



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
<https://www.blm.gov/new-mexico>

In Reply Refer To:  
NMNM141290  
3105.2 (NM920)

**MAR 10 2021**

### Reference:

Communitization Agreement  
Calor Seco 6 Fed Com 501H  
Section 1: S2S2  
T. 26 S., R. 25 E., N.M.P.M.  
Section 6: S2S2  
T. 26 S., R. 25 E., N.M.P.M.  
Lea County, NM

EOG Resources, Inc.  
Attn: Kimberly Smith  
5509 Champions Drive  
Midland, Texas 79706

Ms. Smith:

Enclosed is an approved copy of Communitization Agreement NMNM141290 involving 160 acres of Federal land in lease NMNM121935 and 160 acres of Federal land in lease NMNM121937, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the S2S2 of Sec. 1, T. 26 S., R. 25 E., and the S2S2 of Sec. 6, T. 26 S., R. 26 E., NMPM, Eddy County, NM, and is effective March 1, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

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

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

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

Sincerely,



Sheila Mallory  
Deputy State Director  
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)


Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the ES2S2 of Sec. 1, T. 26 S., R. 25 E., and the S2S2 of Sec. 6, T. 26 S., R. 26 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 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

**MAR 10 2021**

  
\_\_\_\_\_  
Sheila Mallory  
Deputy State Director  
Division of Minerals

Effective: March 1, 2019

Contract No.: Com. Agr. NMNM141290



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

January 9, 2020

Nm NM  
141290

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

RE: Federal Communitization Agreement covering the  
Bone Spring Formation, 320.00 acres  
S/2S/2 of Section 1, T26S-R25E  
S/2S/2 of Section 6, T26S-R26E  
Eddy County, New Mexico  
Calor Seco 6 Fed Com #501H | API 3001546324

To Whom This May Concern:

Enclosed is three (3) originals of a fully executed Communitization Agreement covering the above described lands, dated March 1, 2019, for the Calor Seco 6 Fed Com #501H well. Please return a document to me after approval.

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

Sincerely,  
EOG RESOURCES, INC.

A handwritten signature in blue ink that reads "Kimberly Smith".

Kimberly Smith  
Lead Land Tech  
[Kimberly\\_smith@eogresources.com](mailto:Kimberly_smith@eogresources.com)

District I  
1625 N French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

**MIDLAND OIL CONSERVATION**

ARTESIA DISTRICT

OCT 02 2019

RECEIVED

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015- <b>46324</b>		<sup>2</sup> Pool Code 98028	<sup>3</sup> Pool Name WC-015 G-04 S262502E
<sup>4</sup> Property Code <b>326151</b>	<sup>5</sup> Property Name <b>CALOR SECO 6 FED COM</b>		<sup>6</sup> Well Number <b>#501H</b>
<sup>7</sup> GRID No. 7377	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>		<sup>9</sup> Elevation <b>3505'</b>

<sup>10</sup>Surface Location

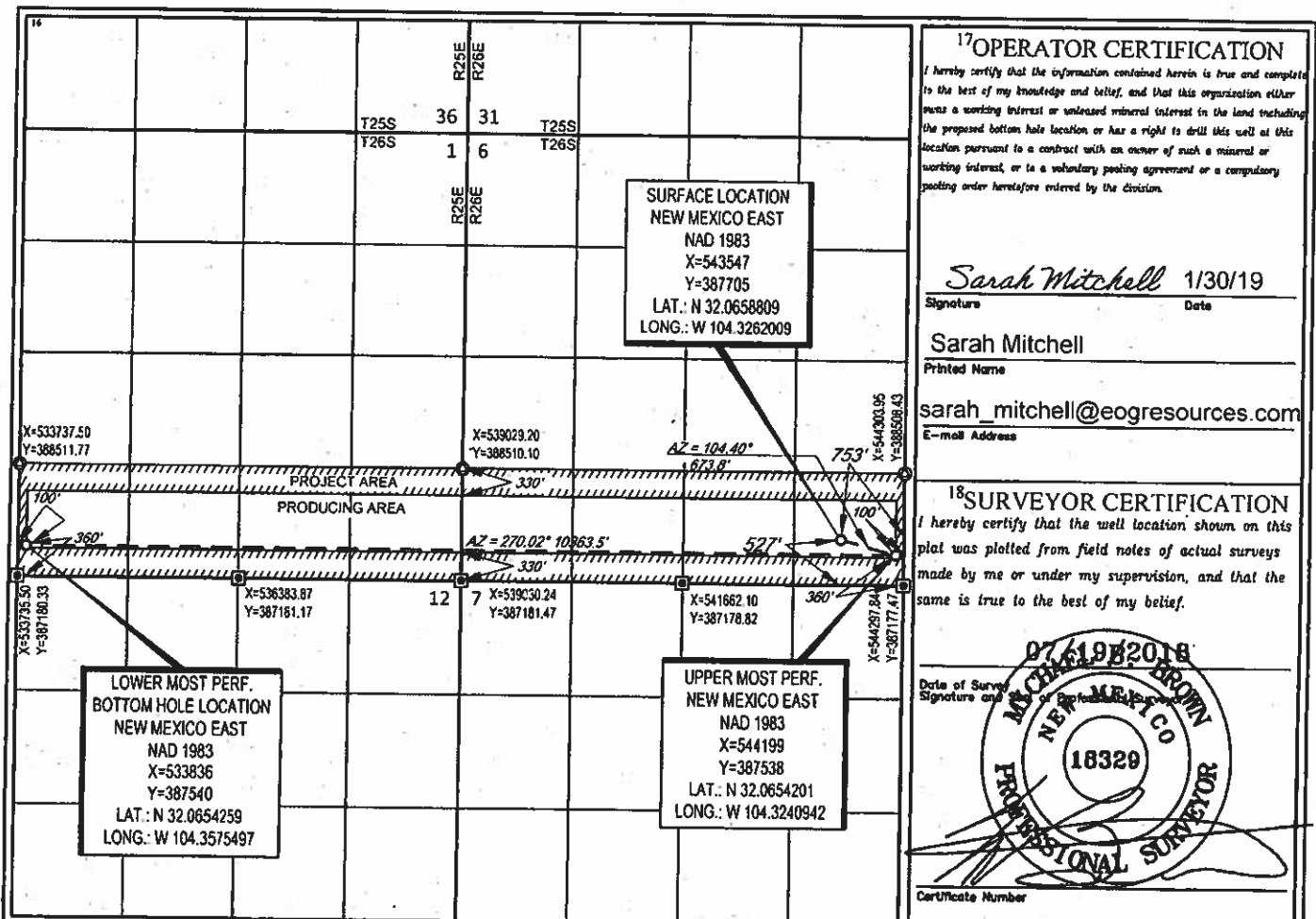
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>6</b>	<b>26-S</b>	<b>26-E</b>	<b>-</b>	<b>527'</b>	<b>SOUTH</b>	<b>753'</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>1</b>	<b>26-S</b>	<b>25-E</b>	<b>-</b>	<b>360'</b>	<b>SOUTH</b>	<b>100'</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>320.00</b>	<sup>13</sup> Joint or Infill <b>314.83</b>	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



## Federal Communitization Agreement

Contract No. NM NM141290

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

### WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

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

S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil and associated natural gas hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

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

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

3. The Operator of the communitized area shall be EOG Resources, Inc., 5509 Champions Drive, Midland, Texas 79706. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

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



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

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**EOG Resources, Inc.**

  
\_\_\_\_\_  
Operator/Working Interest Owner 80

3/19/19  
Date

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

## ACKNOWLEDGEMENT

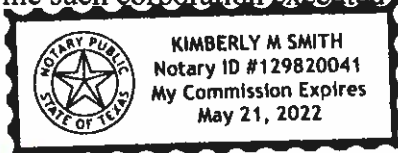
STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this 19 day of March, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



May 21, 2022  
My Commission Expires

Kimberly M. Smith  
Notary Public

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

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

3/19/19  
Date

By: Wendy Dalton 80  
Name: Wendy Dalton  
Title: Agent and Attorney-in-Fact

**ACKNOWLEDGEMENT**

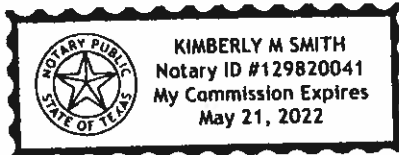
STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this 19 day of March, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



May 21, 2022  
My Commission Expires

Kimberly M. Smith  
Notary Public

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

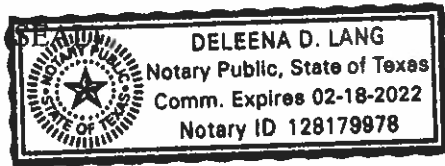
12-19-2019  
Date

Oxy Y-1 Company  
By: [Signature]  
Title: Attorney-in-Fact u MB

ACKNOWLEDGEMENT

STATE OF Texas )  
 ) ss.  
COUNTY OF Harris )

On this 19<sup>th</sup> day of December, 2019, before me, a Notary Public for the State of Texas, personally appeared John V. Schneider, known to me to be the Attorney-in-Fact of Oxy Y-1 Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



My Commission Expires

[Signature]  
Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING  
INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: Wendy Dalton (signature of officer) WD

Printed: Wendy Dalton

TITLE: Agent and Attorney-in-Fact

Phone number: (432) 686-3600, email Midland\_Land@eogresources.com

## EXHIBIT "A"

Plat of communitized area covering 320.00 acres of the S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Calor Seco 6 Fed Com #501H



## **EXHIBIT "B"**

To Communitization Agreement Dated March 1, 2019, covering the S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: EOG Resources, Inc.

### **DESCRIPTION OF LEASES COMMITTED**

#### **Tract No. 1**

Lease Serial Number:	NM-121935
Description of Land Committed:	Township 26 North, Range 25 East, Eddy County, New Mexico, Section 1: S/2S/2
Number of Acres:	160.00
Current Lessee of Record:	EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company
Name of Working Interest Owners:	EOG Resources, Inc.....80% Oxy Y-1 Company.....20%

#### **Tract No. 2**

Lease Serial Number:	NM-121937
Description of Land Committed:	Township 26 North, Range 26 East, Eddy County, New Mexico, Section 6: S/2S/2
Number of Acres:	160.00
Current Lessee of Record:	EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company
Name of Working Interest Owners:	EOG Resources, Inc.....80% Oxy Y-1 Company.....20%

## **RECAPITULATION**

<b><u>Tract No.</u></b>	<b><u>No. of Acres Committed</u></b>	<b><u>Percentage of Interest in Communitized Area</u></b>
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%



Federal Communitization Agreement

Contract No. N/m NM 141290

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

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

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

S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil and associated natural gas hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

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

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

3. The Operator of the communitized area shall be EOG Resources, Inc., 5509 Champions Drive, Midland, Texas 79706. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

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

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

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**EOG Resources, Inc.**



Operator/Working Interest Owner

3/19/19

Date

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

## ACKNOWLEDGEMENT

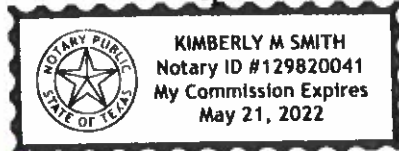
STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this 19 day of March, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



May 21, 2022  
My Commission Expires

Kimberly M. Smith  
Notary Public

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

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

3/19/19  
Date

By: Wendy Dalton *EW*  
Name: Wendy Dalton  
Title: Agent and Attorney-in-Fact

**ACKNOWLEDGEMENT**

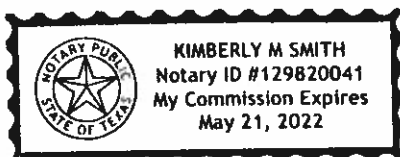
STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this 19 day of March, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



May 21, 2022  
My Commission Expires

Kimberly M. Smith  
Notary Public

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

Oxy Y-1 Company

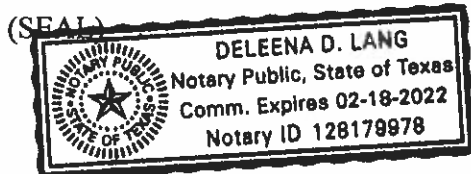
12-19-2019  
Date

By: [Signature]  
Title: Attorney-in-Fact w/ [Signature]

ACKNOWLEDGEMENT

STATE OF Texas )  
 ) ss.  
COUNTY OF Harris )

On this 19<sup>th</sup> day of December, 2019, before me, a Notary Public for the State of Texas  
personally appeared John V. Schneider, known to me to be the Attorney-in-Fact of  
Oxy Y-1 Company, the corporation that executed the foregoing instrument and  
acknowledged to me such corporation executed the same.



My Commission Expires

[Signature]  
Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING  
INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: Wendy Dalton (signature of officer) WD

Printed: Wendy Dalton

TITLE: Agent and Attorney-in-Fact

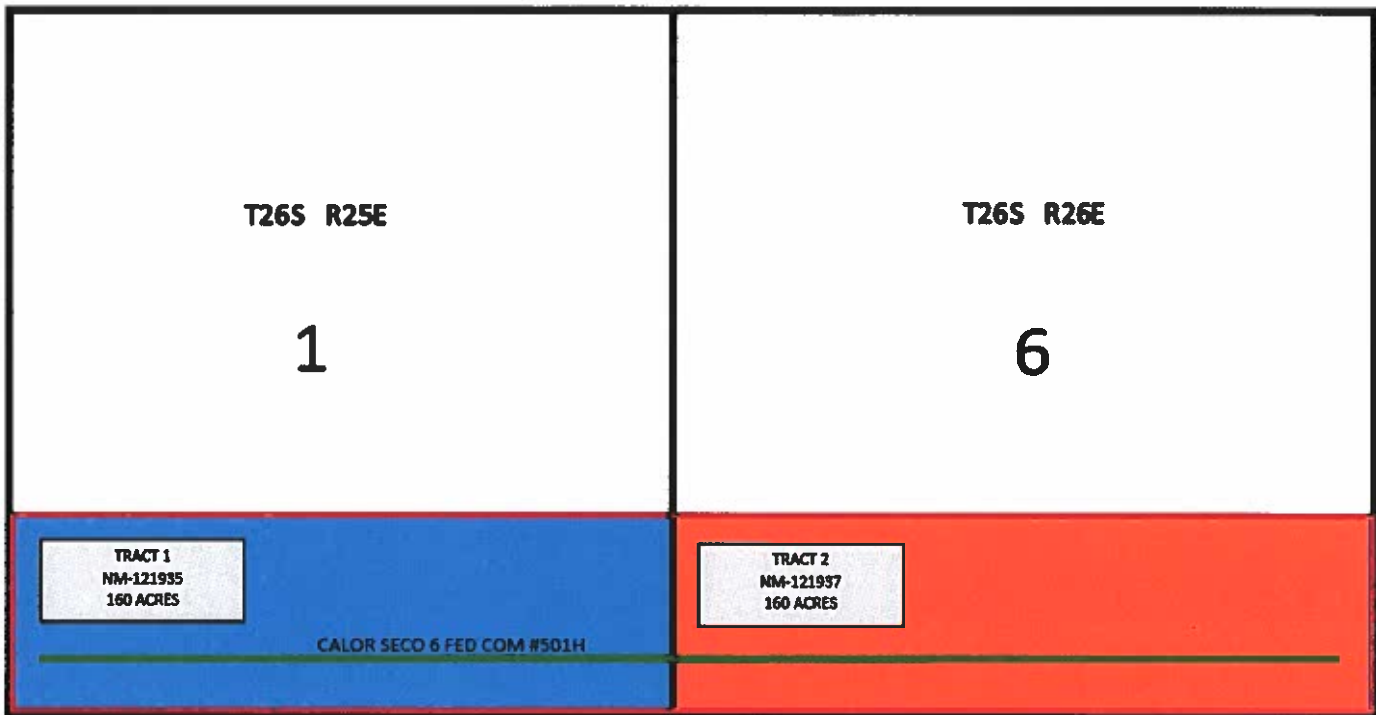
Phone number: (432) 686-3600, email Midland\_Land@eogresources.com



## EXHIBIT "A"

Plat of communitized area covering 320.00 acres of the S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Calor Seco 6 Fed Com #501H



## **EXHIBIT "B"**

To Communitization Agreement Dated March 1, 2019, covering the S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: EOG Resources, Inc.

### **DESCRIPTION OF LEASES COMMITTED**

#### **Tract No. 1**

Lease Serial Number:	NM-121935
Description of Land Committed:	Township 26 North, Range 25 East, Eddy County, New Mexico, Section 1: S/2S/2
Number of Acres:	160.00
Current Lessee of Record:	EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company
Name of Working Interest Owners:	EOG Resources, Inc.....80% Oxy Y-1 Company.....20%

#### **Tract No. 2**

Lease Serial Number:	NM-121937
Description of Land Committed:	Township 26 North, Range 26 East, Eddy County, New Mexico, Section 6: S/2S/2
Number of Acres:	160.00
Current Lessee of Record:	EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company
Name of Working Interest Owners:	EOG Resources, Inc.....80% Oxy Y-1 Company.....20%

## **RECAPITULATION**

<b><u>Tract No.</u></b>	<b><u>No. of Acres Committed</u></b>	<b><u>Percentage of Interest in Communitized Area</u></b>
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%

Federal Communitization Agreement

Contract No. Nm NM 141290

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

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

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

S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil and associated natural gas hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

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

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

3. The Operator of the communitized area shall be EOG Resources, Inc., 5509 Champions Drive, Midland, Texas 79706. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

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

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

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**EOG Resources, Inc.**

  
Operator/Working Interest Owner

3/19/19  
Date

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

## ACKNOWLEDGEMENT

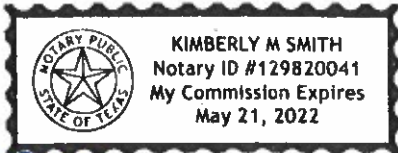
STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this 19 day of March, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



May 21, 2022  
My Commission Expires

Kimberly M. Smith  
Notary Public



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

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

3/19/19  
Date

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

**ACKNOWLEDGEMENT**

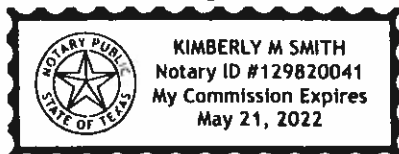
STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this 19 day of March, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent and Attorney-in-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



May 21, 2022  
My Commission Expires

Kimberly M Smith  
Notary Public

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

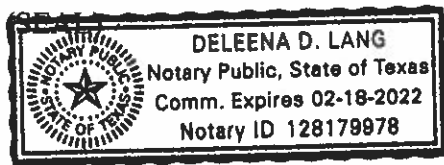
12-19-2019  
Date

Oxy Y-1 Company  
By: [Signature]  
Title: Attorney-in-Fact cc

ACKNOWLEDGEMENT

STATE OF Texas )  
 ) ss.  
COUNTY OF Harris )

On this 19<sup>th</sup> day of December, 2019, before me, a Notary Public for the State of Texas, personally appeared John V. Schneider, known to me to be the Attorney-in-Fact of OXY Y-1 Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



My Commission Expires

[Signature]  
Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING  
INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: Wendy Dalton (signature of officer) WD

Printed: Wendy Dalton

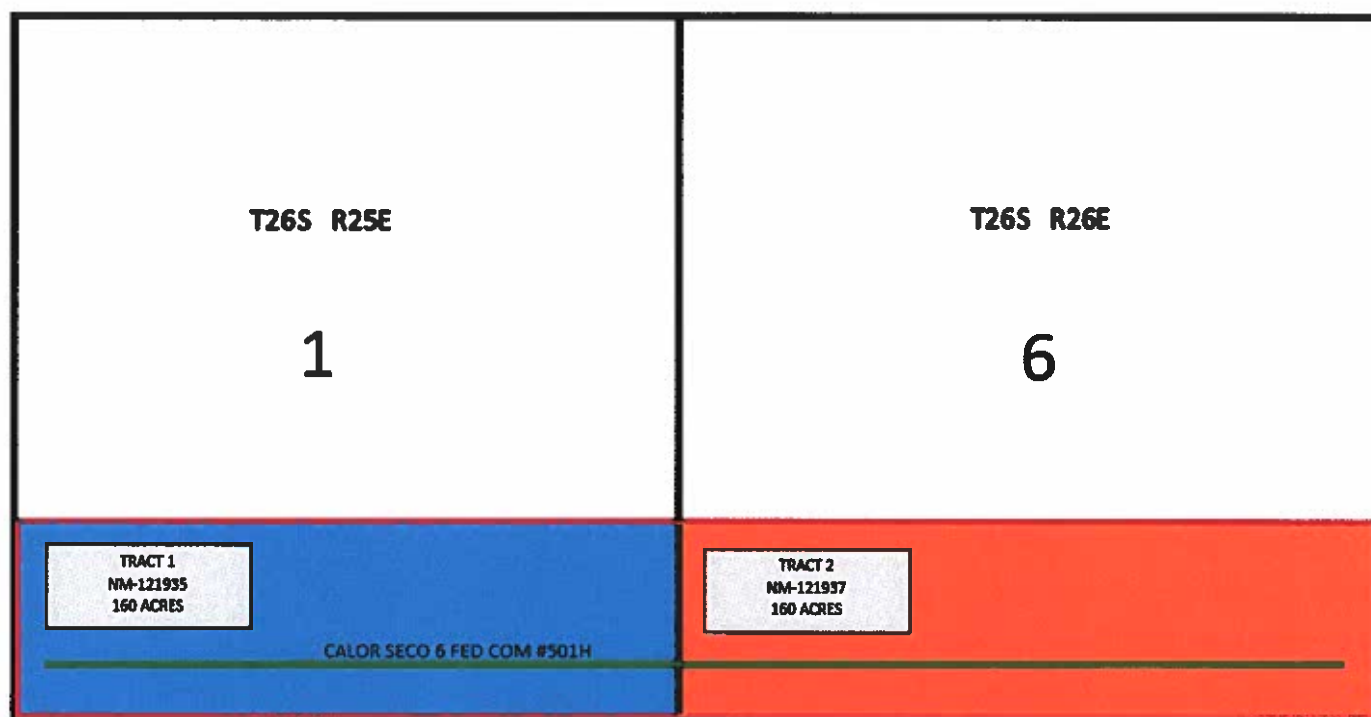
TITLE: Agent and Attorney-in-Fact

Phone number: (432) 686-3600, email Midland\_Land@eogresources.com

## EXHIBIT "A"

Plat of communitized area covering 320.00 acres of the S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Calor Seco 6 Fed Com #501H



## **EXHIBIT "B"**

To Communitization Agreement Dated March 1, 2019, covering the S/2S/2 of Section 1, Township 26 South, Range 25 East and the S/2S/2 of Section 6, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: EOG Resources, Inc.

### **DESCRIPTION OF LEASES COMMITTED**

#### **Tract No. 1**

Lease Serial Number:	NM-121935
Description of Land Committed:	Township 26 North, Range 25 East, Eddy County, New Mexico, Section 1: S/2S/2
Number of Acres:	160.00
Current Lessee of Record:	EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company
Name of Working Interest Owners:	EOG Resources, Inc.....80% Oxy Y-1 Company.....20%

#### **Tract No. 2**

Lease Serial Number:	NM-121937
Description of Land Committed:	Township 26 North, Range 26 East, Eddy County, New Mexico, Section 6: S/2S/2
Number of Acres:	160.00
Current Lessee of Record:	EOG Y Resources, Inc., EOG A Resources, Inc., EOG M Resources, Inc. Oxy Y-1 Company
Name of Working Interest Owners:	EOG Resources, Inc.....80% Oxy Y-1 Company.....20%

## **RECAPITULATION**

<b><u>Tract No.</u></b>	<b><u>No. of Acres Committed</u></b>	<b><u>Percentage of Interest in Communitized Area</u></b>
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%