

TXRDU-191121-C-107B 1372

Revised March 23, 2017

RECEIVED: 11/21/19	REVIEWER:	TYPE: PC	APP NO: pDM1933734484
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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: Apache Corporation **OGRID Number:** 873
Well Name: Black and Tan 27 Fed COM **API:** VARIOUS
Pool: Lea, Bone Spring, South and WC-025 G-08 S203435D; Wolfcamp **Pool Code:** 37580 and 98247

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

FOR OCD ONLY

☐

Notice Complete

☐

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.

11-21-2019

Alicia Fulton

Print or Type Name

alicia fulton

Signature

Date

432-818-1088

Phone Number

alicia.fulton@apachecorp.com

e-mail Address

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: _____

OPERATOR ADDRESS: _____

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
	41.9 / 1400	40.85 / 1431		\$53.5/BO \$2.49/MCF	1270 / 1500
	40.1 / 1450				1775 / 1905

(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: _____ TITLE: _____ DATE: _____

TYPE OR PRINT NAME _____ TELEPHONE NO.: _____

E-MAIL ADDRESS: _____



November 13, 2019

Bureau of Land Management New Mexico

Re: Application for Surface Commingling
Black and Tan 27 Fed Com #301H, #302H, #303H, #305H, #307H, #308H ("Bone Spring")
Black and Tan 27 Fed Com #401H, #402H, #403H, #405H, and #406H ("Wolfcamp")
Sections 27, Township 20 South, Range 34 East
Lea County, New Mexico

Ladies and Gentlemen:

Apache hereby requests for surface commingling under BLM Federal Leases NMNM 0000082, NMNM 060393, NMNM 0000897, and NMLC 029519B as it pertains to the following described lands:

Township 20 South, Range 34 East
Section 27: All
Lea County, New Mexico

The royalty and overriding royalty ownership is identical across the section; however, the working interest differs slightly between the Bone Spring and Wolfcamp intervals. A spreadsheet showing the ownership between the two intervals is attached as Exhibit A to this letter.

A voluntary agreement (Joint Operating Agreement dated July 1, 2017) evidences the consent by all parties owning a working interest; additionally, notice has been provided to all interest owners of this application for surface commingling.

For future additions of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases, or pools to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

If you have any questions, please contact me via email at nick.laris@apachecorp.com or telephone at 432-818-1689.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nick Laris", is written over a light blue horizontal line.

Nick Laris
Landman Sr.

Pool 37580 (Lea; Bone Spring, South)		Pool 98247 (WC-025 G-08 S203435D; WOLECAMP)	
301H / 302H / 303H / 305H / 307H / 308H		401H / 402H / 403H /405H / 406H	
WI	NRI	WI	NRI
0.06933594	0.05200195	0.06965289	0.05227928
0.75000000	0.65625000	0.75342846	0.65924989
0.12500000	0.10937500	0.12500000	0.10937500
	0.00390625		0.00390625
0.02050781	0.01794434	0.02058823	0.01801471
0.02050781	0.01794434	0.02058823	0.01801471
0.01074218	0.00837891	0.00000000	0.00000000
0.00000000	0.00000000	0.01074218	0.00837891
	0.00009766		0.00009766
0.00195313	0.00170898	0.00000000	0.00000000
	0.00009766		0.00009766
0.00195313	0.00170898	0.00000000	0.00000000
	0.00012705		0.00012705
	0.00004232		0.00004232
	0.00002909		0.00002909
	0.00028555		0.00028555
	0.00085449		0.00085449
	0.00195313		0.00195313
	0.00195312		0.00195312
	0.00000536		0.00000536
	0.12500000		0.12500000
	0.00024715		0.00024715
	0.00003552		0.00003552
	0.00000625		0.00000625
	0.00000410		0.00000410
	0.00000404		0.00000404
	0.00000005		0.00000005
	0.00000009		0.00000009
	0.00000013		0.00000013
	0.00000139		0.00000139
	0.00000383		0.00000383
	0.00002995		0.00002995
	0.00000332		0.00000332
1.00000000	1.00000000	1.00000000	1.00000000

Owner Name	Address 1	Address 2	City	Zip	State	Type
APACHE CORPORATION	303 VETERANS AIRPARK LANE	SUITE 1000	MIDLAND	79705	TX	WI
ZPZ DELAWARE I LLC	303 VETERANS AIRPARK LANE	SUITE 1000	HOUSTON	77056	TX	WI
CHEVRON USA INC	ATTN: NOJV GROUP	1400 SMITH STREET	HOUSTON	77002	TX	WI
STOUT ENERGY INC	PO BOX 7434		MIDLAND	79708-7434	TX	OR
HARVARD ENERGY PARTNERS LP	PO BOX 936		ROSWELL	88202-0936	NM	WI
HARVARD PETROLEUM COMPANY LLC	PO BOX 936		ROSWELL	88202-0936	NM	WI
MARATHON OIL PERMIAN LLC	PO BOX 732312		DALLAS	75373-2312	TX	WI
UNION RESOURCES, LLC	800 GESSNER	SUITE 365	HOUSTON	77024	TX	WI
STEVEN ENGWALL	2707 DUVAL DR		DALLAS	75211	TX	OR
STEVEN ENGWALL	2707 DUVAL DR		DALLAS	75211	TX	WI
LARRY G ENGWALL	1961 LA CUESTA DR		SANTA ANA	92705	CA	OR
LARRY G ENGWALL	1961 LA CUESTA DR		SANTA ANA	92705	CA	WI
GOOD NEWS MINERALS LLC	PO BOX 50820		MIDLAND	79710	TX	OR
POST OAK CROWN IV LLC	4000 N BIG SPRING ST #310		MIDLAND	79705	TX	OR
POST OAK CROWN IV-B LLC	4000 N BIG SPRING ST #310		MIDLAND	79705	TX	OR
CEP MINERALS LLC	PO BOX 50820		MIDLAND	79710	TX	OR
DARIN BOYD	1910 HOLLY ST		AUSTIN	78702	TX	OR
S A BROWN COMPANY	PO BOX 52167		MIDLAND	79710	TX	OR
MAS OPERATING CO	PO BOX 52167		MIDLAND	79710	TX	OR
MCT ENERGY LTD	5944 LUTHER LANE SUITE 600		DALLAS	75225	TX	OR
US BUREAU OF LAND MANAGEMENT						RI
CROWN OIL PARTNERS LP	4000 N BIG SPRING ST #310		MIDLAND	79705	TX	OR
COLLINS & JONES INVESTMENTS LLC	508 W WALL ST #1200		MIDLAND	79701	TX	OR
GERARD G VAVREK	1521 2ND AVE APT 1604		SEATTLE	98101	WA	OR
JESSE A FAUGHT JR	P O BOX 52603		MIDLAND	79710	TX	OR
HERBERT JASON WACKER	5601 HILLCREST		MIDLAND	79707	TX	OR
DEANE DURHAM	PO BOX 50820		MIDLAND	79710	TX	OR
KALEB SMITH	PO BOX 50820		MIDLAND	79710	TX	OR
MIKE MOYLETT	PO BOX 50820		MIDLAND	79710	TX	OR
LMC ENERGY LLC	550 W TEXAS AVE, STE 945		MIDLAND	79701	TX	OR
DAVID W CROMWELL	2008 COUNTRY CLUB DR		MIDLAND	79701	TX	OR
MAVROS MINERALS II LLC	PO BOX 50820		MIDLAND	79710	TX	OR
OAK VALLEY MINERAL & LAND LP	PO BOX 50820		MIDLAND	79710	TX	OR

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11/13/2019

Bureau of Land Management

RE: Request to Administratively Create Surface Commingling Authority
Black and Tan 27 Federal Com
Lea County, New Mexico

Apache respectfully requests administrative approval to surface commingle at the Black and Tan 27 Federal Com Central Tank Battery.

Proposal:

Apache proposes to allocate production between the following wells based on frequent and periodic well tests, all located in:

Section 27, T20S, R34E, Lea County, New Mexico:

- | | |
|---------------------------------|-------------------|
| • Black and Tan 27 Fed Com 301H | API: 30-025-44017 |
| • Black and Tan 27 Fed Com 302H | API: 30-025-44018 |
| • Black and Tan 27 Fed Com 303H | API: 30-025-43921 |
| • Black and Tan 27 Fed Com 305H | API: 30-025-43940 |
| • Black and Tan 27 Fed Com 307H | API: 30-025-44044 |
| • Black and Tan 27 Fed Com 308H | API: 30-025-44045 |
| • Black and Tan 27 Fed Com 401H | API: 30-025-46072 |
| • Black and Tan 27 Fed Com 402H | API: 30-015-46073 |
| • Black and Tan 27 Fed Com 403H | API: 30-025-46123 |
| • Black and Tan 27 Fed Com 405H | API: 30-015-46124 |
| • Black and Tan 27 Fed Com 406H | API: 30-015-46075 |

This commingling request is the most effective, economic means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses by utilizing existing facilities as well as reduce the surface facility footprint associated with constructing a new battery.

Measurement:

The Black and Tan 27 Federal central tank battery, located in Sec 27, T20S, R34E. All working interests have been committed to a single joint operating agreement, and all subject leases within Section 27 are being communitized on a 640 acre basis as to the Bone Spring and Wolfcamp. There will be different interests groups ("Groups") producing into this battery. The Groups are listed below:

- **Bone Spring (300-Series)**

- Leases: NMNM 0000082, NMNM 060393, NMNM 0000897, and NMLC 0029591B
 - Wells: Black & Tan 27 301H, 302H, 303H, 305H, 307H, 308H
- **Wolfcamp (400-Series)**
 - Leases: NMNM 0000082, NMNM 060393, NMNM 0000897, and NMLC 0029591B
 - Wells: Black & Tan 27 401H, 402H, 403H, 405H, 406H

Bone Spring (300-Series) wells will be produced into one (1) three phase metering production separator and three (3) three phase metering testers. The individual wells producing into each of the three (3) three phase metering testers will be periodically alternated to provide fair allocation of oil and gas production on a pro-rata share.

Wolfcamp (400-Series) wells will be produced into one (1) three phase metering production separator and three (3) three phase metering testers. The individual wells producing into each of the three (3) three phase metering testers will be periodically alternated to provide fair allocation of oil and gas production on a pro-rata share.

Wells will be rotated through the metering tester(s) a regular basis. Third Bone Spring (300-series) and Wolfcamp (400-series) wells will be tested in accordance with the plan above, avoiding mixing of the well stream fluids until processed through their own production trains. Commingling will occur after the oil leaves the heater-treater and transferred to the oil/water storage tanks.

The above separator(s) and tester(s) will be equipped with vortex meters for oil measurement, magnetic flow meters for water measurement, and differential pressure/orifice plate meters for gas measurement. VRU gas volumes will be measured using a differential pressure/orifice plate meter and volume allocated back to each well utilizing a percentage of each wells monthly oil production.

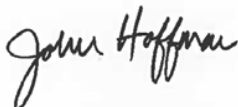
Please find the proposed Facility layout attached and a map view of the different working interest groups.

Notification:

The working interests differ slightly between the Groups, however royalties and overriding royalties are contiguous across both Groups.

Please advise if this request is acceptable. If additional information is required please contact Alicia Fulton, Regulatory Analyst, at (432) 818-1088 or alicia.fulton@apachecorp.com or me at (432) 818-1099 or john.hoffman@apachecorp.com.

Sincerely,



John L Hoffman Jr
Facilities Engineer
Apache Permian Region

Enclosure / Enclosures (2)

Black & Tan 27 Fed Com**Exhibit C - Economic Justification Work Sheet****Bone Spring (300-Series) CA Royalty Rate 12.5%**

Well Name	BOPD	Oil Gravity @60-deg F	Value/bbl	MCFPD	Dry BTU	Value/MCF
301H	200	41.9	\$53.50	200	1400	\$2.46
302H	200	41.9	\$53.50	250	1400	\$2.46
303H	200	41.9	\$53.50	250	1400	\$2.46
305H	200	41.9	\$53.50	250	1400	\$2.46
307H	200	41.9	\$53.50	250	1400	\$2.46
308H	270	41.9	\$53.50	300	1400	\$2.46

Wolfcamp (400-Series) CA Royalty Rate 12.5%

401H	355	40.1	\$53.50	481	1450	\$2.51
402H	355	40.1	\$53.50	481	1450	\$2.51
403H	355	40.1	\$53.50	481	1450	\$2.51
405H	355	40.1	\$53.50	481	1450	\$2.51
406H	355	40.1	\$53.50	481	1450	\$2.51

Black & Tan 27 Fed Com Central Tank Battery**Economic Combined Production****Bone Spring (300-Series) CA Royalty Rate 12.5%****Wolfcamp (400-Series) CA Royalty Rate 12.5%**

Facility Name	BOPD	Oil Gravity @60-deg F	Value/bbl	MCFPD	Dry BTU	Value/MCF
B&T CTB	3045	40.85	\$53.50	3905	1431	\$2.49

Black & Tan 27

Oil

Crude Oil delivered from the BLACK & TAN 27 FED COM OI|60081 Central Tank Battery into Plains Pipeline is being sold under Apache's Contract – PLNS-01405.

This Contract represents the Crude Oil Type and Quality to be West Texas Intermediate (WTI) common stream type crude oil and/or condensate.

West Texas Intermediate (WTI) quality crude oil has a gravity less than 44 API gravity.

Apache is currently being paid on a NYMEX / Argus WTI-Midland pricing formula because our production meets the Crude Oil Quality Type and Quality for West Texas Intermediate (WTI) crude oil.

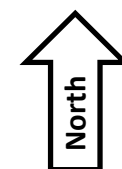
If the commingled production delivered from the BLACK & TAN 27 FED COM OI|60081 Central Tank Battery into Plains Pipeline exceeds 44 API gravity then the production would be classified as West Texas Light (WTL) and the pricing formula would have to be renegotiated. FYI- West Texas Light (WTL) is currently being priced less than West Texas Intermediate (WTI) price.

Gas

Apache expects no difference to the price received from Targa for comingling the existing Bone Spring wells and the upcoming Wolfcamp wells. The gas is processed at the same percentage regardless of volume and Apache is paid 100% of its liquids and residue gas. Apache is charged a gathering, treating and (potentially) a low volume fee. The gathering fee is \$.45/mcf regardless of volume. The treating fee is linear equal to \$0.05 x (combined H₂S, CO₂, N₂ mol percentage contained in the gas) x delivered volume. So it's a zero sum game where whether you keep the gas separate or comingled you will end up being charged the same. The low volume fee only comes into play if volumes at each meter are <10mcfd. There are no "grades" or "levels" for gas like in oil so the only thing that could hurt our price by bringing on new wells is if the gas was full of H₂S, CO₂, or N₂ and we had a contract that added steeper fees for poorer quality gas. Fortunately, this is not the case.

Apache Black and Tan 27 Federal Com Section 27, T20S, R34E, NMPM

Black & Tan 27 Fed Com
Central Tank Battery
Lat. 32.537971, Long. -103.548468



Lea County Rd 27

Skeen Road

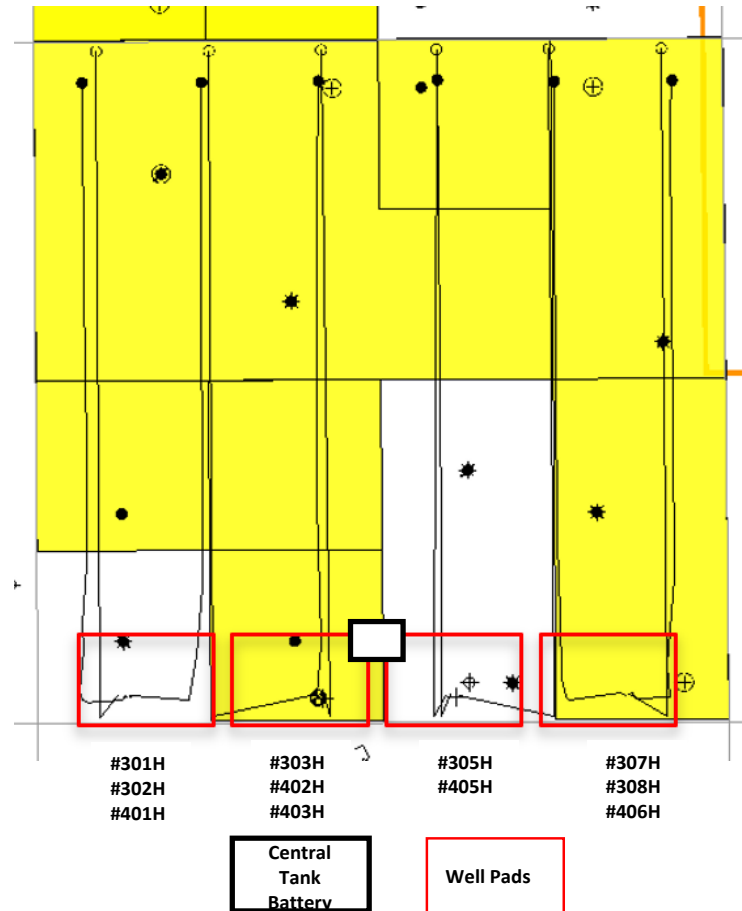
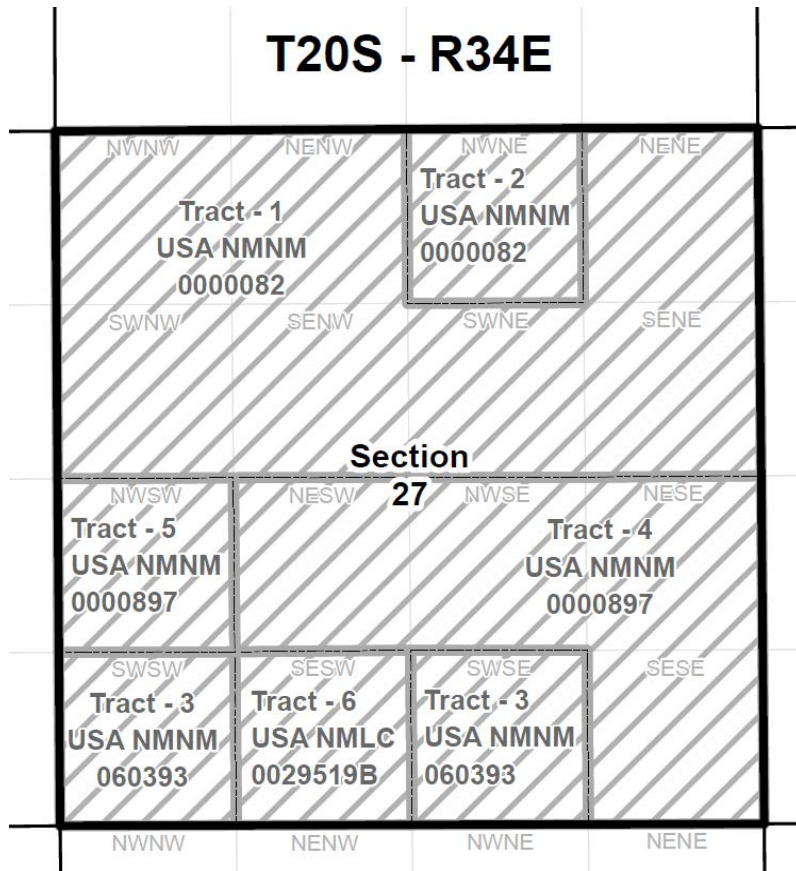
Lea County Rd 27-A

US 180 / NM 62 11-miles

New Mexico Hwy 127

Eunice NM 24-miles

Apache Black and Tan 27 Federal Com Section 27, T20S, R34E, NMPPM



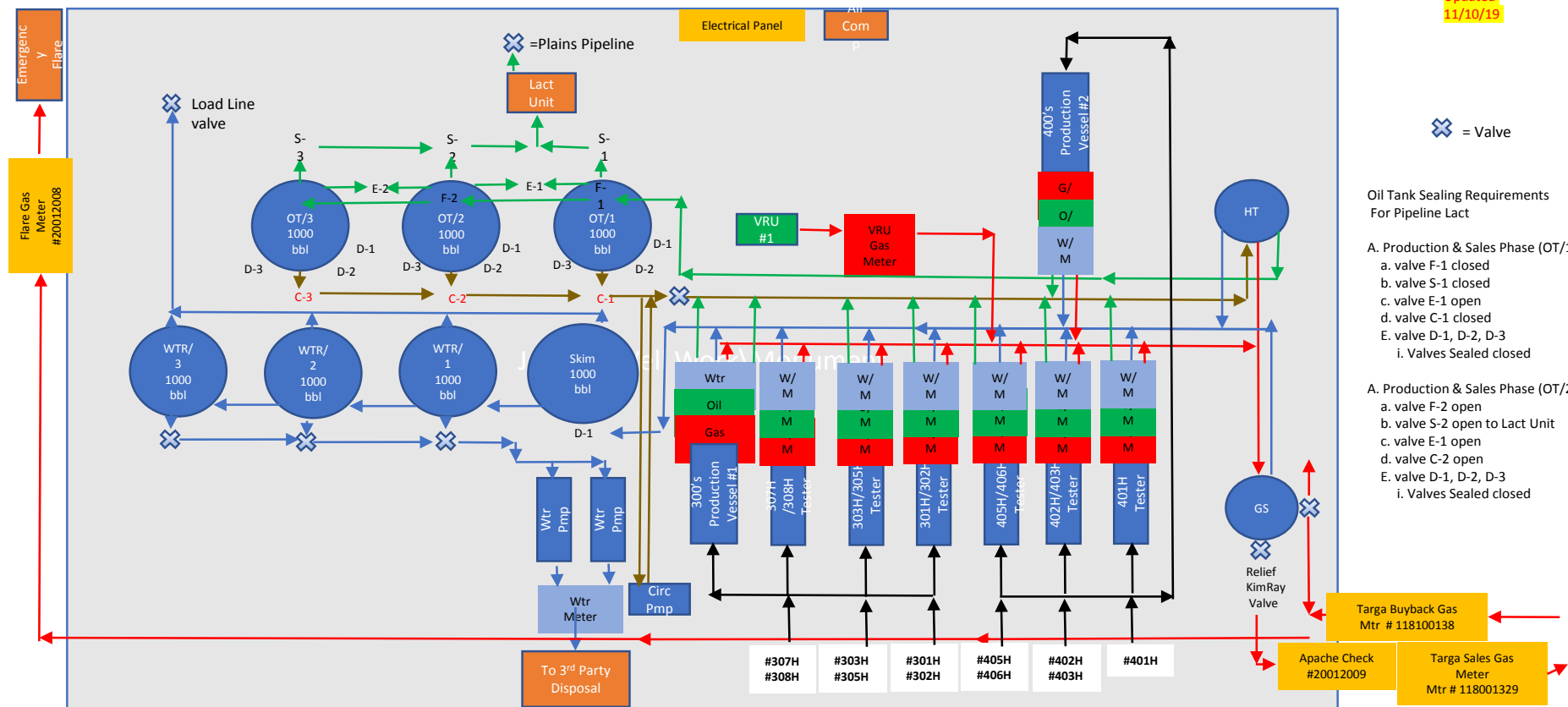
Apache Corporation

Black & Tan 27 Fed Com Central Tank Battery

Sec. 27, T20S, R34E

Lat. 32.537971, Long. -103.548468

Green = Oil Lines
Red = Gas Lines
Blue = Water Lines
Brown = Emulsion Lines



Apache Corp.
17 Hess Lane.
Monument, NM
88265
575-441-0793
Prod. Foreman
Joel Sisk
Updated
11/10/19

Oil Tank Sealing Requirements
For Pipeline Lact

- A. Production & Sales Phase (OT/1)
- valve F-1 closed
 - valve S-1 closed
 - valve E-1 open
 - valve C-1 closed
 - valve D-1, D-2, D-3
 - Valves Sealed closed
- A. Production & Sales Phase (OT/2)
- valve F-2 open
 - valve S-2 open to Lact Unit
 - valve E-1 open
 - valve C-2 open
 - valve D-1, D-2, D-3
 - Valves Sealed closed

Federal Communitization Agreement

Contract No. _____

THIS Communitization Agreement ("Agreement") entered into as of the 1st day of May, 2018, 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 and depicted on "Exhibit A":

Township 20 South, Range 34 East, N.M.P.M.
Section 27: All
Lea County, New Mexico

Containing 640 acres, and this Agreement shall include the stratigraphic equivalent of the top of the Bone Spring formation encountered at a measured depth of 8,600 feet down to the stratigraphic equivalent of the top of the Wolfcamp formation at a measured depth of 11,207 feet as encountered in the W. Lynch Deep Unit #1 well in Section 28, Township 20 South, Range 34 East, N.M.P.M. (API #30-025-26952) underlying said lands and crude oil and associated natural gas hereafter referred to as "Communitized Substances," producible from such formations.

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 Apache Corporation, 303 Veterans Airpark Lane, Suite 1000, Midland, TX 79705. 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, State or fee land included within the Communitized Area are to be placed in an interest earning escrow or 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 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 May 1, 2018, 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 occurs 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.

OPERATOR
APACHE CORPORATION:

5/29/19
Date

By: 
Amy D. Lindsey, Attorney-in-Fact

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD


ZPZ DELAWARE I, LLC.:

5/29/19
Date

By: 
Amy D. Lindsey, Attorney-in-Fact

HARVARD ENERGY PARTNERS, LP:

4/20/19
Date

By: 
Printed Name: JEFF HARVES
Title: MANAGER - HARVARD PETROLEUM
COMPANY, LLC - GENERAL PARTNER

MARATHON OIL PERMIAN, LLC:

9/22/19
Date

By: Matthew D Brown
Printed Name: Matthew D Brown
Title: Attorney-in-Fact

CHEVRON U.S.A., INC:

Date

By: _____
Printed Name: _____
Title: _____

HARVARD PETROLEUM COMPANY, LLC:

Date

By: _____
Printed Name: _____
Title: _____

STEVEN ENGWALL:

Date

By: _____
Printed Name: _____

LARRY ENGWALL:

Date

By: _____
Printed Name: _____

MARATHON OIL PERMIAN, LLC:

Date

By: _____
Printed Name: _____
Title: _____

CHEVRON U.S.A. INC:

1/8/19

Date

By: K.R. McNally
Printed Name: K.R. McNally
Title: Attorney-in-Fact

HARVARD PETROLEUM COMPANY, LLC:

Date

By: _____
Printed Name: _____
Title: _____

STEVEN ENGWALL:

Date

By: _____
Printed Name: _____

LARRY ENGWALL:

Date

By: _____
Printed Name: _____

MARATHON OIL PERMIAN, LLC:

Date

By: _____
Printed Name: _____
Title: _____

CHEVRON U.S.A., INC:

Date

By: _____
Printed Name: _____
Title: _____

HARVARD PETROLEUM COMPANY, LLC:

11/21/19
Date

By: [Signature]
Printed Name: Jeff Harward
Title: MANAGER

STEVEN ENGWALL:

Date

By: _____
Printed Name: _____

LARRY ENGWALL:

Date

By: _____
Printed Name: _____

MARATHON OIL PERMIAN, LLC:

Date

By: _____
Printed Name: _____
Title: _____

CHEVRON U.S.A., INC:

Date

By: _____
Printed Name: _____
Title: _____

HARVARD PETROLEUM COMPANY, LLC:

Date

By: _____
Printed Name: _____
Title: _____

STEVEN ENGWALL:

04/10/2019

Date

By: Steven Engwall
Printed Name: Steven Engwall

LARRY ENGWALL:

Date

By: _____
Printed Name: _____

MARATHON OIL PERMIAN, LLC:

Date

By: _____
Printed Name: _____
Title: _____

CHEVRON U.S.A., INC:

Date

By: _____
Printed Name: _____
Title: _____

HARVARD PETROLEUM COMPANY, LLC:

Date

By: _____
Printed Name: _____
Title: _____

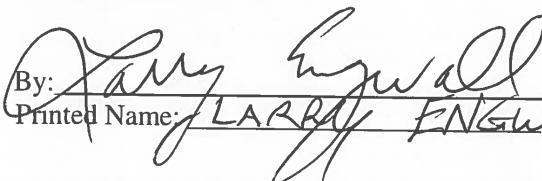
STEVEN ENGWALL:

Date

By: _____
Printed Name: _____

LARRY ENGWALL:

4-9-19
Date

By: 
Printed Name: LARRY ENGWALL

4/10/19

By:

Printed Name:

Title:

Date _____

By: _____

Printed Name:

Title:

Date _____

By: _____

Printed Name:

Date _____

By: _____

Printed Name: _____

Title:

Date _____

By: _____

Printed Name:

Title:

SUNDOWN ENERGY, LP:

Date

By: _____
Printed Name: _____
Title: _____

JETTA X2, LP:

By: Jetta Operating Company, Inc., it's General Partner

5-17-19

Date

By: M. S. Nichols
Printed Name: Mark S. Nichols
Title: Sr. Vice President - land

DARRIN BOYD:

Date

By: _____
Printed Name: _____

S.A. BROWN COMPANY:

Date

By: _____
Printed Name: _____
Title: _____

MAS OPERATING COMPANY:

Date

By: _____
Printed Name: _____
Title: _____

SUNDOWN ENERGY, LP:

Date

By: _____
Printed Name: _____
Title: _____

JETTA X2, LP:

Date

By: _____
Printed Name: _____
Title: _____

DARRIN BOYD:

4/12/19
Date

By: 
Printed Name: DARRIN BOYD

S.A. BROWN COMPANY:

Date

By: _____
Printed Name: _____
Title: _____

MAS OPERATING COMPANY:

Date

By: _____
Printed Name: _____
Title: _____

SUNDOWN ENERGY, LP:

Date

By: _____
Printed Name: _____
Title: _____

JETTA X2, LP:

Date

By: _____
Printed Name: _____
Title: _____


DARRIN BOYD:

Date

By: _____
Printed Name: _____

S.A. BROWN COMPANY:

2/5/19
Date

By: 
Printed Name: Brantley Heiser
Title: Vice President

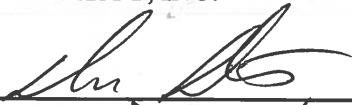
MAS OPERATING COMPANY:

2/5/19
Date

By: 
Printed Name: Brantley Heiser
Title: President

STOUT ENERGY, INC:

1/21/19
Date

By: 
Printed Name: Don Stout
Title: President

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

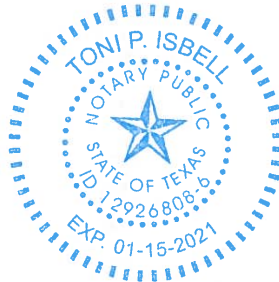
This instrument was acknowledged before me this 29 day of May, 2019 by Amy D. Lindsey, Attorney-in-Fact for Apache Corporation, a Delaware corporation, on behalf of said corporation.



Toni P. Isbell
 Notary Public, State of Texas
 My Commission Expires 01-15-2021

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

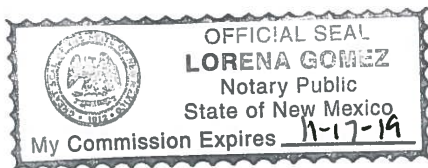
This instrument was acknowledged before me this 29 day of May, 2019 by Amy D. Lindsey, Attorney-in-Fact for ZPZ Delaware I, LLC, a Delaware Limited Liability Company, on behalf of said limited liability company.



Toni P. Isbell
 Notary Public, State of Texas
 My Commission Expires 01-15-2021

STATE OF NEW MEXICO §
 §
 COUNTY OF CHAVES §

This instrument was acknowledged before me this 26 day of April, 2019 by Jeff Harvard, Manager of Harvard Petroleum Company, LLC as General Partner for Harvard Energy Partners, LP, a Limited Partnership, on behalf of said partnership.



[Signature]
 Notary Public, State of New Mexico
 My Commission Expires 11-17-19

STATE OF Texas §
 COUNTY OF Harris §

This instrument was acknowledged before me this 22nd day of April, 2019 by Matthew D. Brown, as Attorney-in-Fact for Marathon Oil Permian, LLC, a Limited Liability Company, on behalf of said limited liability company.



Jessica Gorman
 Notary Public, State of Texas
 My Commission Expires 1/23/2023

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Chevron, U.S.A., Inc., a _____, on behalf of said _____.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Harvard Petroleum Company, LLC, a Limited Liability Company, on behalf of said limited liability company.

 Notary Public, State of Texas
 My Commission Expires _____

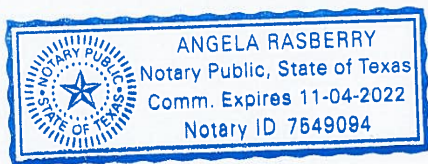
STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Marathon Oil Permian, LLC, a Limited Liability Company, on behalf of said limited liability company.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF Texas §
 COUNTY OF Harris §

This instrument was acknowledged before me this 8th day of Jan., 2019 by K.R. McNally, as Attorney-In-Fact for Chevron U.S.A., Inc., a PA. Corp., on behalf of said Corporation.



Angela Rasberry
 Notary Public, State of Texas
 My Commission Expires 11/4/22

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Harvard Petroleum Company, LLC, a Limited Liability Company, on behalf of said limited liability company.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Marathon Oil Permian, LLC, a Limited Liability Company, on behalf of said limited liability company.

 Notary Public, State of Texas
 My Commission Expires _____

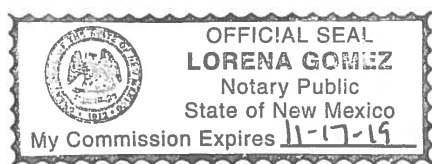
STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Chevron, U.S.A., Inc., a _____, on behalf of said _____.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF NEW MEXICO §
 COUNTY OF CHAVES §

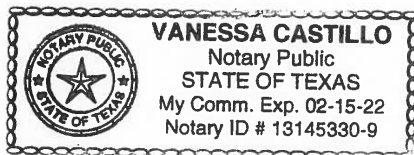
This instrument was acknowledged before me this 26th day of April, 2019 by Jeff Harvard, as Manager for Harvard Petroleum Company, LLC, a Limited Liability Company, on behalf of said limited liability company.



[Signature]
 Notary Public, State of New Mexico
 My Commission Expires 11-17-19

STATE OF Texas §
COUNTY OF Dallas §

This instrument was acknowledged before me this 40 day of April, 2019 by Steven Engwall known to me or proved to me through identity card or other document to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



Vanessa Castillo
Notary Public, State of Texas
My Commission Expires 2-15-22

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by Larry Engwall known to me or proved to me through identity card or other document to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Notary Public, State of Texas
My Commission Expires _____

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by Steven Engwall known to me or proved to me through identity card or other document to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.


Notary Public, State of Texas

My Commission Expires _____

STATE OF California §COUNTY OF Orange §

This instrument was acknowledged before me this 09 day of April, 201_ by Larry Engwall known to me or proved to me through identity card or other document to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


Notary Public, State of ~~Texas~~ CA
My Commission Expires 10/21/2020

State of California
County of Orange

On April 09, 2019 before me, Rocio Almazan Bahena, Notary Public

personally appeared Larry Engwall
who proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

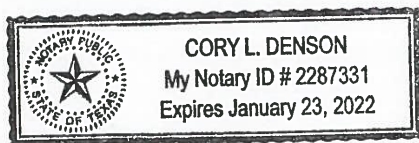
(Seal)

Signature of Notary



STATE OF TEXAS §
 COUNTY OF DALLAS §

This instrument was acknowledged before me this 8th day of April, 2019 by Robin D. McGuire, as VP and General Counsel for Sundown Energy, LP, a Limited Partnership, on behalf of said limited partnership. Counsel



Cory L. Denson
 Notary Public, State of Texas
 My Commission Expires _____

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201__ by _____, as _____ for Jetta X2, LP, a Limited Partnership, on behalf of said limited partnership.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201__ by Darrin Boyd, known to me or proved to me through identity card or other document to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

 Notary Public, State of Texas
 My Commission Expires _____

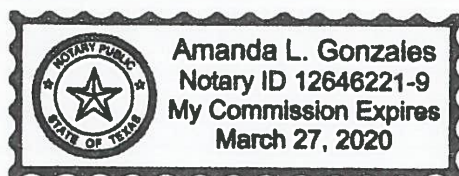
STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201__ by _____, as _____ for Sundown Energy, LP, a Limited Partnership, on behalf of said limited partnership.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF Texas §
 COUNTY OF Tarrant §

This instrument was acknowledged before me this 17th day of May, 2019 by Mark S. Nichols, as Sr. Vice President for Jetta X2, LP, a Limited Partnership, on behalf of said limited partnership.



Amanda L. Gonzales
 Notary Public, State of Texas
 My Commission Expires 3-27-2020

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201__ by Darrin Boyd, known to me or proved to me through identity card or other document to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Sundown Energy, LP, a Limited Partnership, on behalf of said limited partnership.

 Notary Public, State of Texas
 My Commission Expires _____

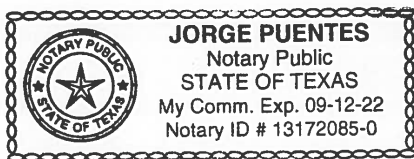
STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for Jetta X2, LP, a Limited Partnership, on behalf of said limited partnership.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF Texas §
 COUNTY OF travis §

This instrument was acknowledged before me this 12 day of April, 2019 by Darrin Boyd, known to me or proved to me through identity card or other document to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



 Notary Public, State of Texas
 My Commission Expires 9-12-2022

STATE OF Texas §
COUNTY OF Midland §

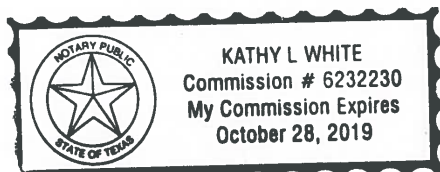
This instrument was acknowledged before me this 5th day of February, 2019 by Brantley Neiser as Vice President for S.A. Brown Company, a Texas Corporation on behalf of said Corporation.



Kathy L. White
Notary Public, State of Texas
My Commission Expires 10/28/19

STATE OF Texas §
COUNTY OF Midland §

This instrument was acknowledged before me this 5th day of February, 2019 by Brantley Neiser as President for MAS Operating Company, a Texas Corporation on behalf of said Corporation.



Kathy L. White
Notary Public, State of Texas
My Commission Expires 10/28/19

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201__ by _____, as _____ for Stout Energy, Inc., a _____, on behalf of said _____.

Notary Public, State of Texas
My Commission Expires _____

STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for S.A. Brown Company, a _____, on behalf of said _____.

 Notary Public, State of Texas
 My Commission Expires _____

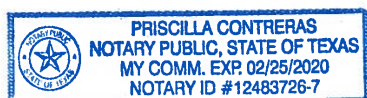
STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 201_ by _____, as _____ for MAS Operating Company, a _____, on behalf of said _____.

 Notary Public, State of Texas
 My Commission Expires _____

STATE OF Texas §
 COUNTY OF Midland §

This instrument was acknowledged before me this 21st day of January, 2019 by Don Stout, as President for Stout Energy, Inc., a corporation, on behalf of said corporation.

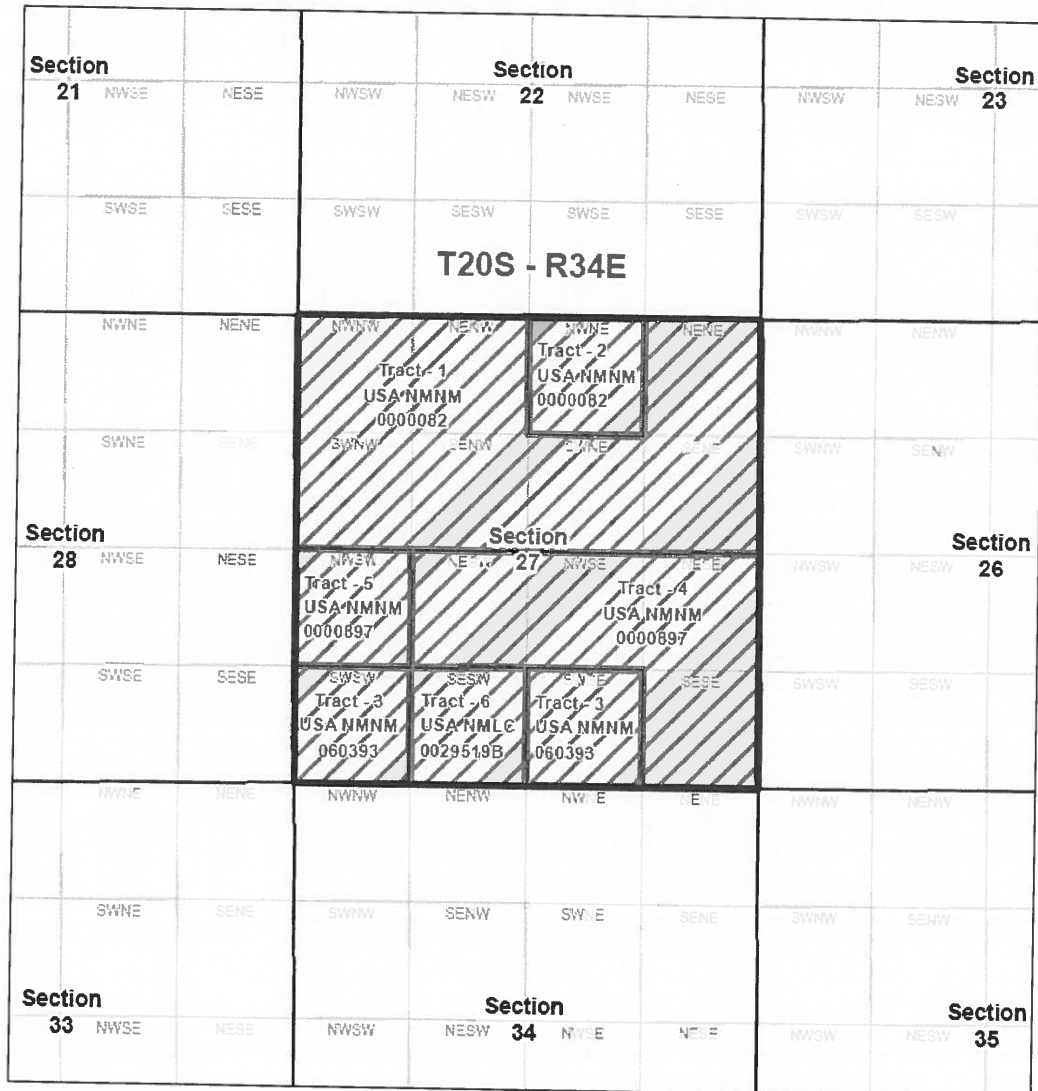


Priscilla Contreras
 Notary Public, State of Texas
 My Commission Expires 2/25/2020

EXHIBIT "A"

To Communitization Agreement dated May 1, 2018 embracing All of Section 27,
Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.



Plat of Communitized Area covering 640 acres, more or less, being All of Section 27,
Township 20 South, Range 34 East, and Lea County, New Mexico



TOWNSHIP 20S, RANGE 34E, N.M.P.M.

EXHIBIT "A"
BLACK & TAN 27 FEDERAL COM
LEA COUNTY, NEW MEXICO

Legend

-  BLACK & TAN 27 FEDERAL COM: 640 ACRES
-  FED LANDS: 640 ACRES

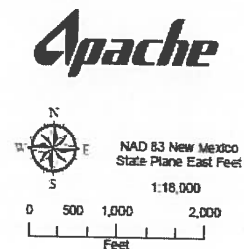


EXHIBIT "B"

To Communitization Agreement dated May 1, 2018 embracing All of Section 27,
Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Apache Corporation

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	USA NM 0000082
Lease Date:	February 1, 1950
Lease Term:	5 years
Lessor:	The United States of America
Present Lessee:	Larry Engwall Steven Engwall Harvard Energy Partners, LP Jetta X2, LP Darin Boyd Sundown Energy, LP
Description of Land Committed:	<u>Township 20 South, Range 34 East, N.M.P.M.</u> Section 27: NW/4, E/2NE/4, SW/4NE/4
Number of Acres:	280 acres, more or less
Royalty Rate:	12.5%
Name of ORRI Owners:	N/A
Name of Working Interest Owners:	ZPZ Delaware

Tract No. 2

Lease Serial Number:	USA NM 0000082
Lease Date:	February 1, 1950
Lease Term:	5 years
Lessor:	The United States of America
Present Lessee:	Larry Engwall Steven Engwall Harvard Energy Partners, LP Jetta X2 LP Darin Boyd Sundown Energy
Description of Land Committed:	<u>Township 20 South, Range 34 East, N.M.P.M.</u> Section 27: NW/4NE/4
Number of Acres:	40 acres, more or less
Royalty Rate:	12.5%
Name of ORRI Owners:	Steven Engwall Larry Engwall Good News Minerals, LLC Post Oak Crown IV, LLC Post Oak Crown IV-B, LLC Wells Fargo Central Pacific Holdings, Inc. Crown Oil Partners, LP Crown Oil Partners IV Management, LP Collins & Jones Investments, LLC MCT Energy Ltd Gerard G. Vavrek Jesse A. Faught, Jr. H. Jason Wacker David W. Cromwell Crown Ventures III, LLC CEP Minerals, LLC
Name of Working Interest Owners:	ZPZ Delaware I, LLC Harvard Energy Partners, LP Marathon Oil Permian, LLC

Tract No. 3

Lease Serial Number:	USA NM 060393
Lease Date:	November 1, 1952
Lease Term:	5 years
Lessor:	United States of America
Present Lessee:	Chevron U.S.A., Inc.
Description of Land Committed:	<u>Township 20 South, Range 34 East, N.M.P.M.</u> Section 27: SW/4SW/4, SW/4SE/4
Number of Acres:	80 acres, more or less
Royalty Rate:	12.5%
Name of ORRI Owners:	N/A
Name of Working Interest Owners:	Chevron U.S.A., Inc.

Tract No. 4

Lease Serial Number:	USA NM 0000897
Lease Date:	February 1, 1950
Lease Term:	5 years
Lessor:	United States of America
Present Lessee:	Steven Engwall Larry Engwall Darin Boyd Harvard Petroleum Co., LLC
Description of Land Committed:	<u>Township 20 South, Range 34 East, N.M.P.M.</u> Section 27: NE/4SW/4, N/2SE/4, SE/4SE/4
Number of Acres:	160 acres, more or less
Royalty Rate:	12.5%

Name of ORRI Owners: N/A

Name of
Working Interest Owners: ZPZ Delaware I, LLC

Tract No. 5

Lease Serial Number: USA NM 0000897

Lease Date: February 1, 1950

Lease Term: 5 years

Lessor: United States of America

Present Lessee: Steven Engwall
Larry Engwall
Darin Boyd
Harvard Petroleum Co., LLC

Description of Land Committed: Township 20 South, Range 34 East, N.M.P.M.
Section 27: NW/4SW/4

Number of Acres: 40 acres, more or less

Royalty Rate: 12.5%

Name of ORRI Owners: Darrin Boyd

Name of
Working Interest Owners: ZPZ Delaware I, LLC
Harvard Petroleum Company, LLC
Apache Corporation
Steven Engwall
Larry Engwall

Tract No. 6

Lease Serial Number: USA NMLC 029519B

Lease Date: February 1, 1991

Lease Term: 20 years

Lessor: United States of America

Present Lessee:	S.A. Brown Company MAS Operating Company Stout Energy, Inc.
Description of Land Committed:	<u>Township 20 South, Range 34 East, N.M.P.M.</u> Section 27: SE/4SW/4
Number of Acres:	40 acres, more or less
Royalty Rate:	12.5%
Name of ORRI Owners:	S.A. Brown Company MAS Operating Company Stout Energy, Inc.
Name of Working Interest Owners:	Apache Corporation

Working Interest percentages as shown on Exhibit "A" of the Black & Tan 27 Federal Joint Operating Agreement dated July 1, 2017 filed in Book 2137, Page 957 of the Lea County, New Mexico public records.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	280	43.75%
2	40	6.25%
3	80	12.50%
4	160	25.00%
5	40	6.25%
6	40	6.25%
Total	640	100.00%

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Date/Time: 11/4/2019 12:41 PM

Page 1 Of 5

01 02-25-1920;041STAT0437;30USC226

Total Acres:

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

240.000

NMNM 0000897

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- 0 000897

Name & Address						Int Rel	% Interest
HARVARD PETROLEUM CO LLC	PO BOX 936	PO ROSWELL	NM	882020936	LESSEE		0.000000000
HARVARD PETROLEUM CO LLC	PO BOX 936	PO ROSWELL	NM	882020936	OPERATING RIGHTS		0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND	TX	797014882	OPERATING RIGHTS		0.000000000
MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	770562701	OPERATING RIGHTS		0.000000000
SOUTHWESTERN RES INC	PO BOX 1756	ROSWELL	NM	882021756	LESSEE		0.000000000
ENGWALL STEVEN	2707 DUVAL DR	DALLAS	TX	752112763	LESSEE		0.000000000
ENGWALL LARRY	1961 LA CUESTA DR	SANTA ANA	CA	927052520	LESSEE		0.000000000
ENERLOC RES INC	616 MECHEM DR #4	RUIDOSO	NM	88345	OPERATING RIGHTS		0.000000000
SUNDOWN ENE INC	13455 NOEL RD #2000	DALLAS	TX	75240	LESSEE		0.000000000
PGP HOLDINGS I LLC	104 TOWNPARK DR NW	KENNESAW	GA	301445508	OPERATING RIGHTS		0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON	TX	770564497	OPERATING RIGHTS		0.000000000

Serial Number: NMNM-- 0 000897

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0200S	0340E	027	ALIQ				N2S2,SESE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	035	ALIQ				NWNW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 000897

Act Date				Act Code Action Txt		Action Remarks	Pending Off
11/25/1949	124	APLN	RECD				
02/01/1950	237	LEASE	ISSUED				
02/01/1950	496	FUND	CODE			05;145003	
02/01/1950	536	RLTY	RATE - OTHER			5.3%;/A/	
02/01/1950	868	EFFECTIVE	DATE				
06/08/1954	315	RENTAL	RATE DET/ADJ			\$1.00;	
06/08/1954	500	GEOGRAPHIC	NAME			LYNCH FLD;	
06/08/1954	510	KMA	CLASSIFIED				

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
09/08/1955	235	EXTENDED	THRU 02/01/57;	
10/25/1956	650	HELD BY PROD - ACTUAL		
10/25/1956	658	MEMO OF 1ST PROD-ACTUAL		
12/05/1956	102	NOTICE SENT-PROD STATUS		
04/19/1957	315	RENTAL RATE DET/ADJ	\$1.00;	
04/19/1957	512	KMA EXPANDED		
10/07/1976	909	BOND ACCEPTED	EFF 10/04/76;NM1109	
01/09/1978	932	TRF OPER RGTS FILED		
01/10/1979	932	TRF OPER RGTS FILED		
03/24/1982	933	TRF OPER RGTS APPROVED	EFF 08/30/77;	
03/29/1983	909	BOND ACCEPTED	EFF 03/10/83;NM0490	
04/13/1983	933	TRF OPER RGTS APPROVED	EFF 08/30/77;	
03/07/1984	140	ASGN FILED		
04/01/1984	139	ASGN APPROVED	EFF 04/01/84;	
05/14/1984	140	ASGN FILED	ARCO/	
05/14/1984	140	ASGN FILED	SOUTHWESTERN RES/	
05/14/1984	140	ASGN FILED	ENGWALL/	
11/05/1984	139	ASGN APPROVED	(1)EFF 06/01/84;	
11/05/1984	139	ASGN APPROVED	(2)EFF 06/01/84;	
11/05/1984	139	ASGN APPROVED	(3)EFF 06/01/84;	
01/14/1985	963	CASE MICROFILMED/SCANNED	CNUM 107,163 GLC	
09/13/1985	817	MERGER RECOGNIZED	ATL RICHFIELD PA/DE	
03/10/1987	140	ASGN FILED	ATLANTIC/HONDO OIL	
06/10/1987	139	ASGN APPROVED	EFF 04/01/87;	
10/06/1987	974	AUTOMATED RECORD VERIF	HKG/MT	
08/12/1988	974	AUTOMATED RECORD VERIF	MCS/MCS	
08/29/1988	932	TRF OPER RGTS FILED		
09/22/1988	933	TRF OPER RGTS APPROVED	EFF 09/01/88;	
09/22/1988	974	AUTOMATED RECORD VERIF	MCS/MT	
01/03/1989	932	TRF OPER RGTS FILED		
01/05/1989	238	LEASE MODIFIED-AMENDED	CORR LLD;	
01/05/1989	974	AUTOMATED RECORD VERIF	MCS/MT	
01/30/1989	933	TRF OPER RGTS APPROVED	EFF 02/01/89;	
01/30/1989	974	AUTOMATED RECORD VERIF	TF/MT	
02/23/1989	909	BOND ACCEPTED	EFF 02/09/89;NM1546	
02/23/1989	974	AUTOMATED RECORD VERIF	MCS	
08/14/1992	140	ASGN FILED	HONDO O&G/DEVON ENE	
10/01/1992	621	RLTY RED-STRIPPER WELL	6.9%;/1/	
10/29/1992	139	ASGN APPROVED	EFF 09/01/92;	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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(MASS) Serial Register Page**

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Serial Number: NMNM-- 0 000897

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
10/29/1992	974	AUTOMATED RECORD VERIF	BCO/JS	
11/01/1992	621	RLTY RED-STRIPPER WELL	5.3%;/2/	
11/10/1992	625	RLTY REDUCTION APPV	/1/	
03/01/1993	625	RLTY REDUCTION APPV	/2/	
06/02/1993	974	AUTOMATED RECORD VERIF	JT	
06/30/1993	140	ASGN FILED	DEVON ENE/DEVON CORP	
08/19/1993	974	AUTOMATED RECORD VERIF	BMR	
09/17/1993	139	ASGN APPROVED	EFF 07/01/93;	
09/17/1993	974	AUTOMATED RECORD VERIF	SSP/KRP	
10/21/1993	932	TRF OPER RGTS FILED	BOYD/ENERLOC RES INC	
10/28/1993	932	TRF OPER RGTS FILED	DESMOND/ENERLOC RES	
11/17/1993	933	TRF OPER RGTS APPROVED	(1)EFF 11/01/93;	
11/17/1993	933	TRF OPER RGTS APPROVED	(2)EFF 11/01/93;	
11/17/1993	974	AUTOMATED RECORD VERIF	JDS	
02/01/1999	621	RLTY RED-STRIPPER WELL	2.9%;/3/	
02/29/2000	625	RLTY REDUCTION APPV		
04/01/2000	621	RLTY RED-STRIPPER WELL	2.9%;	
11/22/2000	817	MERGER RECOGNIZED	DEVONENE/DEVONENEPD	
11/22/2000	974	AUTOMATED RECORD VERIF	AT	
11/29/2000	625	RLTY REDUCTION APPV		
06/01/2001	621	RLTY RED-STRIPPER WELL	2.9%;/9/	
06/05/2001	625	RLTY REDUCTION APPV	/9/	
12/11/2001	932	TRF OPER RGTS FILED	ATLANTIC RICHFIELD;1	
04/02/2002	933	TRF OPER RGTS APPROVED	EFF 01/01/02;	
04/02/2002	974	AUTOMATED RECORD VERIF	MV	
06/21/2002	940	NAME CHANGE RECOGNIZED	AMOCO/BP AMERICA PROD	
08/19/2002	140	ASGN FILED	DEVON ENE/JETTA X-2	
10/18/2002	974	AUTOMATED RECORD VERIF	ANN	
04/14/2003	139	ASGN APPROVED	EFF 09/01/02;	
04/14/2003	974	AUTOMATED RECORD VERIF	ANN	
03/04/2005	140	ASGN FILED	JETTA-X2/SUNDOWN EN;1	
05/03/2005	139	ASGN APPROVED	EFF 04/01/05;	
05/03/2005	974	AUTOMATED RECORD VERIF	MV	
04/28/2008	140	ASGN FILED	HARVARD &/HARVARD P;1	
06/25/2008	139	ASGN APPROVED	EFF 05/01/08;	
06/25/2008	974	AUTOMATED RECORD VERIF	ANN	
05/10/2011	932	TRF OPER RGTS FILED	BP AMERIC/ZPZ DELAW;1	
08/25/2011	933	TRF OPER RGTS APPROVED	EFF 06/01/2011;	
08/25/2011	974	AUTOMATED RECORD VERIF	JS	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

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BUREAU OF LAND MANAGEMENT
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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
09/19/2016	932	TRF OPER RGTS FILED	SUNDOWN E/BLACK MOU;1	
01/11/2017	933	TRF OPER RGTS APPROVED	EFF 10/01/16;	
01/11/2017	974	AUTOMATED RECORD VERIF	JS	
02/10/2017	932	TRF OPER RGTS FILED	BLACK MOU/TALON OIL;1	
03/10/2017	933	TRF OPER RGTS APPROVED	EFF 03/01/17;	
03/10/2017	974	AUTOMATED RECORD VERIF	LBO	
03/16/2017	932	TRF OPER RGTS FILED	MARVARD &/HARVARD P;1	
05/02/2017	933	TRF OPER RGTS APPROVED	EFF 04/01/17;	
05/02/2017	974	AUTOMATED RECORD VERIF	RCC	
07/24/2017	932	TRF OPER RGTS FILED	BLACK MOU/MARATHON;1	
07/24/2017	932	TRF OPER RGTS FILED	TALON OIL/MARATHON;1	
08/25/2017	933	TRF OPER RGTS APPROVED	EFF 08/01/17;	
08/25/2017	974	AUTOMATED RECORD VERIF	RCC	
08/29/2017	933	TRF OPER RGTS APPROVED	EFF 08/01/17;	
08/29/2017	974	AUTOMATED RECORD VERIF	RCC	
09/21/2018	932	TRF OPER RGTS FILED	ZPZ DELAW/COG OPERA;1	
03/19/2019	933	TRF OPER RGTS APPROVED	EFF 10/01/18;	
03/19/2019	974	AUTOMATED RECORD VERIF	EMR	
09/12/2019	932	TRF OPER RGTS FILED	PGP HOLDI/TUMBLER O;1	FLUIDS TEAM

Line Number	Remark Text	Serial Number: NMNM-- 0 000897
0002	CURRENT RECORD TITLE OWNERS	
0003	SEC 27: NWSW;	
0004	SUNDOWN ENERGY LP	50.00
0005	HARVARD PETRO CO LLC	32.8125
0006	SOUTHWESTERN RESOURCES INC	10.9375
0007	ENGWALL STEVEN	3.12500
0008	ENGWALL LARRY	3.12500
0009	SEC 27: N2SE,NESW,SESE;	
0010	SEC 35: NWNW;	
0011	SUNDOWN ENERGY LP	100.0000
0012	/A/ 2/1/1950 RLTY RATE 5.3%.	
0013	/3/STRIPPER RRR EFF 02/01/1999 TO 01/31/2000;	
0014	BONDED OPERATORS/LESSEES/TRANSFEREES:	
0015	04/02/2002 LESSEE BONDED CO1104/NW	
0016	04/14/03 JETTA OPERATING CO NM2916 S/W & NM2917 S/W	
0017	05/03/05 HARVARD & LEMAY IND. BOND NO NM1070	
0018	06/25/2008 SUNDOWN ENERGY LP - WYB000268 - N/W;	
0019	8/25/2011 SUNDOWN ENERGY LP WYB000268 N/W	
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Line Number	Remark Text	Serial Number: NMNM-- 0 000897
0020	01/11/2017 BLACK MOUNTAIN OPERATING LLC NMB001326 SW	
0021	08/25/2017 - MARATHON WYB002107 NW;	
0022	03/19/2019 - COG OPERATING LLC - NMB000215 - SW/NM;	

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01 02-25-1920;041STAT0437;30USC226

Total Acres:
40.000

Serial Number

Case Type 310781: O&G RENEWAL LEASE - PD

NMLC 0029519B

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMLC-- 0 029519B

Name & Address					Int Rel	% Interest
MAS OPERATING CO	PO BOX 923	KERMIT	TX	797450923	LESSEE	25.000000000
S A BROWN CO	PO BOX 52167	MIDLAND	TX	797102167	LESSEE	25.000000000
APACHE CORP	303 VETERANS AIRPARK LN	MIDLAND	TX	797054546	OPERATING RIGHTS	0.000000000
STOUT ENERGY INC	PO BOX 7434	MIDLAND	TX	797087434	LESSEE	50.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND	TX	797014882	OPERATING RIGHTS	0.000000000
BLUESTEM ENERGY ASSETS LLC	3 WATERWAY SQUARE PL STE 500	THE WOODLANDS	TX	773802639	OPERATING RIGHTS	0.000000000

Serial Number: NMLC-- 0 029519B

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0200S	0340E	027	ALIQ			SESW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMLC-- 0 029519B

23	0200S	0340E	722	FF			S2 ASGN;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	727	FF			SE,N2SW,SWSW RELQ;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	733	FF			ALL RELQ;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	734	FF			W2NW RELQ;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	735	FF			NW,E2SW RELQ;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 029519B

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
02/18/1931	387	CASE ESTABLISHED		
02/18/1931	496	FUND CODE	05;145003	
02/18/1931	553	CASE CREATED BY ASGN	OUT OF NMLC029519;	
02/18/1931	868	EFFECTIVE DATE		
11/09/1934	312	RELQ (PARTIAL) FILED		
11/09/1934	890	RELQ (PARTIAL) ACCEPTED		
08/13/1935	650	HELD BY PROD - ACTUAL		
08/13/1935	658	MEMO OF 1ST PROD-ACTUAL		
11/03/1939	570	CASE SEGREGATED BY ASGN	INTO NMLC057513;	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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Serial Number: NMLC-- 0 029519B

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
10/11/1950	314	RENEWAL APLN FILED		
02/01/1951	242	LEASE RENEWED	THRU 01/31/61;	
11/15/1956	102	NOTICE SENT-PROD STATUS		
09/30/1960	314	RENEWAL APLN FILED		
02/01/1961	242	LEASE RENEWED	THRU 01/31/71;	
10/07/1970	314	RENEWAL APLN FILED		
02/01/1971	242	LEASE RENEWED	THRU 01/31/81;	
07/29/1980	314	RENEWAL APLN FILED		
02/01/1981	242	LEASE RENEWED	THRU 01/31/91;	
03/05/1987	963	CASE MICROFILMED/SCANNED	CNUM 101,245 DS	
12/01/1987	974	AUTOMATED RECORD VERIF	SSP	
02/23/1989	909	BOND ACCEPTED	EFF 02/09/89;NM1546	
03/20/1989	140	ASGN FILED	(1)TEXACO/DAVIDSON	
03/20/1989	140	ASGN FILED	(2)DAVIDSON/OLSEN	
03/29/1989	139	ASGN APPROVED	(1)EFF 04/01/89;	
03/29/1989	139	ASGN APPROVED	(2)EFF 04/01/89;	
03/29/1989	974	AUTOMATED RECORD VERIF	DGT/BTM	
09/06/1990	314	RENEWAL APLN FILED		
02/01/1991	242	LEASE RENEWED	THRU 01/31/11;	
02/01/1991	530	RLTY RATE - 12 1/2%	/A/	
02/01/1991	868	EFFECTIVE DATE	LAST RENEWAL;	
07/07/1992	974	AUTOMATED RECORD VERIF	LO/MV	
10/01/1992	621	RLTY RED-STRIPPER WELL	2.1%;/1/	
11/05/1992	974	AUTOMATED RECORD VERIF	ANN/KRP	
01/15/1993	625	RLTY REDUCTION APPV	/1/	
02/01/1994	974	AUTOMATED RECORD VERIF	MV/MV	
10/21/2010	909	BOND ACCEPTED	EFF10/20/10;NMB000714	
10/21/2010	974	AUTOMATED RECORD VERIF	RAYO/RAYO	
10/29/2010	140	ASGN FILED	OLSEN ENE/MAS OPERA;1	
12/02/2010	140	ASGN FILED	MAS OPERA/STOUT ENE;1	
12/10/2010	139	ASGN APPROVED	EFF 11/01/10;	
12/13/2010	974	AUTOMATED RECORD VERIF	RAYO/RAYO	
01/12/2011	140	ASGN FILED	MAS OPERA/S A BROWN;1	
02/10/2011	139	ASGN APPROVED	EFF 01/01/11;	
02/10/2011	974	AUTOMATED RECORD VERIF	LBO	
03/16/2011	139	ASGN APPROVED	EFF 02/01/11;	
03/16/2011	974	AUTOMATED RECORD VERIF	LBO	
12/21/2012	932	TRF OPER RGTS FILED	MAS OPERA/BLUESTEM;1	
03/28/2013	933	TRF OPER RGTS APPROVED	EFF 01/01/13;	

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Serial Number: NMLC-- 0 029519B

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
03/28/2013	974	AUTOMATED RECORD VERIF	JA;	
05/18/2017	899	TRF OF ORR FILED	1	
06/16/2017	932	TRF OPER RGTS FILED	BLUESTEM/COG OPERA;1	
07/11/2017	933	TRF OPER RGTS APPROVED	EFF 07/01/17;	
07/11/2017	974	AUTOMATED RECORD VERIF	RCC	
08/11/2017	932	TRF OPER RGTS FILED	COG OPERA/APACHE CO;1	
09/07/2017	933	TRF OPER RGTS APPROVED	EFF 09/01/17;	
09/07/2017	974	AUTOMATED RECORD VERIF	RCC	

Line Number	Remark Text	Serial Number: NMLC-- 0 029519B
0002	/A/ AC 534 ROYALTY RATE SLIDING SCHEDULE D	
0003	EFFECTIVE 2/18/31 TO 1/31/91	
0004	12/10/2010 - LESSEE BOND PER ABSS	
0005	MAS OPERATING CO - S/W N/M NMB000714	
0006	03/28/2013 - OPERATOR BONDED	
0007	BLUESTEM ENERGY ASSETS - NMB000842 S/W;	
0008	09/07/2017 - APACHE CO1463 NW;	

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01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 312011: O&G LSE COMP PUBLIC
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres:
80.000

Serial Number**NMNM 060393****Case File Juris:****Serial Number: NMNM-- - 060393**

Name & Address						Int Rel	% Interest
CHEVRON USA INC	1400 SMITH ST	HOUSTON	TX	770027327		OPERATING RIGHTS	0.000000000
JETTA X2 LP	777 TAYLOR ST #PI D	FORT WORTH	TX	76102		OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	731025010		OPERATING RIGHTS	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND	TX	797062964		LESSEE	100.000000000

Serial Number: NMNM-- - 060393

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0200S	0340E	027	ALIQ				SWSW,SWSE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands**Serial Number: NMNM-- - 060393**

				Serial Number: NMNM-- - 060393	
Act Date	Act Code	Action Txt	Action Remarks	Pending Off	
10/31/1952	387	CASE ESTABLISHED			
11/01/1952	496	FUND CODE	05;145003		
11/01/1952	532	RLTY RATE 12.5-25% SCH B			
11/01/1952	868	EFFECTIVE DATE			
07/23/1969	909	BOND ACCEPTED	EFF 07/10/69;NM0106		
03/29/1983	909	BOND ACCEPTED	EFF 03/10/83;NM0490		
03/07/1984	932	TRF OPER RGTS FILED			
05/14/1984	932	TRF OPER RGTS FILED	(1)		
05/14/1984	932	TRF OPER RGTS FILED	(2)		
05/31/1984	209	CASE CREATED BY SEGR	OUT OF NMNM08822;		
05/31/1984	648	EXT BY PROD ON ASSOC LSE	NMNM08822;		
11/08/1984	933	TRF OPER RGTS APPROVED	EFF 04/01/84;		
11/08/1984	933	TRF OPER RGTS APPROVED	(1)EFF 06/01/84;		
11/08/1984	933	TRF OPER RGTS APPROVED	(2)EFF 06/01/84;		
01/10/1985	963	CASE MICROFILMED/SCANNED	CNUM 551,322 AC		
04/15/1986	111	RENTAL RECEIVED	\$0;83-87		
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL		

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
03/10/1987	932	TRF OPER RGTS FILED		
05/20/1987	963	CASE MICROFILMED/SCANNED	CNUM 551,322 RW	
07/02/1987	933	TRF OPER RGTS APPROVED	EFF 04/01/87;	
07/02/1987	974	AUTOMATED RECORD VERIF	MLM/SG	
06/15/1989	932	TRF OPER RGTS FILED	ARCO O&G/HONDO O&G	
07/12/1989	933	TRF OPER RGTS APPROVED	EFF 07/01/89;	
07/12/1989	974	AUTOMATED RECORD VERIF	TF/MT	
07/10/1992	974	AUTOMATED RECORD VERIF	RAYO/AMR	
07/13/1992	932	TRF OPER RGTS FILED	HONDO O&G/DEVON ENE	
02/09/1993	933	TRF OPER RGTS APPROVED	EFF 08/01/92;	
02/09/1993	974	AUTOMATED RECORD VERIF	SSP/KRP	
09/01/1998	621	RLTY RED-STRIPPER WELL	3.7%;	
04/04/2000	625	RLTY REDUCTION APPV		
04/17/2000	974	AUTOMATED RECORD VERIF	MCS	
11/22/2000	817	MERGER RECOGNIZED	DEVONENE/DEVONENEPD	
08/19/2002	140	ASGN FILED	DEVON ENE/JETTA X-2	
10/18/2002	974	AUTOMATED RECORD VERIF	ANN	
04/23/2003	269	ASGN DENIED	DEVON ENE/JETTA X-2	
10/17/2003	932	TRF OPER RGTS FILED	1	
12/04/2003	933	TRF OPER RGTS APPROVED	EFF 11/01/03;	
12/04/2003	974	AUTOMATED RECORD VERIF	MV	
03/04/2005	932	TRF OPER RGTS FILED	JETTA-X2/SUNDOWN EN;1	
05/04/2005	933	TRF OPER RGTS APPROVED	EFF 04/01/05;	
05/04/2005	974	AUTOMATED RECORD VERIF	MV	
07/06/2016	932	TRF OPER RGTS FILED	SUNDOWN E/CHEVRON U;1	
08/12/2016	933	TRF OPER RGTS APPROVED	EFF 08/01/16;	
08/12/2016	974	AUTOMATED RECORD VERIF	LBO	
09/12/2019	932	TRF OPER RGTS FILED	PGP HOLDI/TUMBLER O;1	FLUIDS TEAM

Line Number Remark Text **Serial Number: NMNM-- - 060393**

0002 05/04/05 CHEVRON BONDED LESSEE CA0329/NW

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01 02-25-1920;041STAT0437;30USC226

Total Acres:

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

600.000

NMNM 0000082

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- 0 000082

Name & Address						Int Rel	% Interest
SUNDOWN ENERGY LP	16400 DALLAS PKWY STE 100	DALLAS	TX	752482609	LESSEE		0.000000000
TALON OIL & GAS III LLC	3131 MCKINNEY AVE STE 750	DALLAS	TX	752042457	OPERATING RIGHTS		0.000000000
ENGWALL LARRY	1961 LA CUESTA DR	SANTA ANA	CA	927052520	LESSEE		0.000000000
MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	770562701	OPERATING RIGHTS		0.000000000
SOUTHWESTERN RES INC	PO BOX 1756	ROSWELL	NM	882021756	LESSEE		0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND	TX	797014882	OPERATING RIGHTS		0.000000000
SLOAN PETROLEUM INC	214 W TEXAS #315	MIDLAND	TX	79701	OPERATING RIGHTS		0.000000000
HARVARD & LEMAY EXPL	PO BOX 936	ROSWELL	NM	882020936	LESSEE		0.000000000
HARVARD ENERGY PTNRS	PO BOX 936	ROSWELL	NM	882020936	LESSEE		0.000000000
HARVARD ENERGY PTNRS	PO BOX 936	ROSWELL	NM	882020936	OPERATING RIGHTS		0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON	TX	770564497	OPERATING RIGHTS		0.000000000
CHESTNUT EXPL & PROD INC	2201 N CENTRAL EXPY STE 240	RICHARDSON	TX	750802775	OPERATING RIGHTS		0.000000000
ENGWALL STEVEN	2707 DUVAL DR	DALLAS	TX	752112763	LESSEE		0.000000000

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Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0200S	0340E	022	ALIQ				W2SW,SESW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	027	ALIQ				N2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	033	ALIQ				SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

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23	0210S	0330E	701	FF			SESE ASGN;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
07/22/1949	124	APLN RECD		
01/09/1950	237	LEASE ISSUED		
02/01/1950	496	FUND CODE	05;145003	

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
02/01/1950	530	RLTY RATE - 12 1/2%		
02/01/1950	868	EFFECTIVE DATE		
02/25/1955	235	EXTENDED	THRU 02/01/60;	
12/19/1957	315	RENTAL RATE DET/ADJ	\$1.00;	
12/18/1959	140	ASGN FILED	SG	
12/28/1959	570	CASE SEGREGATED BY ASGN	INTO NMNM082A;	
12/28/1959	570	CASE SEGREGATED BY ASGN	INTO NMNM082-A;	
01/01/1960	898	ASGN EFFECTIVE	SG	
05/16/1960	500	GEOGRAPHIC NAME	LYNCH FLD;	
05/16/1960	510	KMA CLASSIFIED		
05/16/1960	650	HELD BY PROD - ACTUAL		
05/16/1960	658	MEMO OF 1ST PROD-ACTUAL		
10/21/1960	102	NOTICE SENT-PROD STATUS		
08/09/1982	512	KMA EXPANDED		
03/29/1983	909	BOND ACCEPTED	EFF 03/10/83;NM0490	
03/07/1984	140	ASGN FILED	HARVARD-LEMAY/ARCO	
03/29/1984	103	ADDTL INFO RECD	MT	
04/01/1984	898	ASGN EFFECTIVE	SG	
04/18/1984	500	GEOGRAPHIC NAME	TEAS N LYNCH FLD;	
04/18/1984	512	KMA EXPANDED		
05/14/1984	140	ASGN FILED	R ENGWALL/ARCO	
05/14/1984	140	ASGN FILED	SW RESOURCES/ARCO	
05/14/1984	140	ASGN FILED	C ENGWALL/ARCO	
05/14/1984	932	TRF OPER RGTS FILED	(1) SG	
05/14/1984	932	TRF OPER RGTS FILED	(2) SG	
05/14/1984	932	TRF OPER RGTS FILED	(3) SG	
06/01/1984	898	ASGN EFFECTIVE	(1) SG	
06/01/1984	898	ASGN EFFECTIVE	(2) SG	
06/01/1984	898	ASGN EFFECTIVE	(3) SG	
06/28/1984	232	LEASE COMMITTED TO UNIT	ENTERPRISE DEEP	
06/28/1984	501	REFERENCE NUMBER	UA-NM061P3584U421;	
02/15/1985	139	ASGN APPROVED	HARV&LEMAY EXPL LTD	
02/15/1985	139	ASGN APPROVED	RUTH ENGWALL	
02/15/1985	139	ASGN APPROVED	CARL ENGWALL	
02/15/1985	139	ASGN APPROVED	SOUTHWESTERN RES INC	
02/15/1985	933	TRF OPER RGTS APPROVED	EFF 06/01/84;1	
02/15/1985	933	TRF OPER RGTS APPROVED	EFF 06/01/84;2	
02/15/1985	933	TRF OPER RGTS APPROVED	EFF 06/01/84;3	
06/04/1985	963	CASE MICROFILMED/SCANNED	CNUM 104,337 AC	

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
03/10/1987	140	ASGN FILED	(1)ATLANTIC/HONDO OIL	
03/10/1987	140	ASGN FILED	(2)ATLANTIC/HONDO OIL	
03/10/1987	140	ASGN FILED	(3)ATLANTIC/HONDO OIL	
03/10/1987	932	TRF OPER RGTS FILED		
04/01/1987	898	ASGN EFFECTIVE	(2)	
04/01/1987	898	ASGN EFFECTIVE	(1)	
04/29/1987	932	TRF OPER RGTS FILED		
06/10/1987	139	ASGN APPROVED	(1)ARCO	
06/10/1987	139	ASGN APPROVED	(2)ARCO	
06/10/1987	139	ASGN APPROVED	(3)ARCO	
06/10/1987	933	TRF OPER RGTS APPROVED	EFF 04/01/87;	
06/10/1987	933	TRF OPER RGTS APPROVED	EFF 05/01/87;	
02/16/1988	624	RLTY REDUCTION FILED		
02/24/1988	910	REPORT REQUESTED	SUSP ORR	
03/18/1988	393	DEC ISSUED	ORR SUSP INDEF	
04/13/1988	911	REPORT RECEIVED	SUSP ORR	
05/20/1988	974	AUTOMATED RECORD VERIF	MRR	
08/29/1988	932	TRF OPER RGTS FILED		
09/23/1988	933	TRF OPER RGTS APPROVED	EFF 09/01/88;	
09/23/1988	974	AUTOMATED RECORD VERIF	MCS/MT	
01/06/1989	909	BOND ACCEPTED	EFF 12/27/88;NM1528	
01/06/1989	974	AUTOMATED RECORD VERIF	MCS/MT	
02/09/1990	396	TRF OF INTEREST FILED	GOZA/YUCCA ENERGY	
02/09/1990	974	AUTOMATED RECORD VERIF	BTM/MT	
08/14/1992	140	ASGN FILED	HONDO O&G/DEVON ENE	
09/01/1992	898	ASGN EFFECTIVE		
10/29/1992	139	ASGN APPROVED	HONDO O&G/DEVON ENE	
10/29/1992	974	AUTOMATED RECORD VERIF	BCO/JS	
01/11/1993	104	ADDTL INFO RQSTD	REPLACEMENT BOND	
01/11/1993	974	AUTOMATED RECORD VERIF	BTM/JS	
06/23/1993	103	ADDTL INFO RECD	REPLACEMENT T-NOTE	
06/30/1993	140	ASGN FILED	DEVON ENE/DEVON CORP	
07/01/1993	898	ASGN EFFECTIVE		
09/17/1993	139	ASGN APPROVED	DEVON ENE/DEVON CORP	
09/17/1993	974	AUTOMATED RECORD VERIF	SSP/KRP	
08/21/1997	974	AUTOMATED RECORD VERIF	RAYO/RAYO	
11/22/2000	817	MERGER RECOGNIZED	DEVONENE/DEVONENEPD	
11/22/2000	974	AUTOMATED RECORD VERIF	AT	
12/11/2001	932	TRF OPER RGTS FILED	ATLANTIC RICHFIELD;1	

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
04/02/2002	933	TRF OPER RGTS APPROVED	EFF 01/01/02;	
04/02/2002	974	AUTOMATED RECORD VERIF	MV	
06/21/2002	940	NAME CHANGE RECOGNIZED	AMOCO/BP AMERICA PROD	
08/19/2002	140	ASGN FILED	DEVON ENE/JETTA X-2	
10/18/2002	974	AUTOMATED RECORD VERIF	ANN	
04/14/2003	139	ASGN APPROVED	EFF 09/01/02;	
04/14/2003	974	AUTOMATED RECORD VERIF	ANN	
04/26/2004	932	TRF OPER RGTS FILED	01YUCCA ENE/SLOAN	
04/26/2004	932	TRF OPER RGTS FILED	02YUCCA ENE/SLOAN	
05/13/2004	933	TRF OPER RGTS APPROVED	EFF 05/01/04;2	
05/13/2004	933	TRF OPER RGTS APPROVED	EFF 05/01/04;1	
05/13/2004	974	AUTOMATED RECORD VERIF	LR	
01/19/2005	377	BOND TERMINATION RQSTD	NM1528;YUCCA ENE 10K	
01/19/2005	463	BOND TERMINATION DENIED	OPERATOR 2 WELLS	
01/19/2005	974	AUTOMATED RECORD VERIF	MCS	
03/04/2005	140	ASGN FILED	JETTA-X2/SUNDOWN EN;1	
03/28/2005	377	BOND TERMINATION RQSTD	NM1528;YUCCAN ENE 10K	
04/04/2005	378	BOND PERIOD TERMINATED	NM1528;YUCCA ENE 10K	
05/05/2005	139	ASGN APPROVED	EFF 04/01/05;	
05/05/2005	974	AUTOMATED RECORD VERIF	MV	
10/17/2008	932	TRF OPER RGTS FILED	SLOAN PET/CHESTNUT;1	
10/17/2008	932	TRF OPER RGTS FILED	SLOAN PET/CHESTNUT;2	
11/06/2008	974	AUTOMATED RECORD VERIF	MV	
01/06/2009	933	TRF OPER RGTS APPROVED	EFF 11/01/08;2	
01/06/2009	933	TRF OPER RGTS APPROVED	EFF 11/01/08;1	
05/10/2011	932	TRF OPER RGTS FILED	BP AMERIC/ZPZ DELAW;1	
09/02/2011	933	TRF OPER RGTS APPROVED	EFF 06/01/11;	
09/02/2011	974	AUTOMATED RECORD VERIF	BTM	
08/10/2012	940	NAME CHANGE RECOGNIZED	CHESTNUT PETRO/EXPLO	
04/11/2013	932	TRF OPER RGTS FILED	SOUTHWEST/CROWN OIL;1	
05/31/2013	933	TRF OPER RGTS APPROVED	EFF 05/01/13;	
05/31/2013	974	AUTOMATED RECORD VERIF	EMR	
09/19/2016	932	TRF OPER RGTS FILED	SUNDOFWN/BLACK MOU;1	
02/10/2017	932	TRF OPER RGTS FILED	BLACK MOU/TALON OIL;1	
03/02/2017	558	TRF OPER RGTS RET UNAPPV	SUNDOWN/BLACK MOUNT	
03/02/2017	974	AUTOMATED RECORD VERIF	JS	
03/10/2017	933	TRF OPER RGTS APPROVED	EFF 03/01/17;	
03/10/2017	974	AUTOMATED RECORD VERIF	LBO	
03/16/2017	140	ASGN FILED	HARVARD &/HARVARD E;1	

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
03/16/2017	932	TRF OPER RGTS FILED	HARVARD &/HARVARD E;1	
03/16/2017	932	TRF OPER RGTS FILED	CRUMP ENE/CRUMP ENE;1	
03/22/2017	940	NAME CHANGE RECOGNIZED	CRO OIL IV/ CRO OIL V	
04/26/2017	139	ASGN APPROVED	EFF 04/01/17;1	
04/26/2017	933	TRF OPER RGTS APPROVED	EFF 04/01/17;2	
04/26/2017	933	TRF OPER RGTS APPROVED	EFF 04/01/17;3	
04/26/2017	974	AUTOMATED RECORD VERIF	RCC	
07/06/2017	932	TRF OPER RGTS FILED	CRUMP ENE/MARATHON;1	
07/06/2017	932	TRF OPER RGTS FILED	CROWN OIL/MARATHON;1	
07/24/2017	932	TRF OPER RGTS FILED	BLACK MOU/MARATHON;1	
07/24/2017	932	TRF OPER RGTS FILED	TALON OIL/MARATHON;1	
08/28/2017	933	TRF OPER RGTS APPROVED	EFF 08/01/17;	
08/28/2017	974	AUTOMATED RECORD VERIF	RCC	
08/29/2017	933	TRF OPER RGTS APPROVED	EFF 08/01/17;	
08/29/2017	974	AUTOMATED RECORD VERIF	RCC	
09/15/2017	933	TRF OPER RGTS APPROVED	EFF 08/01/17;1	
09/15/2017	933	TRF OPER RGTS APPROVED	EFF 08/01/17;2	
09/18/2017	974	AUTOMATED RECORD VERIF	JA	
01/25/2018	246	LEASE COMMITTED TO CA	NMNM138690;	
05/24/2019	932	TRF OPER RGTS FILED	ZPZ DELAW/COG OPERA;1	
05/28/2019	140	ASGN FILED	JETTA-X2/ZPZ DELAWA;1	
08/16/2019	140	ASGN FILED	HARVARD &/HARVARD E;1	
08/16/2019	269	ASGN DENIED	JETTA NO INTEREST	
08/16/2019	933	TRF OPER RGTS APPROVED	EFF 06/01/19;	
08/16/2019	974	AUTOMATED RECORD VERIF	PM	
09/12/2019	932	TRF OPER RGTS FILED	PGP HOLDI/TUMBLER O;1	FLUIDS TEAM
10/02/2019	139	ASGN APPROVED	EFF 09/01/19;	
10/02/2019	974	AUTOMATED RECORD VERIF	PM	

Line Number	Remark Text	
0002	CURRENT RECORD TITLE OWNERS	
0003	SEC 22: W2SW; SEC 27: E2NE, SWNE, NW;	
0004	SUNDOWN ENERGY LP	100.00
0005	SEC 27: NWNE	
0006	SUNDOWN ENERGY LP	50.00
0007	SOUTHWESTERN RESOURCES CO	10.9375
0008	ENGWALL STEVEN	3.1250
0009	ENGWALL LARRY	3.1250

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Line Number	Remark Text	Serial Number: NMNM-- 0 000082
0010	HARVARD ENERGY PARTNERS LP	32.8125
0011	SEC 33: SE	
0012	SUNDOWN ENERGY LP	82.8115
0013	SOUTHWESTERN RESOURCES CO	10.9375
0014	ENGWALL STEVEN	3.1250
0015	ENGWALL LARRY	3.1250
0016	SEC:22 SESW;	
0017	SUNDOWN ENERGY LP	50.00
0018	SOUTHWESTERN RESOURCES CO	10.9375
0019	ENGWALL STEVEN	3.1250
0020	ENGWALL LARRY	3.1250
0021	HARVARD & LEMAY EXPLORATION 1976	32.8125
0022	-	
0023	BONDED OPERATORS/LESSEES/TRANSFEREES:	
0024	01/06/2009 - CHESTNUT BND TRANSFEREE NMB000560/SW	
0025	09/02/2011 - SUNDOWN ENERGY LP - NW WYB000268	
0026	05/31/2013 - SUNDOWN ENERGY LP WYB000268 N/W;	
0027	03/02/2017 - RETURN UNAPPROVED PER TRANSFEREE FOR	
0028	CORRECTION	
0029	08/28/2017 - MARATHON WYB002107 NW;	
0030	08/16/2019 - COG OPERATING SW/NM BOND NMB000215	