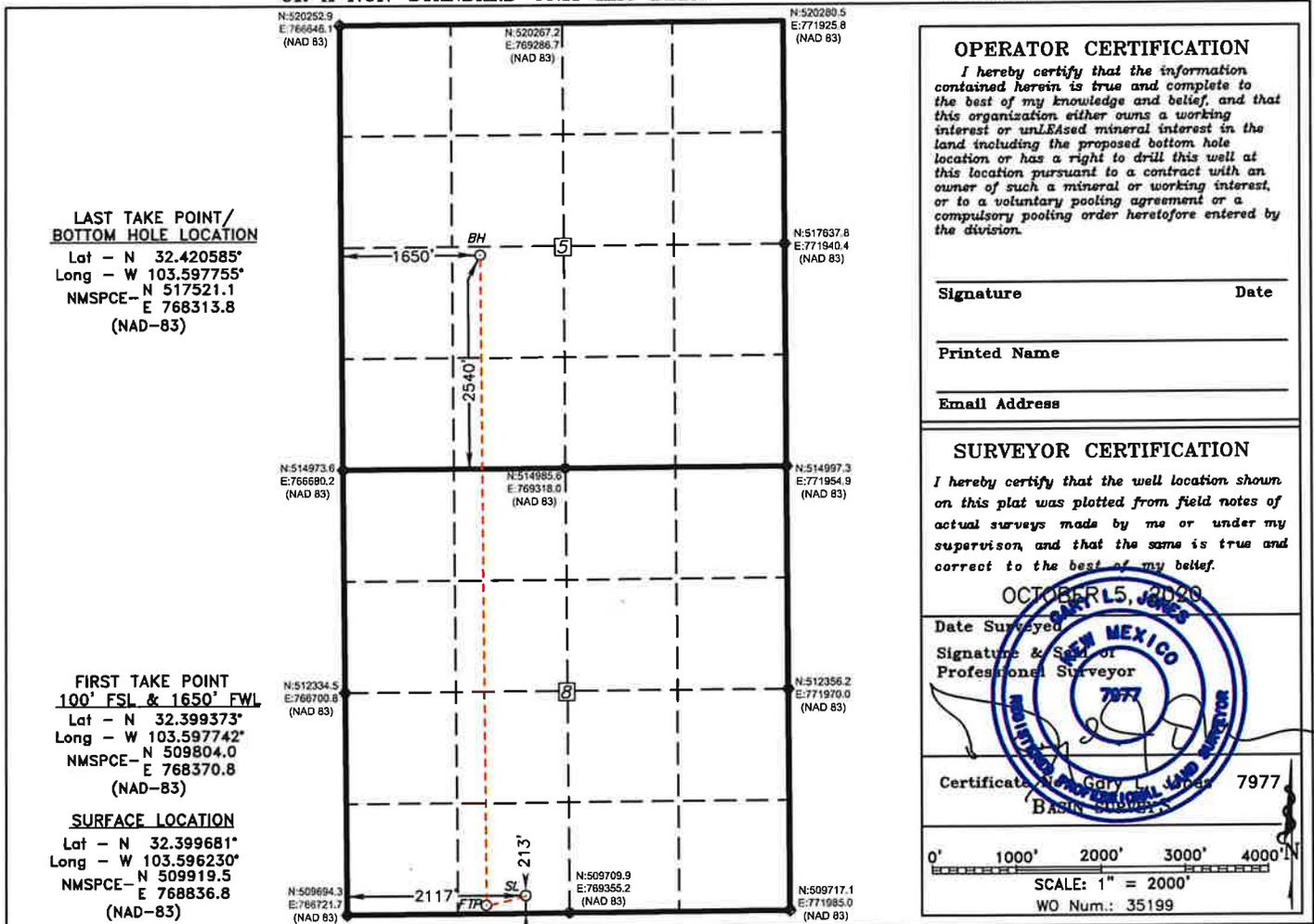
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
0	8	22 S	33 E		213	SOUTH	2117	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
K	5	22 S	33 E		2540	SOUTH	1650	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-48828	Pool Code 51687	Pool Name RED TANK; BONE SPRING EAST
Property Code 330795	Property Name DAGGER LAKE SOUTH 8 FED COM	Well Number 506H
OGRID No. 372417	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3570'

Surface Location

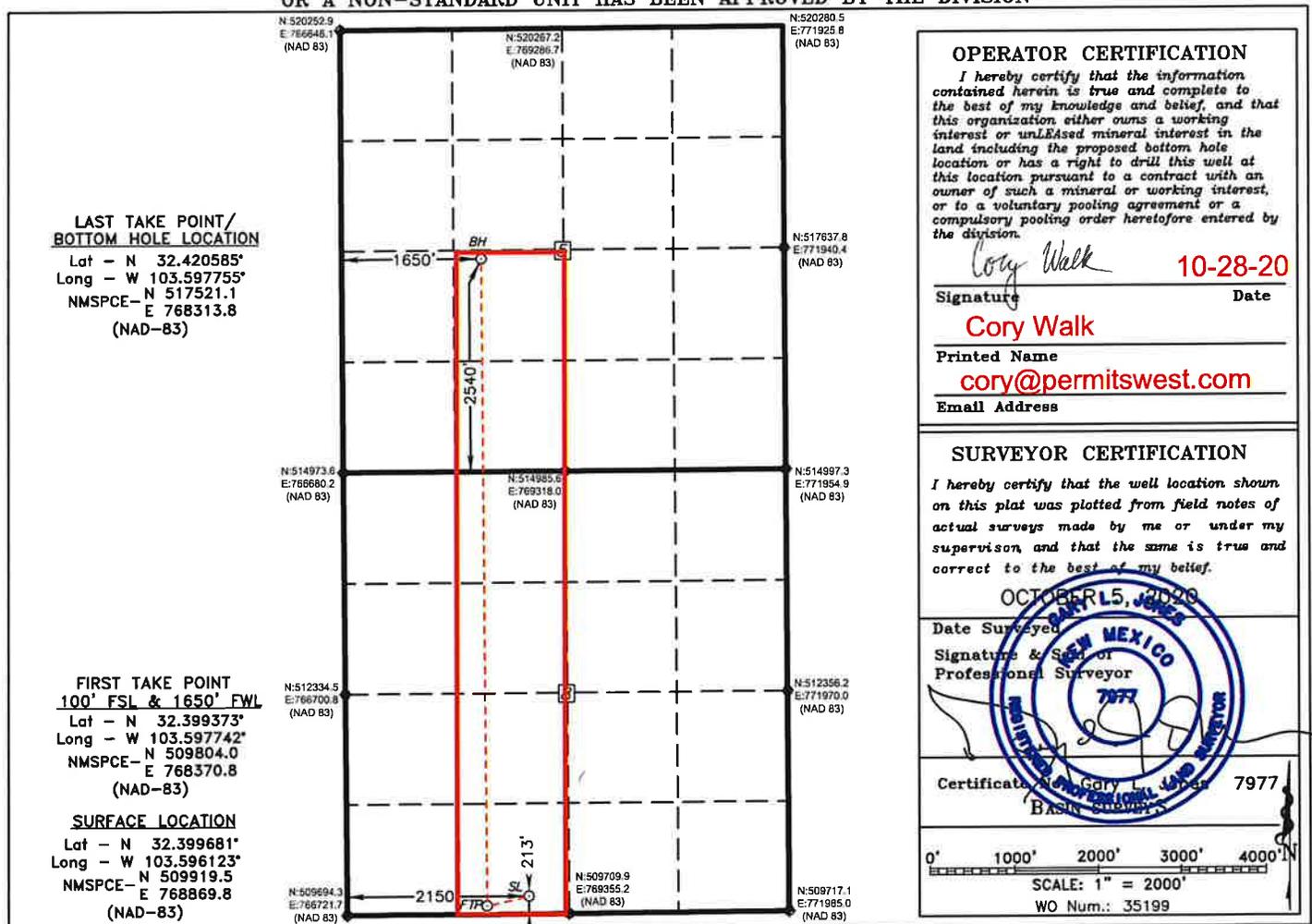
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
N	8	22 S	33 E		213	SOUTH	2150	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
K	5	22 S	33 E		2540	SOUTH	1650	WEST	LEA

Dedicated Acres 240	Joint or Infill	Consolidation Code	Order No.
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¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 560H
⁷ OGRID No.		⁸ Operator Name ADVANCE ENERGY PARTNERS, LLC.			⁹ Elevation 3575'

¹⁰Surface Location

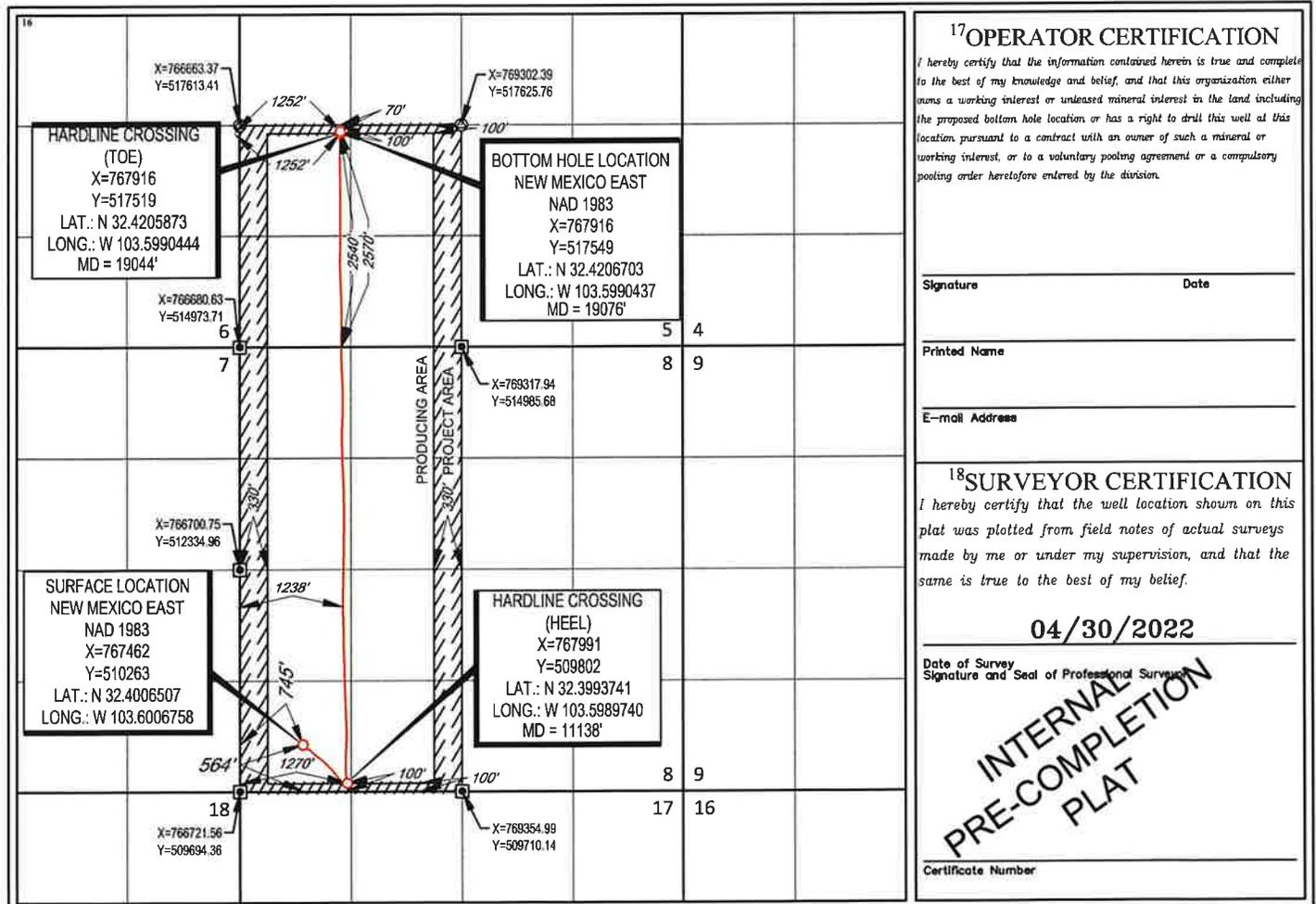
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	22-S	33-E	-	564'	SOUTH	745'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22-S	33-E	-	2570'	SOUTH	1252'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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S:\SURVEY\AMEREDEV_OPERATING_LLC\DAGGER_LAKE_SOUTH_8_FED_COM\FINAL_PRODUCTS\IC_DAGGER_LAKE_SOUTH_8_FED_COM_560H.DWG 12/14/2022 11:42:34 AM adisabella

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 552H
⁷ GRID No.		⁸ Operator Name ADVANCE ENERGY PARTNERS, LLC			⁹ Elevation 3576'

¹⁰Surface Location

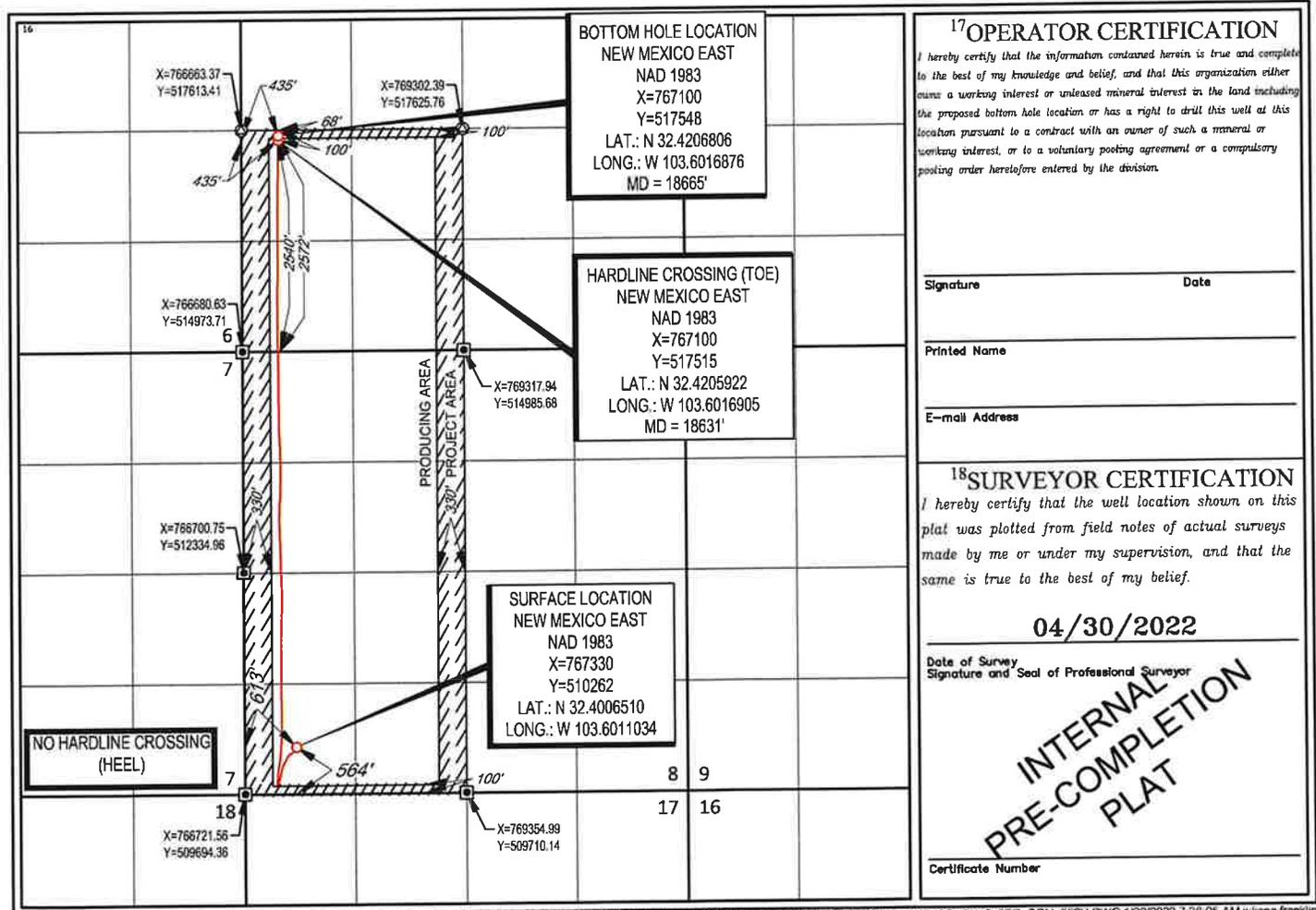
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	22-S	33-E	-	564'	SOUTH	613'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22-S	33-E	-	2572'	SOUTH	435'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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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

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DAGGER LAKE SOUTH 8 FED COM			⁶ Well Number 504H
⁷ OGRID No.		⁸ Operator Name ADVANCE ENERGY PARTNERS, LLC.			⁹ Elevation 3575'

¹⁰Surface Location

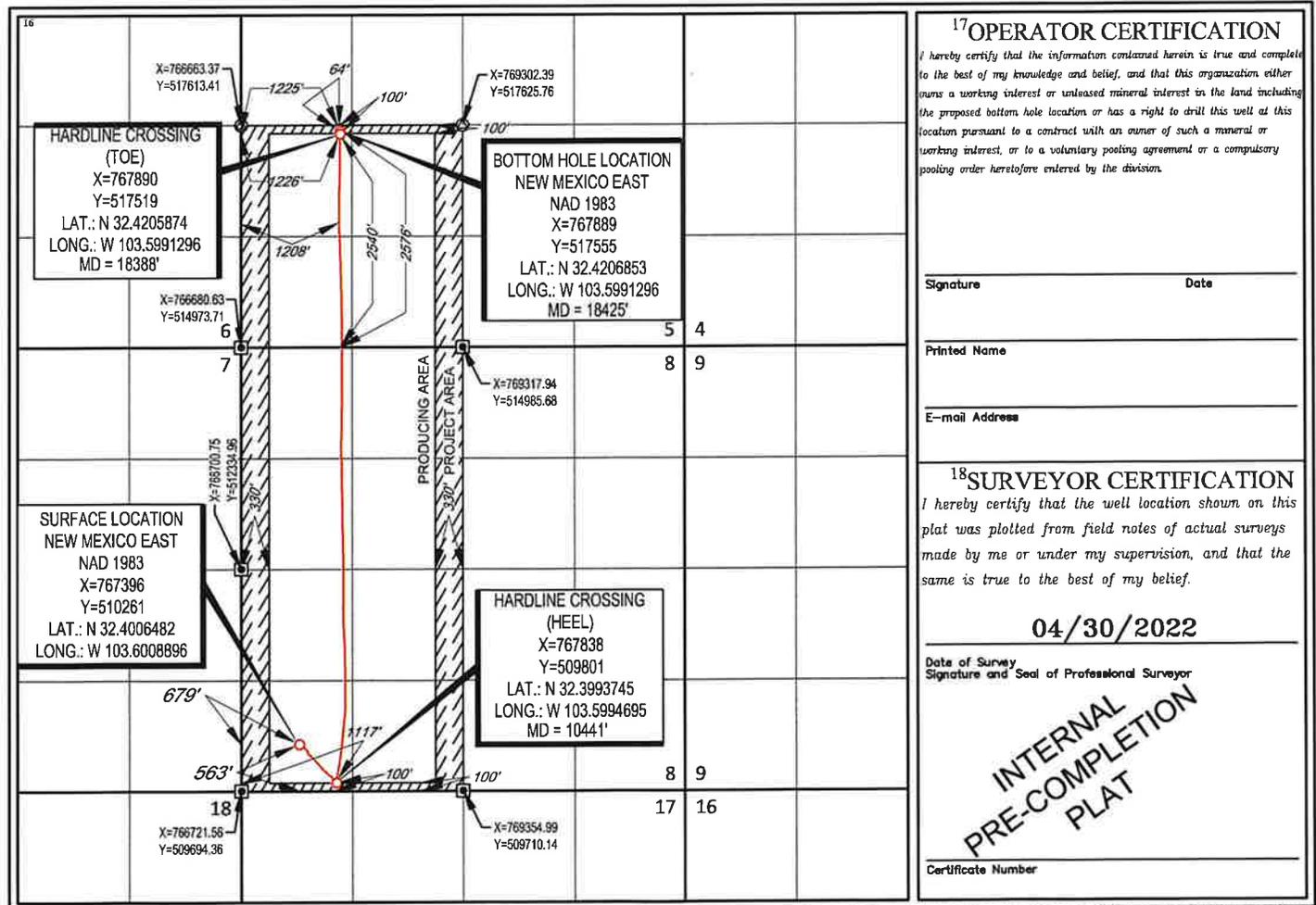
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	22-S	33-E	-	563'	SOUTH	679'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22-S	33-E	-	2576'	SOUTH	1225'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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



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

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name DAGGER LAKE SOUTH 8 FED COM		⁶ Well Number 502H
⁷ OGRID No.	⁸ Operator Name ADVANCE ENERGY PARTNERS, LLC.		⁹ Elevation 3575'

¹⁰Surface Location

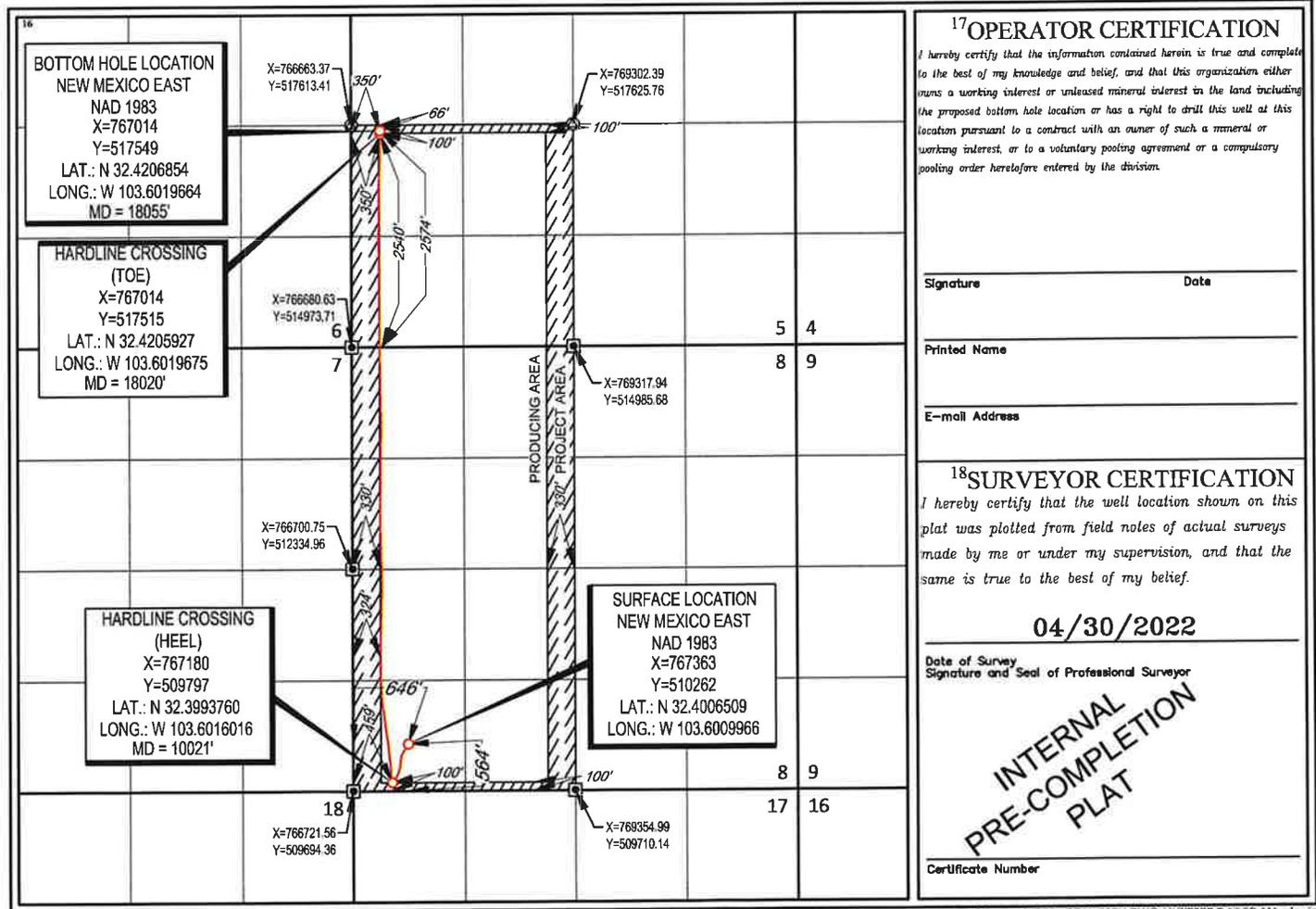
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	22-S	33-E	-	564'	SOUTH	646'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22-S	33-E	-	2574'	SOUTH	350'	WEST	LEA

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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



E2 BONE SPRING COMMUNITIZATION AGREEMENT

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5		X
TOM M RAGSDALE	OP RIGHTS S2 OF 5		X
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5		X
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5		X
BRETT D TAYLOR	OP RIGHTS S2 OF 5		X
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5		X
THE ALLAR COMPANY	OP RIGHTS S2 OF 5		X
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		

force pooled under order

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2023, 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:

Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

SE/4 of Section 5 and E/2 of Section 8

Containing **480.00** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

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 2, 2023, 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 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

- 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.

Advance Energy Partners Hat Mesa, LLC
Operator

Date

By: _____
Parker Reese, CEO

Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, LLC, 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

By: _____
Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

**ADVANCE ENERGY PARTNERS HAT MESA,
LLC**

(Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese_____

Title: CEO_____

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**DEVON ENERGY PRODUCTION COMPANY,
LP**
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day
of _____ 2022, by _____, _____ of **Devon
Energy Production Company, LP.**, an Oklahoma limited partnership, on behalf of said
partnership.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day
of _____ 2022, by Peter M. Way, as President of **Blanco Holdings I,
LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this _____ day of _____ 2022, by **R. Miller Houghton**.

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day _____ of _____ 2022, by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this _____ day of _____ 2022, by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____
_____, 2022, by Wellington Stevens III, _____ of
Wellington Hotwells I, LP, a partnership.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____
_____ 2022, by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said corporation.

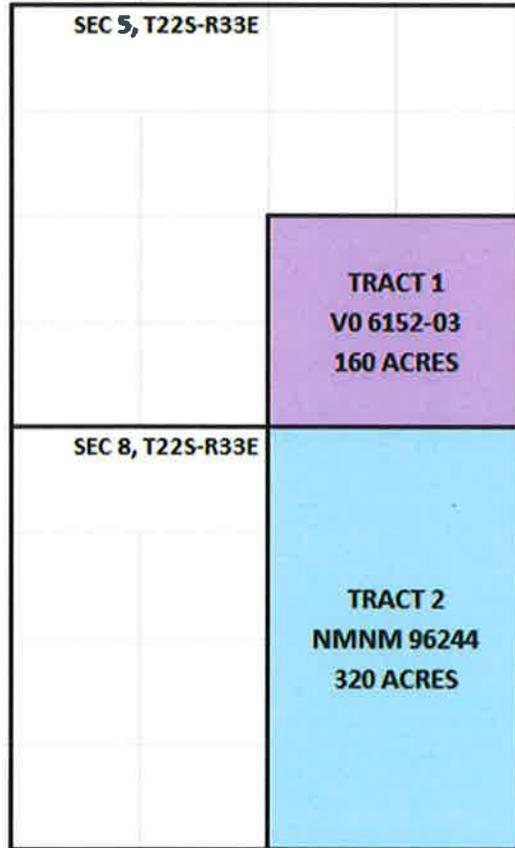
Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring*

EXHIBIT "A"

Plat of communitized area covering 480.00 acres in the SE/4 of Section 5 and E/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Communitized depths are limited to the Bone Spring Formation



Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring

EXHIBIT "B"

To Communitization Agreement Dated March 2, 2023, embracing the following described land in the SE/4 of Section 5 and E/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	V0-6152-03
Description of Land Committed:	Insofar and only insofar as the lease covers the SE/4 of Section 5, T22S-R33E, Lea County, New Mexico
Number of Acres:	160.00
Name of Working Interest Owners:	Advance Energy Partners Hat Mesa, LLC Blanco Holdings I, LTD. Tom M. Ragsdale Royal Oak Oil & Gas, LLC R. Miller Houghton Vonnie Khuu Wenck Brett D. Taylor Wellington Hotwells I, LP The Allar Company
Overriding Royalty Owners:	AEPXCON Management, LLC AEP EnCap HoldCo, LLC Nearburg Exploration Company, LLC John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016 CrownRock Minerals, LP West Bend Energy Partners III, LLC HH&P Energy, LLC
Royalty Owners:	State of New Mexico
Current Record Title Owner	Advance Energy Partners Hat Mesa, LLC

Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring

Tract No. 2

Lease Serial Number: NMNM 096244

Description of Land Committed: Insofar and only insofar as the lease covers the E/2 of Section 8, T22S-R33E, Lea County, New Mexico

Number of Acres: 320.00

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Overriding Royalty Owners: C. Mark Wheeler
Wing Resources VI, LLC
John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016
CrownRock Minerals, LP
Paul R. Barwis
Jareed Partners, Ltd.
Chisos Minerals, LLC
AEPXCON Management, LLC
AEP EnCap HoldCo, LLC
Hillman Royalties LLC

Royalty Owners: United States of America

Current Record Title Owner: Devon Energy Production Company, LP

Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	33.33%
2	320.00	66.67%
TOTAL:	480.00	100.00%

Federal Com
Dagger Lake South 8 Fed Com E2- Bone Spring

E2 BONE SPRING COMMUNITIZATION AGREEMENT

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5	X	
TOM M RAGSDALE	OP RIGHTS S2 OF 5	X	
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5	X	
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5	X	
BRETT D TAYLOR	OP RIGHTS S2 OF 5	X	
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5	X	
THE ALLAR COMPANY	OP RIGHTS S2 OF 5	X	

DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		
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force pooled under order

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-025 - 48831

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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:

Subdivisions SE/4 of Section 5 & E/2 of Section 8

Sect(s) 5 & 8, T 22S, R 33E, NMPM Lea County, NM

containing 480 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2023 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted 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 capability of 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.
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 interest 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 lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The 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 of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. 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 written and have set opposite their respective names the date of execution.

Operator	<u>Advance Energy Partners Hat Mesa, LLC</u>	Lessees of Record	<u>Advance Energy Partners Hat Mesa, LLC</u>
By	<u>Parker Reese</u>		<u>Devon Energy Production Company, LP</u>
	<small>Print name of person</small>		
	<u>CEO</u>		
	<small>Type of authority</small>		

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

ADVANCE ENERGY PARTNERS HAT MESA, LLC

(Operator, Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

DEVON ENERGY PRODUCTION COMPANY, LP
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma
limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

ROYAL OAK OIL & GAS, LLC
(Working Interest Owner)

DATE: _____

By: _____

Name: George Ragsdale

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by George Ragsdale, as President of **Royal Oak Oil & Gas LLC**, a Texas company, on behalf of said
company.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **R. Miller Houghton**.

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____, 2022,
by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by Wellington Stevens III, _____ of **Wellington Hotwells I, LP**, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said
corporation.

Notary Public in and for the State of _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

PARTIES TO E/2 BONESPRING COMMUNITIZATION AGREEMENT

TRACT 1 V0-6152-03 SECTION 5: SE/4 160 ACRES

Lessee of Record:

Advance Energy Partners Hat Mesa, LLC Signature Attached

Working Interest Owners:

Advance Energy Partners Hat Mesa, LLC	Signature Attached
Blanco Holdings I, LTD.	TBD
Tom M. Ragsdale	TBD
Royal Oak Oil & Gas, LLC	TBD
R. Miller Houghton	TBD
Vonnie Khuu Wenck	TBD
Brett D. Taylor	TBD
Wellington Hotwells I, LP	TBD
The Allar Company	TBD

TRACT 2 NMNM 096244 SECTION 8: E/2 320 ACRES

Lessee of Record:

Devon Energy Production Company, LP TBD

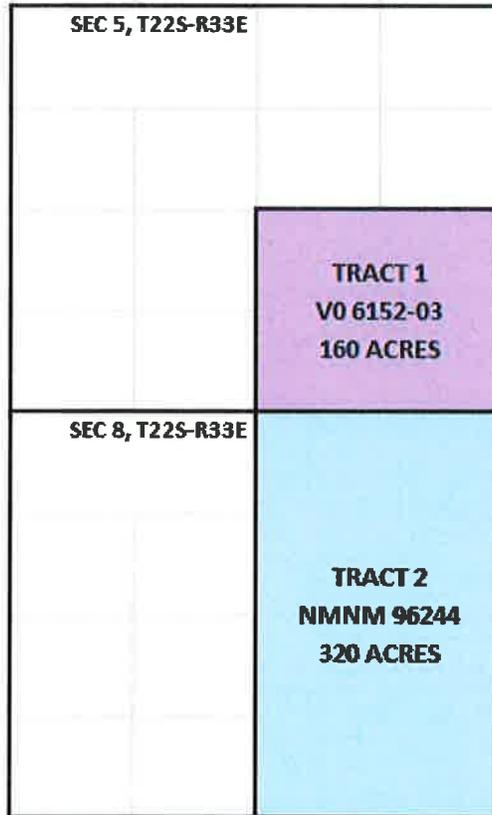
Working Interest Owner:

Advance Energy Partners Hat Mesa, LLC Signature Attached

EXHIBIT A
To Communitization Agreement dated March 1, 2023

Plat of the Communitized area covering the:

SE/4 of Section 5 and the E2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico, limited to the Bone Spring Formation.



NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com E2 Bone Spring Unit

EXHIBIT B

To Communitization Agreement dated March 1, 2023, covering the SE/4 of Section 5 and the E2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Limited to the Bone Spring Formation

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

LEASE SERIAL NO.:	V0-6152-03
LEASE DATE:	03/01/2001
LEASE TERM:	5 Years
LESSOR:	State of New Mexico
ORIGINAL LESSEE:	Dough J. Schutz
PRESENT LESSEE:	Advance Energy Partners Hat Mesa, LLC
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the SE/4 of Section 5, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	160.00
ROYALTY RATE:	1/6 th

TRACT NO. 2

LEASE SERIAL NO.:	NMNM 096244
LEASE DATE:	03/01/1996
LEASE TERM:	10 Years
LESSOR:	United States of America
ORIGINAL LESSEE:	Penwell Energy Inc
PRESENT LESSEE:	Devon Energy Production Company, LP
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the E2 of Section 8, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	320.00
ROYALTY RATE:	12.5%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com E2 Bone Spring Unit

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	33.33%
2	320.00	66.67%
TOTAL	480.00	100.00%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com E2 Bone Spring Unit

W2 BONE SPRING COMMUNITIZATION AGREEMENT

STATE COM

FED COM

DATED: 3/1/2023

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5		X
TOM M RAGSDALE	OP RIGHTS S2 OF 5		X
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5		X
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5		X
BRETT D TAYLOR	OP RIGHTS S2 OF 5		X
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5		X
THE ALLAR COMPANY	OP RIGHTS S2 OF 5		X
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		
CHEVRON USA INC	RT OWNER- NMNM-024683 SECTION 8		

force pooled under order

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2023, 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:

Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

SW/4 of Section 5 and W/2 of Section 8

Containing **480.00** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

- 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 2, 2023, 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 2-year 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.

Advance Energy Partners Hat Mesa, LLC
Operator

Date

By: _____
Parker Reese, CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, LLC, 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

By: _____
Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

**ADVANCE ENERGY PARTNERS HAT MESA,
LLC**

(Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

**DEVON ENERGY PRODUCTION COMPANY,
LP**
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day
of _____ 2022, by _____, _____ of **Devon
Energy Production Company, LP.**, an Oklahoma limited partnership, on behalf of said
partnership.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

CHEVRON USA INC.
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by _____, _____ of **Chevron USA, Inc.**, a Pennsylvanian corporation, on behalf of such corporation.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale _____

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____
_____ 2022, by **R. Miller Houghton**.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by **Brett D. Taylor**.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring*

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____
_____ 2022, by Wellington Stevens III, _____ of
Wellington Hotwells I, LP, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

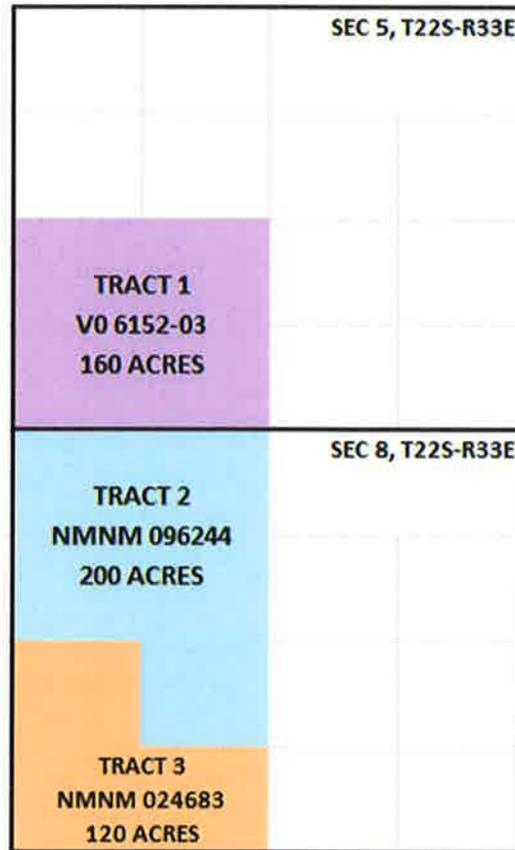
This Instrument was acknowledged before me on this ____ day of _____
_____ 2022, by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said corporation.

Notary Public in and for the State of _____

EXHIBIT "A"

Plat of communitized area covering 480.00 acres in the SW/4 of Section 5 and W/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Communitized depths are limited to the Bone Spring Formation



Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring

EXHIBIT "B"

To Communitization Agreement Dated March 2, 2023, embracing the following described land in the SW/4 of Section 5 and W/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	V0-6152-03
Description of Land Committed:	Insofar and only insofar as the lease covers the SW/4 of Section 5, T22S-R33E, Lea County, New Mexico
Number of Acres:	160.00
Name of Working Interest Owners:	Advance Energy Partners Hat Mesa, LLC Blanco Holdings I, LTD. Tom M. Ragsdale Royal Oak Oil & Gas, LLC R. Miller Houghton Vonnie Khuu Wenck Brett D. Taylor Wellington Hotwells I, LP The Allar Company
Overriding Royalty Owners:	AEPXCON Management, LLC AEP EnCap HoldCo, LLC Nearburg Exploration Company, LLC John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016 CrownRock Minerals, LP West Bend Energy Partners III, LLC HH&P Energy, LLC
Royalty Owners:	State of New Mexico
Current Record Title Owner	Advance Energy Partners Hat Mesa, LLC

Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring

Tract No. 2

Lease Serial Number: NMNM 096244

Description of Land Committed: Insofar and only insofar as the lease covers the NW/4 and NE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico

Number of Acres: 200.00

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Overriding Royalty Owners: C. Mark Wheeler
Wing Resources VI, LLC
John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016
CrownRock Minerals, LP
Paul R. Barwis
Jareed Partners, Ltd.
Chisos Minerals, LLC
AEPXCON Management, LLC
AEP EnCap HoldCo, LLC
Hillman Royalties LLC

Royalty Owners: United States of America

Current Record Title Owner: Devon Energy Production Company, LP

Tract No. 3

Lease Serial Number: NMNM 024683

Description of Land Committed: Insofar and only insofar as the lease covers the W/2SW/4 and SE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico

Number of Acres: 120.00

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Federal Com
Dagger Lake South 8 Fed Com W2- Bone Spring

Overriding Royalty Owners: AEPXCON Management, LLC
AEP EnCap HoldCo, LLC
Haymaker Holding Company, LLC

Royalty Owners: United States of America

Current Record Title Owner Chevron USA Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	33.33%
2	200.00	41.67%
3	120.00	25.00%
TOTAL:	480.00	100.00%

W2 BONE SPRING COMMUNITIZATION AGREEMENT

STATE COM

FED COM

DATED: 3/1/2023

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5	X	
TOM M RAGSDALE	OP RIGHTS S2 OF 5	X	
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5	X	
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5	X	
BRETT D TAYLOR	OP RIGHTS S2 OF 5	X	
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5	X	
THE ALLAR COMPANY	OP RIGHTS S2 OF 5	X	
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		
CHEVRON USA INC	RT OWNER- NMNM-024683 SECTION 8		

force pooled under order

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-025 - 49609

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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:

Subdivisions SW/4 of Section 5 & W/2 of Section 8,

Sect(s) 5 & 8, T 22S, R 33E, NMPM Lea County, NM

containing 480 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2023 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted 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 capability of 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.
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 interest 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 lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The 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 of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. 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 written and have set opposite their respective names the date of execution.

Operator	<u>Advance Energy Partners Hat Mesa, LLC</u>	Lessees of Record	<u>Advance Energy Partners Hat Mesa, LLC</u>
By	<u>Parker Reese</u>		<u>Devon Energy Production Company, LP</u>
	<small>Print name of person</small>		<u>Chevron USA Inc.</u>
<small>CEO</small>	<hr/>		<hr/>
<small>Type of authority</small>			<hr/>

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

ADVANCE ENERGY PARTNERS HAT MESA, LLC
(Operator, Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

DEVON ENERGY PRODUCTION COMPANY, LP
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma
limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

CHEVRON USA INC.
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by _____, _____ of **Chevron USA, Inc.**, a Pennsylvania corporation, on behalf
of such corporation.

Notary Public in and for the State of _____

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

ROYAL OAK OIL & GAS, LLC
(Working Interest Owner)

DATE: _____

By: _____

Name: George Ragsdale

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by George Ragsdale, as President of **Royal Oak Oil & Gas LLC**, a Texas company, on behalf of said
company.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **R. Miller Houghton**.

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by Wellington Stevens III, _____ of **Wellington Hotwells I, LP**, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said
corporation.

Notary Public in and for the State of _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

PARTIES TO W/2 BONESPRING COMMUNITIZATION AGREEMENT

TRACT 1 V0-6152-03 SECTION 5: SW/4 160 ACRES

Lessee of Record:

Advance Energy Partners Hat Mesa, LLC Signature Attached

Working Interest Owners:

Advance Energy Partners Hat Mesa, LLC	Signature Attached
Blanco Holdings I, LTD.	TBD
Tom M. Ragsdale	TBD
Royal Oak Oil & Gas, LLC	TBD
R. Miller Houghton	TBD
Vonnie Khuu Wenck	TBD
Brett D. Taylor	TBD
Wellington Hotwells I, LP	TBD
The Allar Company	TBD

TRACT 2 NMNM 096244 SECTION 8: NW/4, NE/4SW/4 200 ACRES

Lessee of Record:

Devon Energy Production Company, LP TBD

Working Interest Owner:

Advance Energy Partners Hat Mesa, LLC Signature Attached

TRACT 3 NMNM 024683 SECTION 8: W/2SW/4, SE/4SW/4 120 ACRES

Lessee of Record:

Chevron USA Inc. TBD

Working Interest Owner:

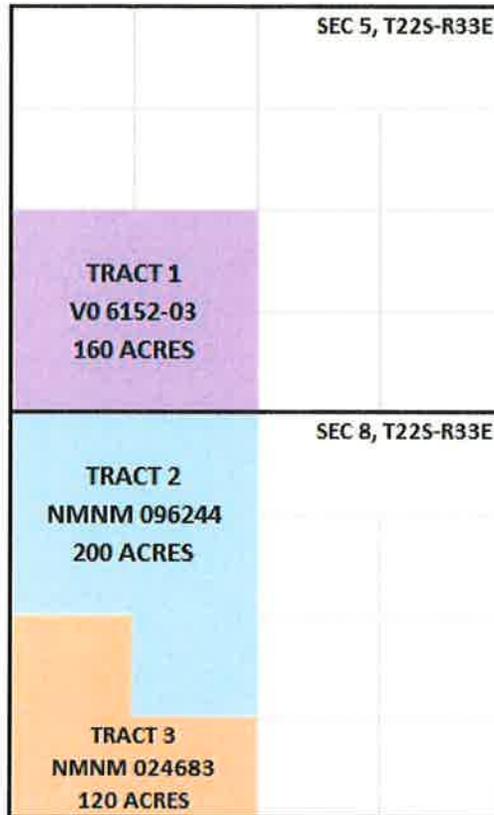
Advance Energy Partners Hat Mesa, LLC Signature Attached

EXHIBIT A

To Communitization Agreement dated March 1, 2023

Plat of the Communitized area covering the:

SW/4 of Section 5 and the W/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico, limited to the Bone Spring Formation.



NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com W2 Bone Spring Unit

EXHIBIT B

To Communitization Agreement dated March 1, 2023, covering the SW/4 of Section 5 and the W/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Limited to the Bone Spring Formation

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

LEASE SERIAL NO.:	V0-6152-03
LEASE DATE:	03/01/2001
LEASE TERM:	5 Years
LESSOR:	State of New Mexico
ORIGINAL LESSEE:	Dough J. Schutz
PRESENT LESSEE:	Advance Energy Partners Hat Mesa, LLC
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the SW/4 of Section 5, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	160.00
ROYALTY RATE:	1/6 th

TRACT NO. 2

LEASE SERIAL NO.:	NMNM 096244
LEASE DATE:	03/01/1996
LEASE TERM:	10 Years
LESSOR:	United States of America
ORIGINAL LESSEE:	Penwell Energy Inc
PRESENT LESSEE:	Devon Energy Production Company, LP
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the NW/4 and NE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	200.00
ROYALTY RATE:	12.5%

TRACT NO. 3

LEASE SERIAL NO.:	NMNM 024683
LEASE DATE:	04/01/1975
LEASE TERM:	10 Years
LESSOR:	United States of America
ORIGINAL LESSEE:	Raymond Chorney

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com W2 Bone Spring Unit

PRESENT LESSEE:	Chevron USA Inc.
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the W/2SW/4 and SE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	120.00
ROYALTY RATE:	12.5%

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	33.33%
2	200.00	41.67%
3	120.00	25.00%
TOTAL	480.00	100.00%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com W2 Bone Spring Unit

W2 WOLFCAMP COMMUNITIZATION AGREEMENT

702H

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5		X
TOM M RAGSDALE	OP RIGHTS S2 OF 5		X
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5		X
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5		X
BRETT D TAYLOR	OP RIGHTS S2 OF 5		X
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5		X
THE ALLAR COMPANY	OP RIGHTS S2 OF 5		X
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		
CHEVRON USA INC	RT OWNER- NMNM-024683 SECTION 8		

force pooled under order

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2023, 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:

Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

SW/4 of Section 5 and W/2 of Section 8

Containing **480.00** acres, and this agreement shall include only the Wolfcamp formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

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 2, 2023, 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 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

- 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.

Advance Energy Partners Hat Mesa, LLC
Operator

Date

By: _____
Parker Reese, CEO

Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, LLC, 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

By: _____
Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

**ADVANCE ENERGY PARTNERS HAT MESA,
LLC**

(Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

**DEVON ENERGY PRODUCTION COMPANY,
LP**
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this _____ day of _____ 2022, by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

CHEVRON USA INC.
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this _____ day of _____ 2022, by _____, _____ of **Chevron USA, Inc.**, a Pennsylvanian corporation, on behalf of such corporation.

Notary Public in and for the State of _____

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____
2022, by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this _____ day
of _____ 2022, by **R. Miller Houghton**.

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day
of _____ 2022, by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day
of _____ 2022, by **Brett D. Taylor**.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day _____ of
_____ 2022, by Wellington Stevens III, _____ of
Wellington Hotwells I, LP, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

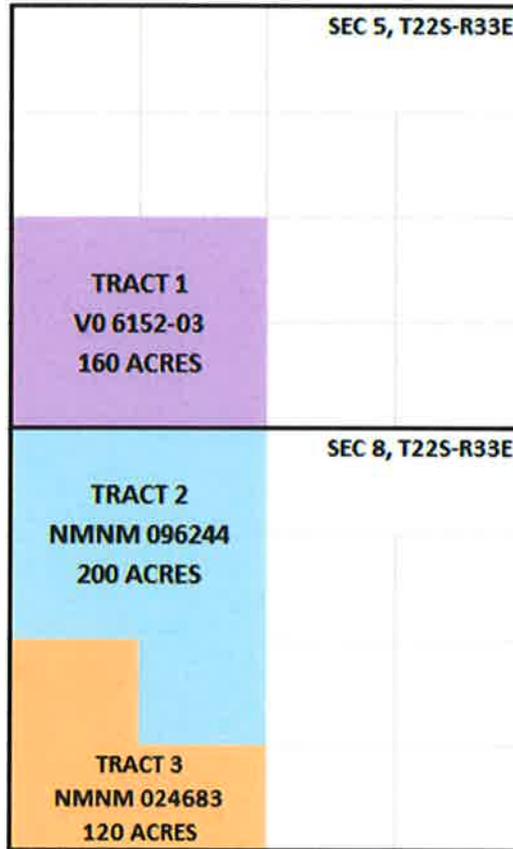
This Instrument was acknowledged before me on this ____ day of _____ 2022, by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said corporation.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)*

EXHIBIT "A"

Plat of communitized area covering 480.00 acres in the SW of Section 5 and W2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico
Communitized depths are limited to the Wolfcamp Formation



Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)

EXHIBIT “B”

To Communitization Agreement Dated March 2, 2023, embracing the following described land in the SW/4 of Section 5 and W/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	V0-6152-03
Description of Land Committed:	Insofar and only insofar as the lease covers the SW/4 of Section 5, T22S-R33E, Lea County, New Mexico
Number of Acres:	160.00
Name of Working Interest Owners:	Advance Energy Partners Hat Mesa, LLC Blanco Holdings I, LTD. Tom M. Ragsdale Royal Oak Oil & Gas, LLC R. Miller Houghton Vonnie Khuu Wenck Brett D. Taylor Wellington Hotwells I, LP The Allar Company
Overriding Royalty Owners:	AEPXCON Management, LLC AEP EnCap HoldCo, LLC Nearburg Exploration Company, LLC John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016 CrownRock Minerals, LP West Bend Energy Partners III, LLC HH&P Energy, LLC
Royalty Owners:	State of New Mexico
Current Record Title Owner	Advance Energy Partners Hat Mesa, LLC

Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)

Tract No. 2

Lease Serial Number: NMNM 096244

Description of Land Committed: Insofar and only insofar as the lease covers the NW/4 and NE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico

Number of Acres: 200.00

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Overriding Royalty Owners: C. Mark Wheeler
Wing Resources VI, LLC
John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016
CrownRock Minerals, LP
Paul R. Barwis
Jareed Partners, Ltd.
Chisos Minerals, LLC
AEPXCON Management, LLC
AEP EnCap HoldCo, LLC
Hillman Royalties LLC

Royalty Owners: United States of America

Current Record Title Owner: Devon Energy Production Company, LP

Tract No. 3

Lease Serial Number: NMNM 024683

Description of Land Committed: Insofar and only insofar as the lease covers the W/2SW/4 and SE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico

Number of Acres: 120.00

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Federal Com
Dagger Lake South 8 Fed Com 702H (W2 WC)

Overriding Royalty Owners: AEPXCON Management, LLC
AEP EnCap HoldCo, LLC
Haymaker Holding Company, LLC

Royalty Owners: United States of America

Current Record Title Owner Chevron USA Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	33.33%
2	200.00	41.67%
3	120.00	25.00%
TOTAL:	480.00	100.00%

W2 WOLFCAMP COMMUNITIZATION AGREEMENT

702H

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5	X	
TOM M RAGSDALE	OP RIGHTS S2 OF 5	X	
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5	X	
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5	X	
BRETT D TAYLOR	OP RIGHTS S2 OF 5	X	
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5	X	
THE ALLAR COMPANY	OP RIGHTS S2 OF 5	X	
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		
CHEVRON USA INC	RT OWNER- NMNM-024683 SECTION 8		

force pooled under order

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0²⁵ - 49622

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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:

Subdivisions SW/4 of Section 5 & W/2 of Section 8,

Sect(s) 5 & 8, T 22S, R 33E, NMPM Lea County, NM

containing 480 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2023 Month 1 Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted 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 capability of 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.
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 interest 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 lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The 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 of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. 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 written and have set opposite their respective names the date of execution.

Operator	<u>Advance Energy Partners Hat Mesa, LLC</u>	Lessees of Record	<u>Advance Energy Partners Hat Mesa, LLC</u>
By	Parker Reese		<u>Devon Energy Production Company, LP</u>
	<small>Print name of person</small>		Chevron USA Inc.
<small>CEO</small>	<hr/>		<hr/>
<small>Type of authority</small>			<hr/>

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

ADVANCE ENERGY PARTNERS HAT MESA, LLC
(Operator, Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

DEVON ENERGY PRODUCTION COMPANY, LP
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma
limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

CHEVRON USA INC.
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by _____, _____ of **Chevron USA, Inc.**, a Pennsylvanian corporation, on behalf
of such corporation.

Notary Public in and for the State of _____

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

ROYAL OAK OIL & GAS, LLC
(Working Interest Owner)

DATE: _____

By: _____

Name: George Ragsdale

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by George Ragsdale, as President of **Royal Oak Oil & Gas LLC**, a Texas company, on behalf of said
limited liability company.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____, 2022,
by **R. Miller Houghton**.

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by Wellington Stevens III, _____ of **Wellington Hotwells I, LP**, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said
corporation.

Notary Public in and for the State of _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

**PARTIES TO DAGGER LAKE SOUTH 8 FED COM 702H (W/2 WOLFCAMP)
COMMUNITIZATION AGREEMENT**

TRACT 1 V0-6152-03 SECTION 5: SW/4 160 ACRES

Lessee of Record:

Advance Energy Partners Hat Mesa, LLC Signature Attached

Working Interest Owners:

Advance Energy Partners Hat Mesa, LLC	Signature Attached
Blanco Holdings I, LTD.	TBD
Tom M. Ragsdale	TBD
Royal Oak Oil & Gas, LLC	TBD
R. Miller Houghton	TBD
Vonnie Khuu Wenck	TBD
Brett D. Taylor	TBD
Wellington Hotwells I, LP	TBD
The Allar Company	TBD

TRACT 2 NMNM 096244 SECTION 8: NW/4, NE/4SW/4 200 ACRES

Lessee of Record:

Devon Energy Production Company, LP TBD

Working Interest Owner:

Advance Energy Partners Hat Mesa, LLC Signature Attached

TRACT 3 NMNM 024683 SECTION 8: W/2SW/4, SE/4SW/4 120 ACRES

Lessee of Record:

Chevron USA Inc. TBD

Working Interest Owner:

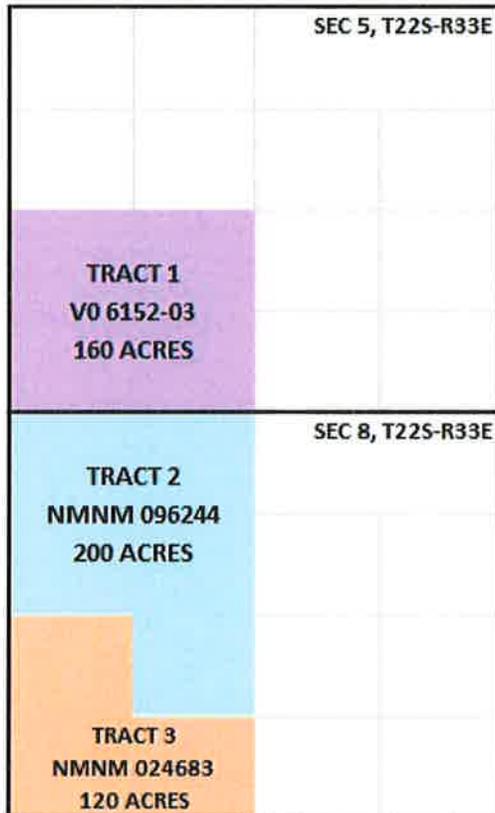
Advance Energy Partners Hat Mesa, LLC Signature Attached

EXHIBIT A

To Communitization Agreement dated March 1, 2023

Plat of the Communitized area covering the:

SW/4 of Section 5 and the W/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico, limited to the Wolfcamp Formation.



NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 702H (W2 WC Unit)

EXHIBIT B

To Communitization Agreement dated March 1, 2023, covering the SW/4 of Section 5 and the W/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Limited to the Wolfcamp Formation

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

LEASE SERIAL NO.:	V0-6152-03
LEASE DATE:	03/01/2001
LEASE TERM:	5 Years
LESSOR:	State of New Mexico
ORIGINAL LESSEE:	Dough J. Schutz
PRESENT LESSEE:	Advance Energy Partners Hat Mesa, LLC
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the SW/4 of Section 5, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	160.00
ROYALTY RATE:	1/6 th

TRACT NO. 2

LEASE SERIAL NO.:	NMNM 096244
LEASE DATE:	03/01/1996
LEASE TERM:	10 Years
LESSOR:	United States of America
ORIGINAL LESSEE:	Penwell Energy Inc
PRESENT LESSEE:	Devon Energy Production Company, LP
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the NW/4 and NE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	200.00
ROYALTY RATE:	12.5%

TRACT NO. 3

LEASE SERIAL NO.:	NMNM 024683
LEASE DATE:	04/01/1975
LEASE TERM:	10 Years
LESSOR:	United States of America
ORIGINAL LESSEE:	Raymond Chorney

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 702H (W2 WC Unit)

PRESENT LESSEE:	Chevron USA Inc.
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the W/2SW/4 and SE/4SW/4 of Section 8, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	120.00
ROYALTY RATE:	12.5%

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	33.33%
2	200.00	41.67%
3	120.00	25.00%
TOTAL	480.00	100.00%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 702H (W2 WC Unit)

W2E2 WOLFCAMP COMMUNITIZATION AGREEMENT 706H

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5		X
TOM M RAGSDALE	OP RIGHTS S2 OF 5		X
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5		X
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5		X
BRETT D TAYLOR	OP RIGHTS S2 OF 5		X
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5		X
THE ALLAR COMPANY	OP RIGHTS S2 OF 5		X
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		

↑ force pooled under order

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2023, 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:

Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

W/2SE/4 of Section 5 and W/2E/2 of Section 8

Containing **240.00** acres, and this agreement shall include only the Wolfcamp formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

*Federal Com
Dagger Lake South 8 Fed Com 706H(W2E2)- Wolfcamp*

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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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

*Federal Com
Dagger Lake South 8 Fed Com 706H(W2E2)- Wolfcamp*

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 2, 2023, 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 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

*Federal Com
Dagger Lake South 8 Fed Com 706H(W2E2)- Wolfcamp*

- 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.

Advance Energy Partners Hat Mesa, LLC
Operator

Date

By: _____
Parker Reese, CEO

Federal Com
Dagger Lake South 8 Fed Com 706H(W2E2)- Wolfcamp

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, LLC, 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

By: _____
Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**ADVANCE ENERGY PARTNERS HAT MESA,
LLC**

(Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**DEVON ENERGY PRODUCTION COMPANY,
LP**
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

CHEVRON USA INC.
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by _____, _____ of **Chevron USA, Inc.**, a Pennsylvanian corporation, on behalf of such corporation.

Notary Public in and for the State of _____

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by **R. Miller Houghton.**

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____
_____, 2022, by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by Wellington Stevens III, _____ of **Wellington Hotwells I, LP**, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

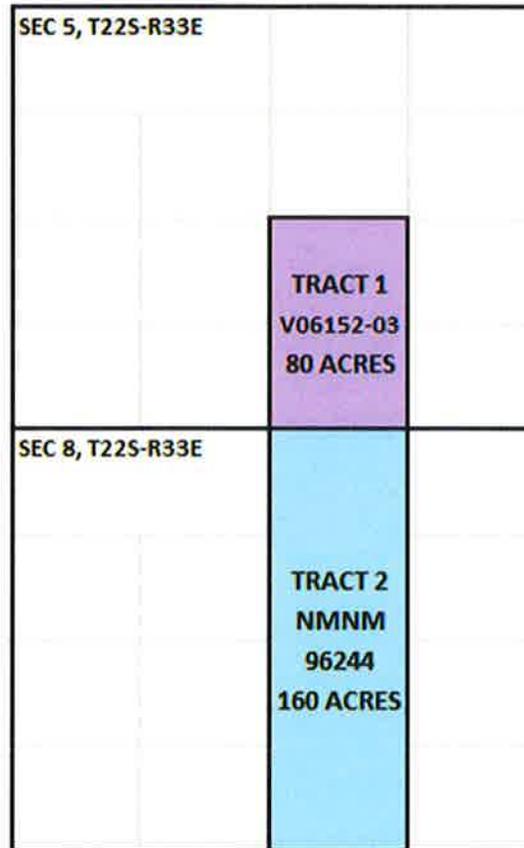
This Instrument was acknowledged before me on this ____ day of _____ 2022, by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said corporation.

Notary Public in and for the State of _____

EXHIBIT "A"

Plat of communitized area covering 240.00 acres in the W/2SE/4 of Section 5 and W/2E/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Communitized depths are limited to the Wolfcamp



Federal Com
Dagger Lake South 8 Fed Com 706H(W2E2)- Wolfcamp

EXHIBIT “B”

To Communitization Agreement Dated March 2, 2023, embracing the following described land in the W/2SE/4 of Section 5 and W/2E/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	V0-6152-03
Description of Land Committed:	Insofar and only insofar as the lease covers the W/2SE/4 of Section 5, T22S-R33E, Lea County, New Mexico
Number of Acres:	80.00
Name of Working Interest Owners:	Advance Energy Partners Hat Mesa, LLC Blanco Holdings I, LTD. Tom M. Ragsdale Royal Oak Oil & Gas, LLC R. Miller Houghton Vonnie Khuu Wenck Brett D. Taylor Wellington Hotwells I, LP The Allar Company
Overriding Royalty Owners:	AEPXCON Management, LLC AEP EnCap HoldCo, LLC Nearburg Exploration Company, LLC John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016 CrownRock Minerals, LP West Bend Energy Partners III, LLC HH&P Energy, LLC
Royalty Owners:	State of New Mexico
Current Record Title Owner	Advance Energy Partners Hat Mesa, LLC

Federal Com
Dagger Lake South 8 Fed Com 706H(W2E2)- Wolfcamp

Tract No. 2

Lease Serial Number: NMNM 096244

Description of Land Committed: Insofar and only insofar as the lease covers the W/2E/2 of Section 8, T22S-R33E, Lea County, New Mexico

Number of Acres: 160.00

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Overriding Royalty Owners: C. Mark Wheeler
Wing Resources VI, LLC
John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016
CrownRock Minerals, LP
Paul R. Barwis
Jareed Partners, Ltd.
Chisos Minerals, LLC
AEPXCON Management, LLC
AEP EnCap HoldCo, LLC
Hillman Royalties LLC

Royalty Owners: United States of America

Current Record Title Owner Devon Energy Production Company, LP

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	33.33%
2	160.00	66.67%
TOTAL:	240.00	100.00%

Federal Com
Dagger Lake South 8 Fed Com 706H(W2E2)- Wolfcamp

W2E2 WOLFCAMP COMMUNITIZATION AGREEMENT

706H

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5	X	
TOM M RAGSDALE	OP RIGHTS S2 OF 5	X	
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5	X	
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5	X	
BRETT D TAYLOR	OP RIGHTS S2 OF 5	X	
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5	X	
THE ALLAR COMPANY	OP RIGHTS S2 OF 5	X	
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		

force pooled under order

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-025 - 49684

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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:

Subdivisions W/2SE/4 of Section 5 & W/2E/2 of Section 8,

Sect(s) 5 & 8, T 22S, R 33E, NMPM Lea County, NM

containing 240 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2023 Month 1 Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted 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 capability of 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.
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 interest 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 lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The 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 of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. 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 written and have set opposite their respective names the date of execution.

Operator	<u>Advance Energy Partners Hat Mesa, LLC</u>	Lessees of Record	<u>Advance Energy Partners Hat Mesa, LLC</u>
By	Parker Reese		<u>Devon Energy Production Company, LP</u>
	Print name of person		
	CEO		
	Type of authority		

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

ADVANCE ENERGY PARTNERS HAT MESA, LLC

(Operator, Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

DEVON ENERGY PRODUCTION COMPANY, LP
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma
limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

ROYAL OAK OIL & GAS, LLC
(Working Interest Owner)

DATE: _____

By: _____

Name: George Ragsdale

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by George Ragsdale, as President of **Royal Oak Oil & Gas LLC**, a Texas company, on behalf of said
company.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____, 2022,
by **R. Miller Houghton**.

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by Wellington Stevens III, _____ of **Wellington Hotwells I, LP**, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said
corporation.

Notary Public in and for the State of _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____

Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

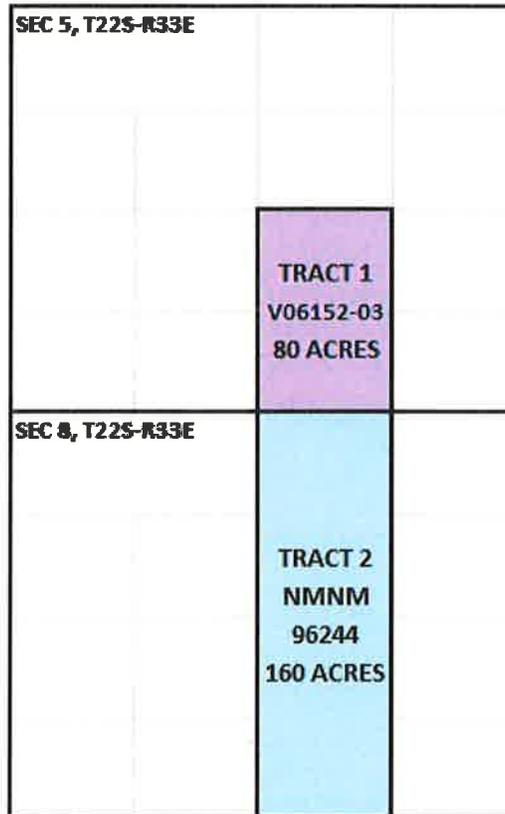
Signature of Notarial Officer

My commission expires: _____

EXHIBIT A
To Communitization Agreement dated March 1, 2023

Plat of the Communitized area covering the:

W/2SE/4 of Section 5 and the W/2E/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico, limited to the Wolfcamp Formation.



NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 706H (W2E2 WC Unit)

EXHIBIT B

To Communitization Agreement dated March 1, 2023, covering the W/2SE/4 of Section 5 and the W/2E/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Limited to the Wolfcamp Formation

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

LEASE SERIAL NO.:	V0-6152-03
LEASE DATE:	03/01/2001
LEASE TERM:	5 Years
LESSOR:	State of New Mexico
ORIGINAL LESSEE:	Dough J. Schutz
PRESENT LESSEE:	Advance Energy Partners Hat Mesa, LLC
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the W/2SE/4 of Section 5, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	80.00
ROYALTY RATE:	1/6 th

TRACT NO. 2

LEASE SERIAL NO.:	NMNM 096244
LEASE DATE:	03/01/1996
LEASE TERM:	10 Years
LESSOR:	United States of America
ORIGINAL LESSEE:	Penwell Energy Inc
PRESENT LESSEE:	Devon Energy Production Company, LP
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the W/2E/2 of Section 8, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	160.00
ROYALTY RATE:	12.5%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 706H (W2E2 WC Unit)

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	80.00	33.33%
2	160.00	66.67%
TOTAL	240.00	100.00%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 706H (W2E2 WC Unit)

E2E2 WOLFCAMP COMMUNITIZATION AGREEMENT

708H

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5		X
TOM M RAGSDALE	OP RIGHTS S2 OF 5		X
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5		X
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5		X
BRETT D TAYLOR	OP RIGHTS S2 OF 5		X
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5		X
THE ALLAR COMPANY	OP RIGHTS S2 OF 5		X

DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		
------------------------------------	---------------------------------	--	--

force pooled under order

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 2nd day of March, 2023, 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:

Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

E/2SE/4 of Section 5 and E/2E/2 of Section 8

Containing **240.00** acres, and this agreement shall include only the Wolfcamp formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

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Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp*

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 Advance Energy Partners Hat Mesa, LLC, 2901 Via Fortuna, Suite 600, Austin, Texas 78746. 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust 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

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Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp*

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 2, 2023, 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 2-year 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.

Advance Energy Partners Hat Mesa, LLC
Operator

Date

By: _____
Parker Reese, CEO

Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp*

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Advance Energy Partners Hat Mesa, LLC, 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

By: _____
Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

*Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp*

**ADVANCE ENERGY PARTNERS HAT MESA,
LLC**

(Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**DEVON ENERGY PRODUCTION COMPANY,
LP**
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp*

CHEVRON USA INC.
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day _____ of _____ 2022, by _____, _____ of **Chevron USA, Inc.**, a Pennsylvanian corporation, on behalf of such corporation.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp*

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by **R. Miller Houghton**.

Notary Public in and for the State of _____

*Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp*

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____
_____ 2022, by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ of _____ 2022, by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by Wellington Stevens III, _____ of **Wellington Hotwells I, LP**, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022, by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said corporation.

Notary Public in and for the State of _____

EXHIBIT "A"

Plat of communitized area covering 240.00 acres in the E/2SE/4 of Section 5 and E/2E/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Communitized depths are limited to the Wolfcamp

SEC 5, T22S-R33E		TRACT 1 V06152-03 80 ACRES
SEC 8, T22S-R33E		

EXHIBIT "B"

To Communitization Agreement Dated March 2, 2023, embracing the following described land in the E/2SE/4 of Section 5 and E/2E/2 of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	V0-6152-03
Description of Land Committed:	Insofar and only insofar as the lease covers the E/2SE/4 of Section 5, T22S-R33E, Lea County, New Mexico
Number of Acres:	80.00
Name of Working Interest Owners:	Advance Energy Partners Hat Mesa, LLC Blanco Holdings I, LTD. Tom M. Ragsdale Royal Oak Oil & Gas, LLC R. Miller Houghton Vonnie Khuu Wenck Brett D. Taylor Wellington Hotwells I, LP The Allar Company
Overriding Royalty Owners:	AEPXCON Management, LLC AEP EnCap HoldCo, LLC Nearburg Exploration Company, LLC John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016 CrownRock Minerals, LP West Bend Energy Partners III, LLC HH&P Energy, LLC
Royalty Owners:	State of New Mexico
Current Record Title Owner	Advance Energy Partners Hat Mesa, LLC

Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp

Tract No. 2

Lease Serial Number: NMNM 096244

Description of Land Committed: Insofar and only insofar as the lease covers the E/2E/2 of Section 8, T22S-R33E, Lea County, New Mexico

Number of Acres: 160.00

Name of Working Interest Owners: Advance Energy Partners Hat Mesa, LLC

Overriding Royalty Owners: C. Mark Wheeler
Wing Resources VI, LLC
John Kyle Thoma, Successor Trustee of the Cornerstone Family Trust dated June 9, 2016
CrownRock Minerals, LP
Paul R. Barwis
Jareed Partners, Ltd.
Chisos Minerals, LLC
AEPXCON Management, LLC
AEP EnCap HoldCo, LLC
Hillman Royalties LLC

Royalty Owners: United States of America

Current Record Title Owner: Devon Energy Production Company, LP

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	33.33%
2	160.00	66.67%
TOTAL:	240.00	100.00%

Federal Com
Dagger Lake South 8 Fed Com 708H(E2E2)- Wolfcamp

E2E2 WOLFCAMP COMMUNITIZATION AGREEMENT 708H

STATE COM

DATED: 3/1/2023

STATE COM

DATED: 3/1/2023

FED COM

DATED: 3/2/2023

PARTIES:	NOTES	SIGNATURE (Y/N)	SIGNATURE (Y/N)
ADVANCE ENERGY PARTNERS HAT MESA LLC			
BLANCO HOLDINGS I LTD	OP RIGHTS S2 OF 5	X	
TOM M RAGSDALE	OP RIGHTS S2 OF 5	X	
ROYAL OAK OIL & GAS	OP RIGHTS S2 OF 5	X	
R. MILLER HOUGHTON	OP RIGHTS S2 OF 5		
VONNIE KHUU WENCK	OP RIGHTS S2 OF 5	X	
BRETT D TAYLOR	OP RIGHTS S2 OF 5	X	
WELLINGTON HOTWELLS I LP	OP RIGHTS S2 OF 5	X	
THE ALLAR COMPANY	OP RIGHTS S2 OF 5	X	
DEVON ENERGY PRODUCTION COMPANY LP	RT OWNER - NMNM 96244 SECTION 8		

force pooled under order

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-025 - 49685

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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:

Subdivisions E/2SE/4 of Section 5 & E/2E/2 of Section 8,
Sect(s) 5 & 8, T 22S, R 33E, NMPM Lea County, NM
containing 240 acres, more or less, and this agreement shall include only the
Wolfcamp Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2023 Month 1 Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted 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 capability of 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.
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 interest 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 lands shall be subject to approval by the

ADVANCE ENERGY PARTNERS HAT MESA, LLC
(Operator, Lessee of Record and Working Interest Owner)

DATE: _____

By: _____

Name: Parker Reese

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF TRAVIS

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Parker Reese, known to me to be the CEO of Advance Energy Partners Hat Mesa, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

DEVON ENERGY PRODUCTION COMPANY, LP
(Lessee of Record)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____, 2022,
by _____, _____ of **Devon Energy Production Company, LP.**, an Oklahoma
limited partnership, on behalf of said partnership.

Notary Public in and for the State of _____

BLANCO HOLDINGS I, LTD
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by Peter M. Way, as President of **Blanco Holdings I, LTD.**, on behalf of said Entity.

Notary Public in and for the State of _____

TOM M. RAGSDALE
(Working Interest Owner)

DATE: _____

By: _____

Name: Tom M. Ragsdale

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Tom M. Ragsdale**.

Notary Public in and for the State of _____

ROYAL OAK OIL & GAS, LLC
(Working Interest Owner)

DATE: _____

By: _____

Name: George Ragsdale

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by George Ragsdale, as President of **Royal Oak Oil & Gas LLC**, a Texas company, on behalf of said
company.

Notary Public in and for the State of _____

R. MILLER HOUGHTON
(Working Interest Owner)

DATE: _____

By: _____

Name: R. Miller Houghton

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **R. Miller Houghton**.

Notary Public in and for the State of _____

VONNIE KHUU WENCK
(Working Interest Owner)

DATE: _____

By: _____

Name: Vonnie Khuu Wenck _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____, 2022,
by **Vonnie Khuu Wenck**.

Notary Public in and for the State of _____

BRETT D. TAYLOR
(Working Interest Owner)

DATE: _____

By: _____

Name: Brett D. Taylor

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ____ day of _____ 2022,
by **Brett D. Taylor**.

Notary Public in and for the State of _____

WELLINGTON HOTWELLS I, LP
(Working Interest Owner)

DATE: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____ 2022,
by Wellington Stevens III, _____ of **Wellington Hotwells I, LP**, a partnership.

Notary Public in and for the State of _____

THE ALLAR COMPANY
(Working Interest Owner)

DATE: _____

By: _____

Name: Jack Chiles Graham

Title: President

ACKNOWLEDGEMENT

THE STATE OF _____

COUNTY OF _____

This Instrument was acknowledged before me on this ___ day of _____, 2022,
by John Chiles Graham, as President of **The Allar Company**, a Texas Corporation, on behalf of said
corporation.

Notary Public in and for the State of _____

Acknowledgment in an Individual Capacity

State of _____)

County of _____)^{SS)}

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of _____)

County of _____)^{SS)}

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

as _____ of _____
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

**PARTIES TO DAGGER LAKE SOUTH 8 FED COM 708H (E2E2) WOLFCAMP
COMMUNITIZATION AGREEMENT**

TRACT 1 V0-6152-03 SECTION 5: E/2SE/4 80 ACRES

Lessee of Record:

Advance Energy Partners Hat Mesa, LLC Signature Attached

Working Interest Owners:

Advance Energy Partners Hat Mesa, LLC	Signature Attached
Blanco Holdings I, LTD.	TBD
Tom M. Ragsdale	TBD
Royal Oak Oil & Gas, LLC	TBD
R. Miller Houghton	TBD
Vonnie Khuu Wenck	TBD
Brett D. Taylor	TBD
Wellington Hotwells I, LP	TBD
The Allar Company	TBD

TRACT 2 NMNM 096244 SECTION 8: E/2E/2 160 ACRES

Lessee of Record:

Devon Energy Production Company, LP TBD

Working Interest Owner:

Advance Energy Partners Hat Mesa, LLC Signature Attached

EXHIBIT A
To Communitization Agreement dated March 1, 2023

Plat of the Communitized area covering the:

E/2SE/4 of Section 5 and the E/2E/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico, limited to the Wolfcamp Formation.

SEC 5, T22S-R33E	
SEC 8, T22S-R33E	TRACT 1 V06152-03 80 ACRES
	TRACT 2 NMNM 96244 160 ACRES

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 708H (E2E2 WC Unit)

EXHIBIT B

To Communitization Agreement dated March 1, 2023, covering the E/2SE/4 of Section 5 and the E/2E/2 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Limited to the Wolfcamp Formation

Operator of Communitized Area: Advance Energy Partners Hat Mesa, LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

LEASE SERIAL NO.:	V0-6152-03
LEASE DATE:	03/01/2001
LEASE TERM:	5 Years
LESSOR:	State of New Mexico
ORIGINAL LESSEE:	Dough J. Schutz
PRESENT LESSEE:	Advance Energy Partners Hat Mesa, LLC
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the E/2SE/4 of Section 5, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	80.00
ROYALTY RATE:	1/6 th

TRACT NO. 2

LEASE SERIAL NO.:	NMNM 096244
LEASE DATE:	03/01/1996
LEASE TERM:	10 Years
LESSOR:	United States of America
ORIGINAL LESSEE:	Penwell Energy Inc
PRESENT LESSEE:	Devon Energy Production Company, LP
LEGAL DESCRIPTION:	Insofar and only insofar as the lease covers the E/2E/2 of Section 8, T22S-R33E, Lea County, New Mexico
NUMBER OF ACRES:	160.00
ROYALTY RATE:	12.5%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 708H (E2E2 WC Unit)

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	80.00	33.33%
2	160.00	66.67%
TOTAL	240.00	100.00%

NMSLO Form

State/Fed/Fee
Dagger Lake South 8 Fed Com 708H (E2E2 WC Unit)

AEP EnCap HoldCo, LLC	1100 Louisiana St., Ste. 4900	Houston	TX	77002
AEPXCON Management, LLC	2619 Robinhood St.	Houston	TX	77005
Blanco Holdings I, Ltd.	5308 Ashbrook Dr.	Houston	TX	77081
Brett D. Taylor	7918 S. Wellington Court	Houston	TX	77055
C. Mark Wheeler et ux, J'Lynn Wheeler	31105 La Quinta Dr.	Georgetown	TX	78628
Chisos Minerals, LLC	2821 West 7th St., Ste. 500	Fort Worth	TX	76107
CrownRock Minerals, L.P.	P.O. Box 51933	Midland	TX	79710
Haymaker Holding Company, LLC	777 Taylor St., Ste. 810	Forth Worth	TX	76102
HH&P Energy, LLC	P.O. Box 687	Graham	TX	76450
Hillman Royalties, LP	1415 S. Voss, Ste. 110-105	Houston	TX	77057
Jareed Partners, Ltd.	6804 Island Circle	Midland	TX	79707
John Kyle Thoma, Trustee of the Cornerstone Family Trust dated June 9, 2016	P.O. Box 558	Peyton	CO	80831
Jukebox Interest, LLC	2726 Bissonnet #240-448	Houston	TX	77005
Nearburg Exploration, L.L.C.	P.O. Box 823085	Dallas	TX	75382
Paul R. Barwis et ux, Sylvia Dianne Barwis	1980 Split Mountain	Canyon Lake	TX	78133
R. Miller Houghton et ux, Lianne O. Houghton	3114 Gulf Ave.	Midland	TX	79705
Royal Oak Oil & Gas, LLC	11510 Montmarte	Houston	TX	77082
The Allar Company	P.O. Box 1567	Graham	TX	76450
Tom M. Ragsdale	8500 Cypresswood Dr., Ste. 104	Spring	TX	77379
Vonnie Khuu Wenck	2859 Panagard Dr.	Houston	TX	77082
Wellington Hotwells I, LP	5599 San Felipe St., Ste. 110	Houston	TX	77056
West Bend Energy Partners III, LLC	1320 S. University Dr., Ste. 701	Fort Worth	TX	76107
Wing Resources VI, LLC	2100 McKinney Ave., Ste. 1540	Dallas	TX	75201
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
Bureau Of Land Management	301 Dinosaur Trl.	Santa Fe	NM	87508



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

February 7, 2024

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the S/2 of Section 5, and all of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the “Lands”)

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division’s Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kyle Perkins
Matador Production Company
(972) 371-5202
kperkins@matadorresources.com

Sincerely,

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

MRC - Dagger Laek south 8 Commingling
Postal Delivery Report

9402811898765402648590	AEP EnCap HoldCo, LLC	1100 Louisiana St Ste 4900	Houston	TX	77002-5217	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:10 pm. The item is currently in transit to the destination.
9402811898765402648545	AEPXCON Management, LLC	2619 Robinhood St	Houston	TX	77005-2431	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:10 pm. The item is currently in transit to the destination.
9402811898765402648583	Blanco Holdings I, Ltd.	5308 Ashbrook Dr	Houston	TX	77081-4102	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:10 pm. The item is currently in transit to the destination.
9402811898765402648576	Brett D. Taylor	7918 S Wellington Ct	Houston	TX	77055-3511	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:10 pm. The item is currently in transit to the destination.
9402811898765402647210	C. Mark Wheeler et ux, JLynn Wheeler	31105 La Quinta Dr	Georgetown	TX	78628-1175	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:08 pm. The item is currently in transit to the destination.

MRC - Dagger Laek south 8 Commingling
Postal Delivery Report

9402811898765402647258	Chisos Minerals, LLC	2821 W 7th St Ste 500	Fort Worth	TX	76107-8913	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 6:17 pm. The item is currently in transit to the destination.
9402811898765402647265	CrownRock Minerals, L.P.	PO Box 51933	Midland	TX	79710-1933	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:12 pm. The item is currently in transit to the destination.
9402811898765402647203	Haymaker Holding Company, LLC	777 Taylor St Ste 810	Fort Worth	TX	76102-4936	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:10 pm. The item is currently in transit to the destination.
9402811898765402647296	HH&P Energy, LLC	PO Box 687	Graham	TX	76450-0687	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:08 pm. The item is currently in transit to the destination.
9402811898765402647241	Hillman Royalties, LP	1415 S Voss Rd Ste 110-105	Houston	TX	77057-1086	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:10 pm. The item is currently in transit to the destination.

MRC - Dagger Laek south 8 Commingling
Postal Delivery Report

9402811898765402647289	Jareed Partners, Ltd.	6804 Island Cir	Midland	TX	79707-1413	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:08 pm. The item is currently in transit to the destination.
9402811898765402647272	John Kyle Thoma, Trustee of the Cornerstone Family Trust dated June 9, 2016	PO Box 558	Peyton	CO	80831-0558	Your item arrived at our USPS facility in DENVER CO DISTRIBUTION CENTER on February 7, 2024 at 7:15 pm. The item is currently in transit to the destination.
9402811898765402647814	Jukebox Interest, LLC	2726 Bissonnet St unit 240-448	Houston	TX	77005-1319	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:15 pm. The item is currently in transit to the destination.
9402811898765402647852	Nearburg Exploration, L.L.C.	PO Box 823085	Dallas	TX	75382-3085	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:13 pm. The item is currently in transit to the destination.
9402811898765402647821	Paul R. Barwis et ux, Sylvia Dianne Barwis	1980 Split Mtn	Canyon Lake	TX	78133-5987	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:06 pm. The item is currently in transit to the destination.

MRC - Dagger Laek south 8 Commingling
Postal Delivery Report

9402811898765402647807	R. Miller Houghton et ux, Lianne O. Houghton	3114 Gulf Ave	Midland	TX	79705-8205	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:06 pm. The item is currently in transit to the destination.
9402811898765402647890	Royal Oak Oil & Gas, LLC	11510 Montmarte Blvd	Houston	TX	77082-2764	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:08 pm. The item is currently in transit to the destination.
9402811898765402647845	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:06 pm. The item is currently in transit to the destination.
9402811898765402647883	Tom M. Ragsdale	8500 Cypresswood Dr Ste 104	Spring	TX	77379-7106	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 6:21 pm. The item is currently in transit to the destination.
9402811898765402647838	Vonnie Khuu Wenck	2859 Panagard Dr	Houston	TX	77082-1859	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:25 pm. The item is currently in transit to the destination.

MRC - Dagger Laek south 8 Commingling
Postal Delivery Report

9402811898765402647715	Wellington Hotwells I, LP	5599 San Felipe St Ste 110	Houston	TX	77056-2761	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:12 pm. The item is currently in transit to the destination.
9402811898765402647753	West Bend Energy Partners III, LLC	1320 S University Dr Ste 701	Fort Worth	TX	76107-8061	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:10 pm. The item is currently in transit to the destination.
9402811898765402647722	Wing Resources VI, LLC	2100 McKinney Ave Ste 1540	Dallas	TX	75201-2140	Your item arrived at our DENVER CO DISTRIBUTION CENTER origin facility on February 7, 2024 at 7:06 pm. The item is currently in transit to the destination.
9402811898765402647708	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item arrived at our USPS facility in DENVER CO DISTRIBUTION CENTER on February 7, 2024 at 7:06 pm. The item is currently in transit to the destination.
9402811898765402647791	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item arrived at our USPS facility in DENVER CO DISTRIBUTION CENTER on February 7, 2024 at 7:08 pm. The item is currently in transit to the destination.

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Paula M. Vance](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O; Walls, Christopher](#); [Lamkin, Baylen L.](#)
Subject: Approved Administrative Order PLC-931
Date: Thursday, May 23, 2024 12:44:55 PM
Attachments: [PLC931 Order.pdf](#)

NMOCD has issued Administrative Order PLC-931 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49271	Dagger Lake South 8 Federal Com #510H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49557	Dagger Lake South 8 Federal Com #512H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49558	Dagger Lake South 8 Federal Com #514H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48830	Dagger Lake South 8 Federal Com #516H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49561	Dagger Lake South 8 Federal Com #556H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48831	Dagger Lake South 8 Federal Com #558H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49610	Dagger Lake South 8 Federal Com #564H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49603	Dagger Lake South 8 Federal Com #566H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48834	Dagger Lake South 8 Federal Com #606H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48827	Dagger Lake South 8 Federal Com #502H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49270	Dagger Lake South 8 Federal Com #504H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-48828	Dagger Lake South 8 Federal Com #506H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-48829	Dagger Lake South 8 Federal Com #508H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49559	Dagger Lake South 8 Federal Com #552H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49560	Dagger Lake South 8 Federal Com #554H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49609	Dagger Lake South 8 Federal Com #560H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49682	Dagger Lake South 8 Federal Com #562H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-48832	Dagger Lake South 8 Federal Com #602H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-48833	Dagger Lake South 8 Federal Com #604H	SW/4 W/2	5-22S-33E 8-22S-33E	51687

30-025-49685	Dagger Lake South 8 Federal Com #708H	E/2 SE/4 E/2 E/2	5-22S-33E 8-22S-33E	98033
30-025-49684	Dagger Lake South 8 Federal Com #706H	W/2 SE/4 W/2 E/2	5-22S-33E 8-22S-33E	98033
30-025-49622	Dagger Lake South 8 Federal Com #702H	SW/4 W/2	5-22S-33E 8-22S-33E	98033
30-025-49683	Dagger Lake South 8 Federal Com #704H	SW/4 W/2	5-22S-33E 8-22S-33E	98033

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

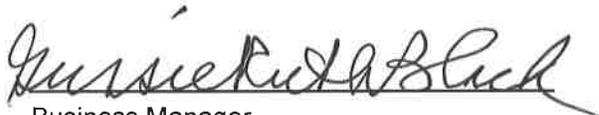
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 08, 2024
and ending with the issue dated
February 08, 2024.



Publisher

Sworn and subscribed to before me this
8th day of February 2024.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE February 8, 2024

To: All affected parties, including: AEP EnCap HoldCo, LLC; AEPXCON Management, LLC; Blanco Holdings I, Ltd.; Brett D. Taylor, his heirs and devisees; C. Mark Wheeler et ux, J'Lynn Wheeler, their heirs and devisees; Chisos Minerals, LLC; CrownRock Minerals, L.P.; Haymaker Holding Company, LLC; HH&P Energy, LLC; Hillman Royalties, LP; Jareed Partners, Ltd.; John Kyle Thoma, Trustee of the Cornerstone Family Trust dated June 9, 2016; Jukebox Interest, LLC; Nearburg Exploration, L.L.C.; Paul R. Barwis et ux, Sylvia Dianne Barwis, their heirs and devisees; R. Miller Houghton et ux, Lianne O. Houghton, their heirs and devisees; Royal Oak Oil & Gas, LLC; The Allar Company; Tom M. Ragsdale, his heirs and devisees; Vonnie Khuu Wenck, his or her heirs and devisees; Wellington Hotwells I, LP; West Bend Energy Partners III, LLC; Wing Resources VI, LLC; New Mexico State Land Office, and Bureau of Land Management.

Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the S/2 of Section 5, and all of Section 8, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the "Lands"). Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the **Dagger Lake South 8 Tank Battery** insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 480-acre spacing unit comprised of the SE/4 of Section 5 and the E/2 of Section 8, in the Red Tank; Bone Spring, East [51687] – currently dedicated to the **Dagger Lake South 8 Fed Com 510H** (API. No. 30-025-49271), **Dagger Lake South 8 Fed Com 512H** (API. No. 30-025-49557), **Dagger Lake South 8 Fed Com 514H** (API. No. 30-025-49558), **Dagger Lake South 8 Fed Com 516H** (API. No. 30-025-48830), **Dagger Lake South 8 Fed Com 556H** (API. No. 30-025-49561), **Dagger Lake South 8 Fed Com 558H** (API. No. 30-025-48831), **Dagger Lake South 8 Fed Com 564H** (API. No. 30-025-49610), **Dagger Lake South 8 Fed Com 566H** (API. No. 30-025-49603), **Dagger Lake South 8 Fed Com 606H** (API. No. 30-025-48834), and **Dagger Lake South 8 Fed Com 608H** (API. No. 30-025-48835);

(b) The 480-acre spacing unit comprised of the SW/4 of Section 5 and the W/2 of Section 8, in the Red Tank; Bone Spring, East [51687] – currently dedicated to the **Dagger Lake South 8 Fed Com 502H** (API. No. 30-025-48827), **Dagger Lake South 8 Fed Com 504H** (API. No. 30-025-49270), **Dagger Lake South 8 Fed Com 506H** (API. No. 30-025-48828), **Dagger Lake South 8 Fed Com 508H** (API. No. 30-025-48829), **Dagger Lake South 8 Fed Com 552H** (API. No. 30-025-49559), **Dagger Lake South 8 Fed Com 554H** (API. No. 30-025-49560), **Dagger Lake South 8 Fed Com 560H** (API. No. 30-025-49609), **Dagger Lake South 8 Fed Com 562H** (API. No. 30-025-49682), **Dagger Lake South 8 Fed Com 602H** (API. No. 30-025-48832), and **Dagger Lake South 8 Fed Com 604H** (API. No. 30-025-48833);

(c) The 240-acre spacing unit comprised of the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in the WC-025 G-10 S213328O; Wolfcamp [98033] – currently dedicated to the **Dagger Lake South 8 Fed Com 708H** (API. No. 30-025-49685);

(d) The 240-acre spacing unit comprised of the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in the WC-025 G-10 S213328O; Wolfcamp [98033] – currently dedicated to the **Dagger Lake South 8 Fed Com 706H** (API. No. 30-025-49684);

(e) The 480-acre spacing unit comprised of the SW/4 of Section 5 and the W/2 of Section 8, in the WC-025 G-10 S213328O; Wolfcamp [98033] – currently dedicated to the **Dagger Lake South 8 Fed Com 702H** (API. No. 30-025-49622) and **Dagger Lake South 8 Fed Com 704H** (API. No. 30-025-49683); and

(f) Pursuant to 19.15.12.10.C(4)(g), future additions of pools, leases or leases and pools to the **Dagger Lake South 8 Tank Battery** (located in the SW/4 SE/4 (Unit O) of Section 8) with notice provided only to the owners of interests to be added.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Kyle Perkins, Matador Production Company, (972) 371-5202 or KPerkins@matadorresources.com.

#00287225
67100754

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

From: [Paula M. Vance](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] RE: Action ID: 312614; PLC-931
Date: Monday, May 20, 2024 4:54:44 PM

Dean,

Will do. Thank you!

Paula Vance

Associate, Holland & Hart LLP

pmvance@hollandhart.com | T: (505) 954-7286 | M: (337) 280-9055

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email.

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Monday, May 20, 2024 4:53 PM
To: Paula M. Vance <PMVance@hollandhart.com>
Subject: RE: [EXTERNAL] RE: Action ID: 312614; PLC-931

External Email

Paula,

Please instruct Matador that once the new HSU is approved by the BLM, they should then submit it to the Division as a [C-103] NOI Change of Plans (C-103A).

It would be more ideal to have the CA numbers, were they to be available to Matador, but the Division can proceed as you propose.

I will be able to provide a recommendation regarding this application to the Director later this week.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Paula M. Vance <PMVance@hollandhart.com>
Sent: Monday, May 20, 2024 4:39 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Subject: [EXTERNAL] RE: Action ID: 312614; PLC-931

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

Confirming that the CA descriptions below are correct and that Matador is sundrying the C-102s to match what

was submitted with the application.

Because the CAs haven't been approved, Matador can't tell which of the two numbers is associated with WC or BS for Pooled Areas A and E. Can you include it as you've laid out since it'll be one or the other for each?

That is fine on the 608H.

Let me know if you need any additional information regarding this application. Thank you!

Paula Vance
Associate, Holland & Hart LLP

pmvance@hollandhart.com | T: (505) 954-7286 | M: (337) 280-9055

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email.

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, May 17, 2024 4:38 PM
To: Paula M. Vance <PMVance@hollandhart.com>
Subject: Action ID: 312614; PLC-931

External Email

To whom it may concern (c/o Paula Vance for Matador Production Company),

The Division is reviewing the following application:

Action ID	312614
Admin No.	PLC-931
Applicant	Matador Production Company (228937)
Title	Dagger Lake South 8 Tank Battery
Sub. Date	2/8/2024

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Please note that each of the wells within this application currently have a 240-acre HSU assigned to them. Noting that an order issued in response to this application will self-terminate should the BLM reject any of the CAs included; please confirm that the proposed CAs listed below are correct. Additionally, the BLM site seems to not include the formations for these CAs; as such please confirm the NMNM designation assigned to each CA. An example of the NMNM designation is NMNM106359061.

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 106359061	SE/4 E/2	5-22S-33E 8-22S-33E	480	A
CA Bone Spring NMNM 106359072 or NMNM 106359079	SW/4 W/2	5-22S-33E 8-22S-33E	480	B
CA Wolfcamp NMNM 106359085	E/2 SE/4 E/2 E/2	5-22S-33E 8-22S-33E	240	C
CA Wolfcamp NMNM 106359063	W/2 SE/4	5-22S-33E	240	D

CA Wolfcamp NMNM 106359072 or NMNM 106359079	W/2 E/2	8-22S-33E	480	E
	SW/4	5-22S-33E		
	W/2	8-22S-33E		

Additional notes:

- Please note that the following well has had its APD cancelled and will be removed from the application.

**30-025-48835 Dagger Lake South 8 Federal Com
#608H**

- For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49271	Dagger Lake South 8 Federal Com #510H	W/2 SE/4	5-22S-33E	51687
		W/2 E/2	8-22S-33E	
30-025-49557	Dagger Lake South 8 Federal Com #512H	W/2 SE/4	5-22S-33E	51687
		W/2 E/2	8-22S-33E	
30-025-49558	Dagger Lake South 8 Federal Com #514H	E/2 SE/4	5-22S-33E	51687
		E/2 E/2	8-22S-33E	
30-025-48830	Dagger Lake South 8 Federal Com #516H	E/2 SE/4	5-22S-33E	51687
		E/2 E/2	8-22S-33E	
30-025-49561	Dagger Lake South 8 Federal Com #556H	W/2 SE/4	5-22S-33E	51687
		W/2 E/2	8-22S-33E	
30-025-48831	Dagger Lake South 8 Federal Com #558H	E/2 SE/4	5-22S-33E	51687
		E/2 E/2	8-22S-33E	
30-025-49610	Dagger Lake South 8 Federal Com #564H	W/2 SE/4	5-22S-33E	51687
		W/2 E/2	8-22S-33E	
30-025-49603	Dagger Lake South 8 Federal Com #566H	E/2 SE/4	5-22S-33E	51687
		E/2 E/2	8-22S-33E	
30-025-48834	Dagger Lake South 8 Federal Com #606H	W/2 SE/4	5-22S-33E	51687
		W/2 E/2	8-22S-33E	
30-025-48835	Dagger Lake South 8 Federal Com #608H			
30-025-48827	Dagger Lake South 8 Federal Com #502H	W/2 SW/4	5-22S-33E	51687
		W/2 W/2	8-22S-33E	
		W/2 SW/4	5-22S-33E	

30-025-49270	Dagger Lake South 8 Federal Com #504H	W/2 W/2	8-22S-33E	51687
30-025-48828	Dagger Lake South 8 Federal Com #506H	E/2 SW/4 E/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-48829	Dagger Lake South 8 Federal Com #508H	E/2 SW/4 E/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-49559	Dagger Lake South 8 Federal Com #552H	W/2 SW/4 W/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-49560	Dagger Lake South 8 Federal Com #554H	E/2 SW/4 E/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-49609	Dagger Lake South 8 Federal Com #560H	W/2 SW/4 W/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-49682	Dagger Lake South 8 Federal Com #562H	E/2 SW/4 E/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-48832	Dagger Lake South 8 Federal Com #602H	W/2 SW/4 W/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-48833	Dagger Lake South 8 Federal Com #604H	E/2 SW/4 E/2 W/2	5-22S-33E 8-22S-33E	51687
30-025-49685	Dagger Lake South 8 Federal Com #708H	E/2 SE/4 E/2 E/2	5-22S-33E 8-22S-33E	98033
30-025-49684	Dagger Lake South 8 Federal Com #706H	W/2 SE/4 W/2 E/2	5-22S-33E 8-22S-33E	98033
30-025-49622	Dagger Lake South 8 Federal Com #702H	W/2 SW/4 W/2 W/2	5-22S-33E 8-22S-33E	98033
30-025-49683	Dagger Lake South 8 Federal Com #704H	E/2 SW/4 E/2 W/2	5-22S-33E 8-22S-33E	98033

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY**

ORDER NO. PLC-931

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later

than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 5/23/24

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-931

Operator: Matador Production Company (228937)

Central Tank Battery: Dagger Lake South 8 Tank Battery

Central Tank Battery Location: UL O, Section 8, Township 22 South, Range 33 East

Gas Title Transfer Meter Location: UL O, Section 8, Township 22 South, Range 33 East

Pools

Pool Name	Pool Code
RED TANK; BONE SPRING, EAST	51687
WC-025 G-10 S2133280; WOLFCAMP	98033

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
V0 6152 0003	S/2	5-22S-33E
NMNM 105471349 (096244)	All minus L M N	8-22S-33E
NMNM 105366136 (024683)	L M N	8-22S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49271	Dagger Lake South 8 Federal Com #510H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49557	Dagger Lake South 8 Federal Com #512H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49558	Dagger Lake South 8 Federal Com #514H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48830	Dagger Lake South 8 Federal Com #516H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49561	Dagger Lake South 8 Federal Com #556H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48831	Dagger Lake South 8 Federal Com #558H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49610	Dagger Lake South 8 Federal Com #564H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-49603	Dagger Lake South 8 Federal Com #566H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48834	Dagger Lake South 8 Federal Com #606H	SE/4 E/2	5-22S-33E 8-22S-33E	51687
30-025-48827	Dagger Lake South 8 Federal Com #502H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49270	Dagger Lake South 8 Federal Com #504H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-48828	Dagger Lake South 8 Federal Com #506H	SW/4 W/2	5-22S-33E 8-22S-33E	51687

30-025-48829	Dagger Lake South 8 Federal Com #508H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49559	Dagger Lake South 8 Federal Com #552H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49560	Dagger Lake South 8 Federal Com #554H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49609	Dagger Lake South 8 Federal Com #560H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49682	Dagger Lake South 8 Federal Com #562H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-48832	Dagger Lake South 8 Federal Com #602H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-48833	Dagger Lake South 8 Federal Com #604H	SW/4 W/2	5-22S-33E 8-22S-33E	51687
30-025-49685	Dagger Lake South 8 Federal Com #708H	E/2 SE/4 E/2 E/2	5-22S-33E 8-22S-33E	98033
30-025-49684	Dagger Lake South 8 Federal Com #706H	W/2 SE/4 W/2 E/2	5-22S-33E 8-22S-33E	98033
30-025-49622	Dagger Lake South 8 Federal Com #702H	SW/4 W/2	5-22S-33E 8-22S-33E	98033
30-025-49683	Dagger Lake South 8 Federal Com #704H	SW/4 W/2	5-22S-33E 8-22S-33E	98033

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-931
Operator: Matador Production Company (228937)

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 106359061	SE/4 E/2	5-22S-33E 8-22S-33E	480	A
CA Bone Spring NMNM 106359072 or NMNM 106359079	SW/4 W/2	5-22S-33E 8-22S-33E	480	B
CA Wolfcamp NMNM 106359085	E/2 SE/4 E/2 E/2	5-22S-33E 8-22S-33E	240	C
CA Wolfcamp NMNM 106359063	W/2 SE/4 W/2 E/2	5-22S-33E 8-22S-33E	240	D
CA Wolfcamp NMNM 106359072 or NMNM 106359079	SW/4 W/2	5-22S-33E 8-22S-33E	480	E

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
V0 6152 0003	SE/4	5-22S-33E	160	A
NMNM 105471349 (096244)	E/2	8-22S-33E	320	A
V0 6152 0003	SW/4	5-22S-33E	160	B
NMNM 105471349 (096244)	NW/4, K	8-22S-33E	200	B
NMNM 105366136 (024683)	L M N	8-22S-33E	120	B
V0 6152 0003	E/2 SE/4	5-22S-33E	80	C
NMNM 105471349 (096244)	E/2 E/2	8-22S-33E	160	C
V0 6152 0003	W/2 SE/4	5-22S-33E	80	D
NMNM 105471349 (096244)	W/2 E/2	8-22S-33E	160	D
V0 6152 0003	SW/4	5-22S-33E	160	E
NMNM 105471349 (096244)	NW/4, K	8-22S-33E	200	E
NMNM 105366136 (024683)	L M N	8-22S-33E	120	E

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 Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 312614

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 312614
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/23/2024