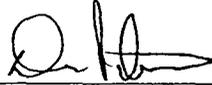


Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the S2S2 of sec. 1, T. 18 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



Authorized Officer

Effective: December 15, 2010

Contract No.: Com. Agr. NM127759

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3
Submitted by:
EOG RESOURCES, INC.
Hearing Date: August 8, 2012

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

Sincerely,



Don Peterson
Assistant Field Manager,
Lands and Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (9200)
NM (P0220-CFO, File Room)

ONLINE Version
COMMUNITIZATION AGREEMENT

original too recorded
NM 127757
Contract No.

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 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 S/2 S/2,

Sect 01, T 18S, R 29E, NMPM Eddy County NM

containing 160 acres, more or less, and this agreement shall include only the Bone Spring

Formation underlying said lands and the hydrocarbons (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 ~~December~~ Month 15 Day, 2010 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 duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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 the capability 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.

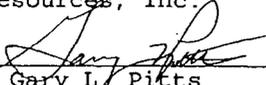
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be 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

EOG Resources, Inc.

By: _____


Gary L. Pitts
Vice President



PRESENT LESSEES OF RECORD AND/OR WORKING INTEREST OWNERS:

By: John A. Yates
John A. Yates

By: _____
Mary Dortha Duggan

By: John A. Yates
John A. Yates, Trustee of
Trust of Peggy A. Yates, dec'd

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

By: Peyton Yates
Printed Name: Peyton Yates
Title: Manager

By: Richard Yates
Printed Name: Richard Yates
Title: Manager

SHARBRO OIL TD. COMPANY

By: Frank Yates, Jr.
Printed Name: Frank Yates, Jr.
Title: Manager

YATES PETROLEUM CORPORATION

By: John A. Yates, Jr.
Printed Name: John A. Yates, Jr.
Title: Attorney-in-Fact

By: _____
Gladys A. Duggan Koontz

By: _____
Shirley N. Duggan McGehearty

By: _____
V. S. Welch (deceased)

By: _____
Paul Slayton

By: _____
Patricia Slayton

PRESENT LESSEES OF RECORD AND/OR WORKING INTEREST OWNERS:

By: _____
John A. Yates

By: _____
Mary Dorthea Duggan

By: _____
John A. Yates, Trustee of
Trust Q uwo Peggy A. Yates, dec'd

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

By: _____
Printed Name: _____
Title: _____

SHARBRO OIL TD. COMPANY

By: _____
Printed Name: _____
Title: _____

YATES PETROLEUM CORPORATION

By: _____
Printed Name: _____
Title: _____

By: _____
Gladys A. Duggan Koontz

By: _____
Shirley N. Duggan McGehearty

By: _____
V. S. Welch (deceased)

By: Paul Slayton
Paul Slayton

By: Patricia Slayton
Patricia Slayton

ABO PETROLEUM CORPORATION

By: John A. Yates, Jr.
Printed Name: John A. Yates, Jr.
Title: Attorney-in-Fact

FAIR OIL, LTD.

By: _____
Printed Name: _____
Title: _____

By: _____
George Najjar

By: _____
George Najjar, Foreign Personal
Representative of the Estate of
Roland D. Najjar, dec'd

MYCO INDUSTRIES, INC.

By: Scott Yates
Printed Name: Scott Yates
Title: President

OXY Y-1 COMPANY

By: _____
Printed Name: _____
Title: _____

READ & STEVENS, INC.

By: _____
Printed Name: _____
Title: _____

By: _____
Robert Emmons

By: _____
Shannon Emmons
aka George S. Emmons

ABO PETROLEUM CORPORATION

By: _____
Printed Name: _____
Title: _____

Fair Oil, Ltd. by Fair Oil Company of Texas.
its Sole General Partner

By: _____
Printed Name: _____
Title: _____

John R. Garrett, President

By: _____
George Najar

By: _____
George Najar, Foreign Personal
Representative of the Estate of
Roland D. Najar, dec'd

MYCO INDUSTRIES, INC.

By: _____
Printed Name: _____
Title: _____

OXY Y-1 COMPANY

By: _____
Printed Name: _____
Title: _____

READ & STEVENS, INC.

By: _____
Printed Name: _____
Title: _____

By: _____
Robert Emmons

By: _____
Shannon Emmons
aka George S. Emmons

ABO PETROLEUM CORPORATION

By: _____
Printed Name: _____
Title: _____

FAIR OIL, LTD.

By: _____
Printed Name: _____
Title: _____

By: George Najar
George Najar

By: _____
George Najar, Foreign Personal
Representative of the Estate of
Roland D. Najar, dec'd

MYCO INDUSTRIES, INC.

By: _____
Printed Name: _____
Title: _____

OXY Y-1 COMPANY

By: _____
Printed Name: _____
Title: _____

READ & STEVENS, INC.

By: _____
Printed Name: _____
Title: _____

By: _____
Robert Emmons

By: _____
Shannon Emmons
aka George S. Emmons

ABO PETROLEUM CORPORATION

By: _____
Printed Name: _____
Title: _____

FAIR OIL, LTD.

By: _____
Printed Name: _____
Title: _____

By: _____
George Najjar ^{GEN}

By: _____
George Najjar, Foreign Personal
Representative of the Estate of
Roland D. Najjar, dec'd

MYCO INDUSTRIES, INC.

By: _____
Printed Name: _____
Title: _____

OXY Y-1 COMPANY

By: _____
Printed Name: _____
Title: _____

READ & STEVENS, INC.

By: _____
Printed Name: _____
Title: _____

By: _____
Robert Emmons

By: _____
Shannon Emmons
aka George S. Emmons

ABO PETROLEUM CORPORATION

By: _____
Printed Name: _____
Title: _____

FAIR OIL, LTD.

By: _____
Printed Name: _____
Title: _____

By: _____
George Najjar

By: _____
George Najjar, Foreign Personal
Representative of the Estate of
Roland D. Najjar, dec'd

MYCO INDUSTRIES, INC.

By: _____
Printed Name: _____
Title: _____

OXY, Y-1 COMPANY

By: _____
Printed Name: STEPHEN S. FLYNN
Title: ATTORNEY IN FACT

READ & STEVENS, INC.

By: _____
Printed Name: _____
Title: _____

By: _____
Robert Emmons

By: _____
Shannon Emmons
aka George S. Emmons

ABO PETROLEUM CORPORATION

By: _____
Printed Name: _____
Title: _____

FAIR OIL, LTD.

By: _____
Printed Name: _____
Title: _____

By: _____
George Najjar

By: _____
George Najjar, Foreign Personal
Representative of the Estate of
Roland D. Najjar, dec'd

MYCO INDUSTRIES, INC.

By: _____
Printed Name: _____
Title: _____

OXY Y-1 COMPANY

By: _____
Printed Name: _____
Title: _____

READ & STEVENS, INC.

By: _____
Printed Name: Robert Emmons
Title: President

By: _____
Robert Emmons

By: _____
Shannon Emmons
aka George S. Emmons

ABO PETROLEUM CORPORATION

By: _____
Printed Name: _____
Title: _____

FAIR OIL, LTD.

By: _____
Printed Name: _____
Title: _____

By: _____
George Najar

By: _____
George Najar, Foreign Personal
Representative of the Estate of
Roland D. Najar, dec'd

MYCO INDUSTRIES, INC.

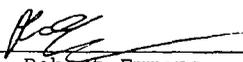
By: _____
Printed Name: _____
Title: _____

OXY Y-1 COMPANY

By: _____
Printed Name: _____
Title: _____

READ & STEVENS, INC.

By: _____
Printed Name: _____
Title: _____

By: _____

ROBERT Emmons

By: _____
Shannon Emmons
aka George S. Emmons

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
)ss.
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 2nd day of August, 2011, by **John A. Yates, Jr., Attorney-in-Fact of Yates Petroleum Corporation**, a New Mexico corporation, on behalf of said corporation.

My commission expires:
4/12/2014

Lorina E. Flores
Notary Public



OFFICIAL SEAL
Lorina E. Flores
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 4/12/2014

STATE OF NEW MEXICO)
)ss.
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 2nd day of August, 2011, by **John A. Yates, Jr., Attorney-in-Fact of Abo Petroleum Corporation**, a New Mexico corporation, on behalf of said corporation.

My commission expires:
4/12/2014

Lorina E. Flores
Notary Public



OFFICIAL SEAL
Lorina E. Flores
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 4/12/2014

STATE OF NEW MEXICO)
)ss.
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 2nd day of August, 2011, by **John A. Yates, Jr., Attorney-in-Fact for John A. Yates, Individually and Trustee of Trust Q u/w/o Peggy A. Yates, Deceased.**

My commission expires:
4/12/2014

Lorina E. Flores
Notary Public



OFFICIAL SEAL
Lorina E. Flores
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 4/12/2014

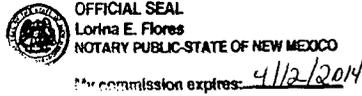
ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
)ss.
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 2nd day of August, 2011, by **Scott Yates, President of Myco Industries, Inc.**, a New Mexico corporation, on behalf of said corporation.

My commission expires:
4/12/2014

Lorina E. Flores
Notary Public

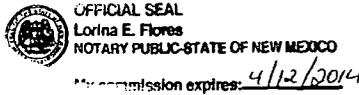


STATE OF NEW MEXICO)
)ss.
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 2nd day of August, 2011, by **Frank Yates, Jr., Manager of Sharbro Oil Ltd. Co.**, a New Mexico limited liability company.

My commission expires:
4/12/2014

Lorina E. Flores
Notary Public



ACKNOWLEDGEMENT IN AN INDIVIDUAL CAPACITY

STATE OF _____ §

§
COUNTY OF _____ §

This instrument was acknowledged before me on ____ day of _____, 2011 by _____.

(Seal)

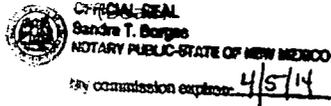
Signature of Notarial Officer
My commission expires: _____

ACKNOWLEDGEMENT IN A REPRESENTATIVE CAPACITY

STATE OF New Mexico §

§
COUNTY OF Eddy §

This instrument was acknowledged before me on 1st day of July, 2011 by Puyton Yates & Richard Yates as Managers on behalf of Sacramento Partners LP corporation on behalf of said corporation.



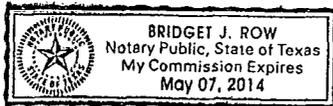
Sandra J. Borg
Signature of Notarial Officer
My commission expires: 4/5/14

STATE OF TEXAS §

§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 22nd day of June, 2011 by Gary L. Pitts, as Vice President on behalf of EOG Resources, Inc., a Delaware corporation on behalf of said corporation.

(Seal)



Bridget J. Row
Signature of Notarial Officer
My commission expires: 5-7-14

Exhibit "A"
Plat of Communitized Area

Sand Tank "1" Fed Com #3H Well

S/2 S/2 Section 1
T18S, R29E
Eddy County, New Mexico

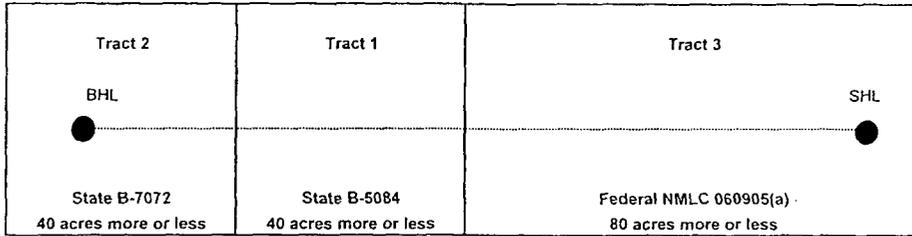


EXHIBIT B
 Attached to Communitization Agreement dated _____ embracing
 S/2 S/2 of Section 1, Township 18 South, Range 29 East, N.M.P.M.
 Eddy County, New Mexico

Operator of Communitized Area: EOG Resources, Inc.

Tract No. 1:

Lease No.:	B-5084	
Lease Date:	October 10, 1935	
Lessor:	State of New Mexico	
Original Lessee:	Charles A. Piatt	100%
Present Lessee:	V.S. Welch (deceased)	100%
Description of Land Committed:	Insofar as said lease covers SE/4 SW/4 Section 1, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico	
Number of Acres:	40	
Royalty Rate:	1/8	
Name and Percent ORRI Owners:	Spiral, Inc.	1.00000%
	John A. Yates .....	.50000%
	John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased .....	.50000%
	Sacramento Partners Limited Partnership	1.00000%
	Sharbro Oil Ltd. Co.	1.00000%
	Patsy Iverson Page	1.18055%
	S.J. Iverson III .....	.11806%
	Claire Iverson .....	.11806%
	T. I. G. Properties	1.18055%
	Van S. Welch II .....	.23611%
	James Gary Welch .....	.23611%
	Marian Welch Pendegrass .....	.23611%
	Robert Welch Gillespie .....	.23611%
	The Trustee of the Eileen Mary Kunkel Revocable Trust .....	.23611%
	Van P. Welch, Jr. ....	.23611%
	Phoebe Welch .....	.23611%
	Phoebe Jane Welch IV .....	.05903%
	Wendell Terry Welch .....	.05903%
	Michael Irwin Welch .....	.05903%
	Sanders Thomas Welch .....	.05903%
	Bryan W. Welch .....	.07870%
	Becky Welch Kitto .....	.07870%
	Stacy Welch Green .....	.07870%
	Pamela J. Burke, Trustee of the Claire Ann Iverson Revocable Living Trust, UTA dated November 22, 2005 .....	.94444%
	Pamela J. Burke, Trustee of the Siegfried James Iverson III Revocable Living Trust, UTA dated November 22, 2005 .....	.94445%

	Pamela J. Burke, Successor Trustee of the P. J. P. 1990 Trust .....	.94445%
	Pamela J. Burke, Successor Trustee of the W. W. I. 1990 Trust .....	.94445%
Name and Percent WI Owners:	EOG Resources, Inc.	48.247863%
	Yates Petroleum Corporation	29.843058%
	Sharbro Oil Ltd. Co.	12.618629%
	Sacramento Partners Limited Partnership	2.103101%
	Read & Stevens, Inc.	1.708774%
	John A. Yates	1.051556%
	John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased	1.051556%
	Paul Slayton and Patricia Slayton, his wife .....	.757118%
	OXY Y-1 Company .....	.620413%
	Abo Petroleum Corporation .....	.620413%
	Mycro Industries, Inc. ....	.620413%
	Fair Oil, Ltd. ....	.378559%
	George Najar, Foreign Personal Representative of the Estate of Roland D. Najar, deceased ...	.039421%
	George Najar .....	.023662%
	Shannon Emmons, a/k/a George S. Emmons ....	.157732%
	Robert Emmons .....	.157732%

Tract No. 2:

Lease No.:	B-7072	
Lease Date:	June 10, 1937	
Lessor:	State of New Mexico	
Original Lessee:	Olen F. Featherstone	100%
Present Lessee:	Yates Petroleum Corporation	100%
Description of Land Committed:	Insofar as said lease covers SW/4 SW/4 Section 1, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico	
Number of Acres:	40	
Royalty:	1/8	
Name and Percent ORRI Owners:	Yates Brothers	4.16667%
	Glenn Hendrix and Mark Hendrix, Trustees of the Anna Collins Franklin Foundation under the Last Will and Testament of Wenzella W. Ripley, deceased	1.66667%
Name and Percent WI Owners:	EOG Resources, Inc.	48.247863%
	Yates Petroleum Corporation	29.843058%
	Sharbro Oil Ltd. Co.	12.618629%
	Sacramento Partners Limited Partnership	2.103101%
	Read & Stevens, Inc.	1.708774%
	John A. Yates	1.051556%
	John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased	1.051556%

	Paul Slayton and Patricia Slayton, his wife .....	.757118%
	OXY Y-1 Company .....	.620413%
	Abo Petroleum Corporation .....	.620413%
	Myco Industries, Inc. ....	.620413%
	Fair Oil, Ltd. ....	.378559%
	George Najjar, Foreign Personal Representative of the Estate of Roland D. Najjar, deceased .....	.039421%
	George Najjar .....	.023662%
	Shannon Emmons, a/k/a George S. Emmons .....	.157732%
	Robert Emmons .....	.157732%
 <u>Tract No. 3:</u>		
Lease Serial No.:	NMLC 060905(a)	
Lease Effective Date:	March 1, 1969	
Lessor:	United States	
Original Lessees:	Harvey E. Yates	8.33333%
	Martin Yates III.....	41.66667%
	S.P. Yates	8.33333%
	John A. Yates	8.33333%
	Martin Yates III, Trustee for Shirley Nell Duggan, Gladys Ann Duggan and Jackie Lois Duggan	20.83334%
	Mary Dorothea Duggan	12.50000%
Present Lessee	Mary Dorothea Duggan.....	19.44444%
	Shirley N. Duggan McGehearty	6.94444%
	Gladys A. Duggan Koontz	6.94444%
	Sacramento Partners Limited Partnership	8.33334%
	John A. Yates	4.16667%
	John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased	4.16667%
	Sharbro Oil Ltd. Co.	41.66667%
	Yates Petroleum Corporation	8.33333%
Description of Land Committed:	S/2 SE/4 Section 1, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico	
Number of Acres:	80	
Royalty:	Sliding scale ranging from 12-1/2% to 25% on oil and from 12-1/2% to 16-2/3% on gas.	
Name and Percent ORRI Owners:	Annice L. Miller .....	.644200%
	Thomas W. Flynn .....	.358000%
	Lucas Properties, LLC .....	.500000%
	Glen David Miller .....	.500000%
	Paul Slayton and Patricia Slayton, his wife	3.625000%
	James Harvey Yates and Nancy B. Yates, Trustees of Revocable Trust dated May 22, 1997 .....	.250000%
	Colleen Michelle Yates .....	.083350%

	Kelly Longley and Lucien J. Longley, Trustees of the Kelly Longley Revocable Trust u/t/a dated March 10, 1999 .....	.083350%
	Shannon Lynn Yates Unser .....	.083300%
	Spiral, Inc. ....	.250000%
	Sharbro Oil Ltd. Co. ....	.250000%
	Sacramento Partners Limited Partnership .....	.250000%
	John A. Yates .....	.125000%
	John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased .....	.125000%
	Heirs or devisees and successors in title to Helen M. Bowers, Katherine J. Bowers and B.A. Bowers, all deceased, apparently Desa L. Lee-Laird .....	.250000%
	Clinton C. Ballard, Jr. ....	.125000%
	Shirley N. Duggan McGehearty .....	.347222%
	Gladys A. Duggan Koontz .....	.347222%
	Mary D. Duggan .....	.972222%
Name and Percent WI Owners:	EOG Resources, Inc.	48.247863%
	Yates Petroleum Corporation	29.843058%
	Sharbro Oil Ltd. Co.	12.618629%
	Sacramento Partners Limited Partnership	2.103101%
	Read & Stevens, Inc.	1.708774%
	John A. Yates	1.051556%
	John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased	1.051556%
	Paul Slayton and Patricia Slayton, his wife .....	.757118%
	OXY Y-1 Company .....	.620413%
	Abo Petroleum Corporation .....	.620413%
	Mycos Industries, Inc. ....	.620413%
	Fair Oil, Ltd. ....	.378559%
	George Najar, Foreign Personal Representative of the Estate of Roland D. Najar, deceased .....	.039421%
	George Najar .....	.023662%
	Shannon Emmons, a/k/a George S. Emmons .....	.157732%
	Robert Emmons .....	.157732%

<u>Recapitulation</u>		
<u>Tract Number</u>	<u>Number of Acres Committed</u>	<u>Percentage Interest in Communitized Area</u>
Tract No. 1	40	25%
Tract No. 2	40	25%
Tract No. 3	80	50%
Total	160	100%

RATIFICATION AND JOINDER OF COMMUNITIZATION AGREEMENT

The undersigned party has received a true copy of Communitization Agreement dated December 15, 2010 which communitizes the production of hydrocarbons produced from the Bone Spring formation underlying the S/2 S/2 of Section 1, T-18-S, R-29-E, N.M.P.M., Eddy County, New Mexico.

The undersigned party is an Overriding Royalty Interest Owner in one or more of the tracts comprising the communitized area.

The undersigned party desires to adopt, ratify and become a party to the Communitization Agreement and commit to the Communitization Agreement all interest owned or controlled by such party in the communitized area.

NOW, THEREFORE, by the execution hereof, the undersigned party hereby becomes a party to the Communitization Agreement and agrees to be bound by the terms thereof as if such party had signed the original thereof.

This ratification and joinder shall be binding upon the undersigned, their heirs, devisees, assigns or successors in interest.

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.

EXECUTED THIS 7 day of July, 2011.

Van S. Welch II
2207 Fairway Drive
Duncan, OK 73570

By: Van S. Welch II

ACKNOWLEDGEMENT

STATE OF OKLAHOMA §
COUNTY OF Stephens §

The foregoing instrument was acknowledged before me this 7th day of July, 2011, by Van S. Welch II.

My commission expires: 08-18-2011

Karla Claborn
Notary Public



Sand Tank 1 Fed Com #3H Well

RATIFICATION AND JOINDER OF COMMUNITIZATION AGREEMENT

The undersigned party has received a true copy of Communitization Agreement dated December 15, 2010 which communitizes the production of hydrocarbons produced from the Bone Spring formation underlying the S/2 S/2 of Section 1, T-18-S, R-29-E, N.M.P.M., Eddy County, New Mexico.

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NOW, THEREFORE, by the execution hereof, the undersigned party hereby becomes a party to the Communitization Agreement and agrees to be bound by the terms thereof as if such party had signed the original thereof.

This ratification and joinder shall be binding upon the undersigned, their heirs, devisees, assigns or successors in interest.

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.

EXECUTED THIS 12 day of July, 2011.

Stacy Welch Green
P. O. Box 164
Sonoita, AZ 85637

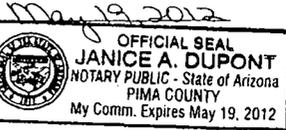
By: Stacy Welch Green

ACKNOWLEDGEMENT

STATE OF ARIZONA §
COUNTY OF Santa Cruz §

The foregoing instrument was acknowledged before me this 12th day of July, 2011, by Stacy Welch Green.

My commission expires:



Janice A. Dupont
Notary Public

Sand Tank 1 Fed Com #3H Well

RATIFICATION AND JOINDER OF COMMUNITIZATION AGREEMENT

The undersigned party has received a true copy of Communitization Agreement dated December 15, 2010 which communitizes the production of hydrocarbons produced from the Bone Spring formation underlying the S/2 S/2 of Section 1, T-18-S, R-29-E, N.M.P.M., Eddy County, New Mexico.

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EXECUTED THIS 27 day of March, 2012.

Robert Welch Gillespie, Separate Property

By: Robert Welch Gillespie

as

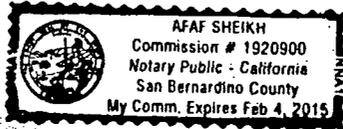
ACKNOWLEDGEMENT

California
STATE OF ~~ILLINOIS~~ §
COUNTY OF Los Angeles §

The foregoing instrument was acknowledged before me this 27th day of March, 2012, by Robert Welch Gillespie.

My commission expires:
Feb. 4, 2015

Afaf Sheikh
Notary Public



Sand Tank 1 Fed Com #3H Well

RATIFICATION AND JOINDER OF COMMUNITIZATION AGREEMENT

The undersigned party has received a true copy of Communitization Agreement dated December 15, 2010 which communitizes the production of hydrocarbons produced from the Bone Spring formation underlying the S/2 S/2 of Section 1, T-18-S, R-29-E, N.M.P.M., Eddy County, New Mexico.

The undersigned party is an Overriding Royalty Interest Owner in one or more of the tracts comprising the communitized area.

The undersigned party desires to adopt, ratify and become a party to the Communitization Agreement and commit to the Communitization Agreement all interest owned or controlled by such party in the communitized area.

NOW, THEREFORE, by the execution hereof, the undersigned party hereby becomes a party to the Communitization Agreement and agrees to be bound by the terms thereof as if such party had signed the original thereof.

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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.

EXECUTED THIS 11 day of July, 2011.

Patsy Iverson Page
1155 Muirlands Vista Way
La Jolla, CA 92037

By: Patsy Iverson Page

ACKNOWLEDGEMENT

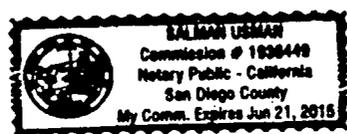
STATE OF CALIFORNIA §
COUNTY OF San Diego §

The foregoing instrument was acknowledged before me this 11th day of July, 2011, by Patsy Iverson Page.

My commission expires: June 21, 2015

[Signature]
Notary Public

Sand Tank 1 Fed Com #3H Well



RATIFICATION AND JOINDER OF COMMUNITIZATION AGREEMENT

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The undersigned party is an Overriding Royalty Interest Owner in one or more of the tracts comprising the communitized area.

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EXECUTED THIS 30th day of March, 2012.

Marian Welch Pendegrass, Separate Property

By: *Marian Welch Pendegrass*

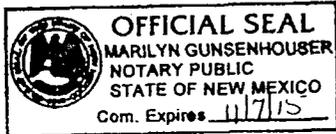
ACKNOWLEDGEMENT

New Mexico
STATE OF ILLINOIS §
COUNTY OF Charles §

The foregoing instrument was acknowledged before me this 30th day of March, 2012, by Marian Welch Pendegrass.

My commission expires: 11/7/15

Marilyn Gunshouser
Notary Public



Sand Tank 1 Fed Com #3H Well

RATIFICATION AND JOINDER OF COMMUNITIZATION AGREEMENT

The undersigned party has received a true copy of Communitization Agreement dated December 15, 2010 which communitizes the production of hydrocarbons produced from the Bone Spring formation underlying the S/2 S/2 of Section 1, T-18-S, R-29-E, N.M.P.M., Eddy County, New Mexico.

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EXECUTED THIS 1 day of July, 2011.

Lucas Properties, LLC
2424 Cagua Drive, NE
Albuquerque, New Mexico

By: Mary Frances Lacey
manager

ACKNOWLEDGEMENT

STATE OF NEW MEXICO §
COUNTY OF Bernalillo §

The foregoing instrument was acknowledged before me this 1st day of July, 2011, by Mary Frances Lacey as manager on behalf of Lucas Properties, LLC.

My commission expires: 09/27/2014

Alicia Bustillos
Notary Public



OFFICIAL SEAL
ALICIA BUSTILLOS
NOTARY PUBLIC
STATE OF NEW MEXICO

Sand Tank 1 Fed Com #3H Well

My Commission Expires: 09/27/2014

