



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>

MAR 3 1 2021

In Reply Refer To:
NMNM141602
3105.2 (NM920)

Reference:
Communitization Agreement
Big Eddy Unit DI9 34H
Section 28: N2NW; NWNE
Section 29: N2N2
Section 30: N2NE
T. 21 S., R. 30 E., N.M.P.M.
Eddy County, NM

XTO Permian Operating, LLC
22777 Springwoods Village Pkwy
Spring, TX 77389

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM141602 involving 80 acres of Federal land in lease NMNM 04105A, 160 acres of Federal land in lease NMNM 03297B, and 120 acres of State land, Eddy County, New Mexico, which comprise a 360 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath N2NW, NWNE of Sec. 28 and N2N2 of Sec. 29 and N2NE of Sec. 30, T. 21 S., R. 30 E., NMPM, Eddy County, NM, and is effective July 18, 2014. 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,

A handwritten signature in cursive script that reads "Sheila Mallory".

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)

NM State Land Commissioner

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 N2NW, NWNE of Sec. 28 and N2N2 of Sec. 29 and N2NE of Sec. 30, T. 21 S., R. 30 E., NMPM, Eddy County, NM, 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.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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 31 2021



Sheila Mallory
Deputy State Director
Division of Minerals

Effective: July 18, 2014

Contract No.: Com. Agr. NMNM141602



XTO Energy Inc.
Land Dept. Loc. 115 (W4.4A.495)
22777 Springwoods Village Pkwy
Spring TX 77389-1425
832-625-5234 - Direct Phone
Courtney_Wooten@xtoenergy.com

February 19, 2020

Bureau of Land Management
New Mexico State Office
Attn: Margie Dupre
301 Dinosaur Trail
Santa Fe, New Mexico 87508

BLM-NMSO
FEB:20:2020 14:54:28
RECEIVED

NMNM
141602

30015-42008

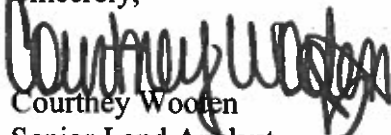
RE: Communitization Agreement
Big Eddy Unit DI9 34H
N/2NW/4 and NW/4NE/4 of Section 28
N/2N/2 of Section 29
N/2NE/4 of Section 30
Township 21 South, Range 30 East, NMPM
Eddy County, New Mexico

Ms. Dupre:

Enclosed you will find (2) two executed original Communization Agreements for the Big Eddy Unit DI9 34H well, which are ready for your review and approval.

Should you have any questions and/or concerns, please do not hesitate to contact me at the phone number or email address shown above or you may also contact Blair Brummell, Senior Landman at (832) 624-0945 or Blair_Brummell@xtoenergy.com

Sincerely,


Courtney Wooten
Senior Land Analyst

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (505) 325-6151 Fax (505) 325-0750

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 742-1222 Fax (505) 742-0750

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6176 Fax (505) 334-0750

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 475-5400 Fax (505) 475-5125

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT
"As Drilled"

API Number 30-015-42008	Pool Code 98053	Pool Name WC-015 G-08 S212915D; Bone Spring
Property Code 40361	Property Name BIG EDDY UNIT D19	Well Number 34H
ODRD No. 260737	Operator Name BOPCO, L.P.	Elevation 3148'

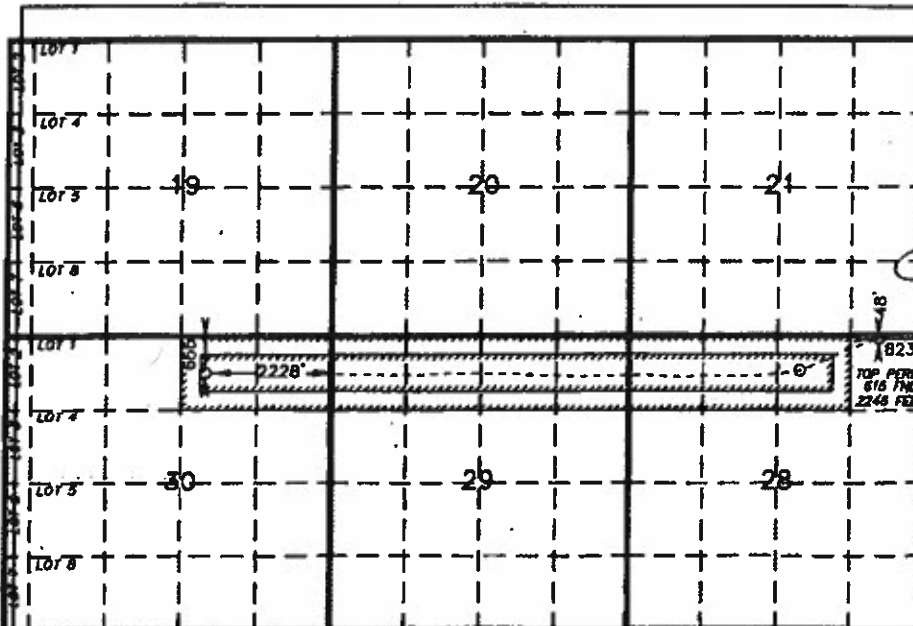
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	21 S	30 E		48	NORTH	823	EAST	EDDY

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	30	21 S	30 E		655	NORTH	2228	EAST	EDDY
Dedicated Acres 360	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature: *Tracie J Cherry* Date: *4/21/14*

Printed Name: **Tracie J Cherry**
Email Address: **tjcherry@basspet.com**

SURVEYOR CERTIFICATION

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

Date Surveyed: *4/21/14*
Signature of Professional Surveyor: *[Signature]*

Certification Number: **7977**
Surveyor: **BRUCE G. HARRIS**

0' 1500' 3000' 4500' 6000'
SCALE: 1" = 3000'
WO Num.: 30814

BOTTOM HOLE LOCATION
Lat - N 32°27'20.36"
Long - W 103°55'04.34"
NMSPC- N 528732.1
E 828150.0
(NAD-27)

SURFACE LOCATION
Lat - N 32°27'28.18"
Long - W 103°52'44.71"
NMSPC- N 530384.8
E 840111.8
(NAD-27)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION

ARTEIA DISTRICT
OCD Artesia

JAN 2 2 2015

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND RECEIVED

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM04105A	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BOPCO LP		7. Unit or CA Agreement Name and No. NMNM68294X	
Contact: TRACIE J CHERRY E-Mail: tjcherry@basspet.com		8. Lease Name and Well No. BIG EDDI UNIT D19 034H	
3. Address P O BOX 2760 MIDLAND, TX 79702		9. API Well No. 30-015-42008	
3a. Phone No. (include area code) Ph: 432-683-2277		10. Field and Pool, or Exploratory WC-015 G-08 S212915D; BS	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NENE 48FNL 823FEL At top prod interval reported below NWNE 615FNL 2246FEL At total depth NWNE 655FNL 2228FEL		11. Sec., T., R., M., or Block and Survey or Area Sec 28 T21S R30E Mer NMP	
14. Date Spudded 07/18/2014		15. Date T.D. Reached 08/24/2014	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 10/24/2014		17. Elevations (DF, KB, RT, GL)* 3148 GL	
18. Total Depth: MD TVD 20383 9040		19. Plug Back T.D.: MD TVD	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each)	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)			

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 J55	54.5		455		550	130	0	
12.250	9.625 J55	40.0		3238		1100	342	0	
8.750	7.000 HCP110	26.0		9492	4490	980	405	0	
6.125	4.500 HCP110	11.6	9425	20375		1150	251	9425	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) 2ND BONE SPRING	8918	20383	9598 TO 20302	0.430	444	OPEN
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
9598 TO 20383	FRAC DOWN CSG USING TOTAL 109683 BBLs FLUID, 7377488# PROPANT ACROSS 19 STAGES

ACCEPTED FOR RECORD

JAN 18 2015

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/26/2014	11/20/2014	24	→	850.0	1109.0	1352.0			ELECTRIC PUMP SUB-SURFACE
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→				1305	POW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #281294 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Reclamation Due: 4/24/2015

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Curr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Curr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
RUSTLER	201	444	ANHYDRITE	RUSTLER	201
SALADO	444	3184	SALT	SALADO/T. SALT	444
DELAWARE MTN GROUP	3230	3305	SANDSTONE, SILTSTONE, SHALE	B. SALT	3184
BELL CANYON	3553	5106	SANDSTONE, SHALE, SILTSTONE	BELL CANYON	3553
CHERRY CANYON	5106	5510	SANDSTONE, SILTSTONE, SHALE	CHERRY CANYON	5106
BRUSHY CANYON	5510	7228	SANDSTONE, SILTSTONE, SHALE	BRUSHY CANYON	5510
1ST BONE SPR SND	8264	8548	SNDSTN, SILTSTN, SH, MNR CARBNT	1ST BONE SPR SND	8264
2ND BONE SPR SND*	8918	10082	SAND, SHALE, MNR CARBNT, SILT	2ND BONE SPR SND	8918

32. Additional remarks (include plugging procedure):

*Formation tops from offset well. No open hole logs run on this well

Well currently flowing up csg/frac string. Will file sundry notice when run prod tbg is run.

****PLEASE HOLD CONFIDENTIAL****

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #281294 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlsbad

Committed to AFMSS for processing by DEBORAH HAM on 01/16/2015 ()

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 11/24/2014

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

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

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

State of New Mexico
Energy, Minerals & Natural Resources
NM OIL CONSERVATION
ARTESIA DISTRICT

Form C-104
Revised August 1, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECEIVED
DEC 05 2014

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address BOPCO, L.P. P O BOX 2760 MIDLAND, TX 79702		² OGRID Number 260737
⁴ API Number 30 - 015-42008		⁵ Pool Name WC-015 G-08 S212915D; Bone Spring
⁷ Property Code 40361		⁶ Pool Code 98053
⁸ Property Name Big Eddy Unit D19		⁹ Well Number 034H

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	28	21S	30E		48	North	823	East	Eddy

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	30	21S	30E		655	North	2228	East	Eddy
¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date 10/24/2014	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
282612	Murex, N.A. Ltd 5057 Keller Springs Rd Addison, TX 75001	O
36785	DCP Midstream, LP 370 17th Street, Ste 2500 Denver, CO 80202	G
NM OIL CONSERVATION ARTESIA DISTRICT DEC 05 2014		

RECEIVED

IV. Well Completion Data

²¹ Spud Date	²² Ready Date	²³ TD	²⁴ PBD	²⁵ Perforations	²⁶ DHC, MC
07/18/2014	10/24/2014	20383 MD/9040 TVD		9598-20302	
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
17.5	13.378 J55	455	550		
12.25	9.625 J55	3238	1100		
8.75	7 HCP110	9492/DV @ 4490	980		
6.125	4.5 HCP110	9425-20375	1150		

V. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date	³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
10/26/2014	10/26/2014	11/20/2014	24 hrs		
³⁷ Choke Size	³⁸ Oil	³⁹ Water	⁴⁰ Gas	⁴¹ Test Method	
850		1352	1109	ESP	

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
Signature:

Printed name:

Tracie J Cherry

Title:

Sr. Regulatory Analyst

E-mail Address:

tjcherry@basspet.com

Date:

10/21/2014

Phone:

(432)683-2277

OIL CONSERVATION DIVISION

Accepted for record
NMOCD

Approval Date:

12/29/14

Provide signed copy

Communitization Agreement

Contract No. NM NM141602

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 portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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

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

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

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

Township 21 South, Range 30 East, N.M.P.M.

Section 28: N/2 NW/4; NW/4 NE/4

Section 29: N/2 N/2

Section 30: N/2 NE/4

Eddy County, New Mexico

containing 360.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and crude oil and associated natural gas, 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. 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

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

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is July 18, 2014, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates

and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OPERATOR

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of XTO Permian Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

XTO Energy Inc, on behalf of
XTO Permian Operating, LLC

By: Edwin S. Ryan, Jr.
Title: Agent and Attorney-in-Fact

Date:

STATE OF TEXAS

§

COUNTY OF HARRIS

§

§

The foregoing instrument was acknowledged before me this 13th day of February, ^{TE}2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Permian Operating, LLC, a Texas limited liability company, on behalf of said company.

Tammy Ekrut
Notary Public, State of Texas



RECORD TITLE AND OPERATING RIGHTS OWNER (NM 03297B, NM 04105A, E0-5230-0007)
 XTO ENERGY INC, ON BEHALF OF
 XTO DELAWARE BASIN, LLC

Edwin S. Ryan, Jr.
 By: Edwin S. Ryan, Jr.
 Title: Agent and Attorney-in-Fact

2/13/2020
 Date:

STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 13th day of February, 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Delaware Basin, LLC, a Texas limited liability company, on behalf of said company.



Tammy Ekert
 Notary Public, State of Texas

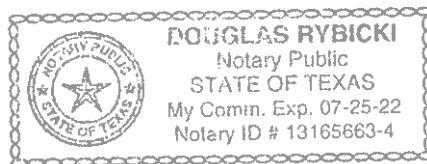
RECORD TITLE OWNER (E0-0831-0007)
 TDY INDUSTRIES, INC., FORMERLY TELEDYNE INDUSTRIES, INC.
 C/O BANK OF AMERICA, N.A.

Teresa Crafton
 By: Teresa Crafton
 Title: Vice President

11/13/2019
 Date:

STATE OF Texas §
 §
 COUNTY OF Dallas §

The foregoing instrument was acknowledged before me this 13 day of November, 2019 by Teresa Crafton, Vice President of Bank of America, N.A. as Agent for TDY INDUSTRIES, INC., FORMERLY TELEDYNE INDUSTRIES, INC., a California corporation, on behalf of said corporation.



Douglas Rybicki
 Notary Public, State of Texas

OPERATING RIGHTS OWNER (E0-0831-0007)
XTO ENERGY INC., ON BEHALF OF
XTO DELAWARE BASIN, LLC

Edwin S. Ryan, Jr.
By: Edwin S. Ryan, Jr.
Title: Agent and Attorney-in-fact

2/13/2020
Date:

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 13th day of February, 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Delaware Basin, LLC, a Texas limited liability company, on behalf of said company.

Tammy Ekrut
Notary Public, State of Texas

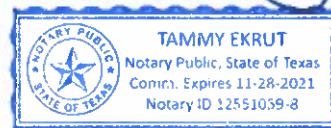


EXHIBIT "A"

Plat of Communitized area covering
 N/2 NW/4; NW/4 NE/4 Section 28 T21S, R30E, N.M.P.M.
 N/2 N/2 Section 29 T21S R30E, N.M.P.M.
 N/2 NE/4 Section 30 T21S R30E, N.M.P.M.
 Eddy County, NM

Big Eddy Unit DI9 34H
 Bone Spring Formation

	Tract 1		Tract 2		Tract 3	Tract 4		SHL
	BHL							
Section 30-21S-30E		Section 29-21S-30E			Section 28-21S-30E			

Big Eddy Unit DI9 34H

EXHIBIT "B"

To Communitization Agreement Dated July 18, 2014, embracing the following described land in Eddy County, New Mexico.

Operator of Communitized Area: **XTO Permian Operating, LLC.**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	USA NMNM 04105A
Lease Date:	March 1, 1952
Lease Term:	5 Years
Lessor:	The United States of America
Original Lessee:	W. R. Seltzer
Present Lessee:	XTO Delaware Basin, LLC
Description of Land Committed:	Township 21 South, Range 30 East, N.M.P.M. Section 30: N/2 NE/4
Number of Acres:	80.00
Royalty Rate:	12.50%
Name and Percent of ORRI Owners:	Those of record
WI Owners and Interests:	XTO Delaware Basin, LLC – 100.00%

Tract No. 2

Lease Serial Number:	USA NMNM 03297B
Lease Date:	April 1, 1952
Lease Term:	5 Years
Lessor:	The United States of America
Original Lessee:	Mrs. Lucy M. English
Present Lessee:	XTO Delaware Basin, LLC
Description of Land Committed:	Township 21 South, Range 30 East, N.M.P.M. Section 29: N/2 N/2
Number of Acres:	160.00
Royalty Rate:	12.5%
Name and Percent of ORRI Owners:	Those of record
WI Owners and Interests:	XTO Delaware Basin, LLC – 100.00%

Tract No. 3

Lease Serial Number: E0-5230-0007
 Lease Date: May 10, 1951
 Lease Term: 5 Years
 Lessor: State of New Mexico
 Original Lessee: Malco Refineries, Inc.
 Present Lessee: XTO Delaware Basin, LLC
 Description of Land Committed: Township 21 South, Range 30 East, N.M.P.M.
 Section 28: NW/4 NW/4; NW/4 NE/4
 Number of Acres: 80.00
 Royalty Rate: 12.5%
 Name and Percent of ORRI Owners: Those of record
 WI Owners and Interests: XTO Delaware Basin, LLC – 100.00%

Tract No. 4

Lease Serial Number: E0-0831-0007
 Lease Date: April 10, 1946
 Lease Term: 5 Years
 Lessor: State of New Mexico
 Original Lessee: Oliver Seth
 Present Lessee: XTO Delaware Basin, LLC
 Description of Land Committed: Township 21 South, Range 30 East, N.M.P.M.
 Section 28: NE/4 NW/4
 Number of Acres: 40.00
 Royalty Rate: 12.5%
 Name and Percent of ORRI Owners: Those of record
 WI Owners and Interests: XTO Delaware Basin, LLC – 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	22.22222%
2	160.00	44.44445%
3	80.00	22.22222%
4	40.00	11.11111%
Total	360.00	100.00000%

BLM-NMSO

FEB:20:2020 14:55:13

RECEIVED

Communitization AgreementContract No. NM NM 141602

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 portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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

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

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

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

Township 21 South, Range 30 East, N.M.P.M.

Section 28: N/2 NW/4; NW/4 NE/4

Section 29: N/2 N/2

Section 30: N/2 NE/4

Eddy County, New Mexico

containing 360.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and crude oil and associated natural gas, 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. 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

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

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is July 18, 2014, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates

and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OPERATOR

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of XTO Permian Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

**XTO Energy Inc, on behalf of
XTO Permian Operating, LLC**

Edwin S. Ryan, Jr.
By: Edwin S. Ryan, Jr.
Title: Agent and Attorney-in-Fact

2/13/2020
Date:

STATE OF TEXAS

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§
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COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this 13th day of February, 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Permian Operating, LLC, a Texas limited liability company, on behalf of said company.

Tammy Ekrut
Notary Public, State of Texas



RECORD TITLE AND OPERATING RIGHTS OWNER (NM 03297B, NM 04105A, E0-5230-0007)
XTO ENERGY INC, ON BEHALF OF
XTO DELAWARE BASIN, LLC

Edwin S. Ryan, Jr.
 By: Edwin S. Ryan, Jr.
 Title: Agent and Attorney-in-Fact

2/13/2020
 Date:

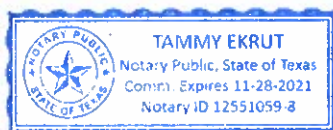
STATE OF TEXAS

§

COUNTY OF HARRIS

§

The foregoing instrument was acknowledged before me this 13th day of February 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Delaware Basin, LLC, a Texas limited liability company, on behalf of said company.



Tammy Ekrut
 Notary Public, State of Texas

RECORD TITLE OWNER (E0-0831-0007)
TDY INDUSTRIES, INC., FORMERLY TELEDYNE INDUSTRIES, INC.
C/O BANK OF AMERICA, N.A. Agent

Teresa Grafton
 By: Teresa Grafton
 Title: Vice President

1-31-2020
 Date:

STATE OF _____ §

§

COUNTY OF _____ §

§

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by _____ as _____ for TDY INDUSTRIES, INC., FORMERLY TELEDYNE INDUSTRIES, INC., a _____ corporation, on behalf of said corporation.

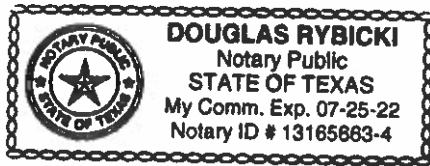
 Notary Public, State of _____

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
 COUNTY OF DALLAS §

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Teresa Grafton, Vice President of Bank of America, N.A., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Bank in the capacity therein stated.

Given under my hand and seal of office this the 31 day of January, 2020.



Notary Signature: *[Signature]*
 Notary Public, State of Texas

OPERATING RIGHTS OWNER (E0-0831-0007)
XTO ENERGY INC., ON BEHALF OF
XTO DELAWARE BASIN, LLC

Edwin S. Ryan, Jr.
By: Edwin S. Ryan, Jr.
Title: Agent and Attorney-in-fact

2/13/2020
Date:

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 13th day of February, 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Delaware Basin, LLC, a Texas limited liability company, on behalf of said company.

Tammy Ekrut
Notary Public, State of Texas



EXHIBIT "A"

Plat of Communitized area covering

N/2 NW/4; NW/4 NE/4 Section 28 T21S, R30E, N.M.P.M.

N/2 N/2 Section 29 T21S R30E, N.M.P.M.

N/2 NE/4 Section 30 T21S R30E, N.M.P.M.

Eddy County, NM

Big Eddy Unit D19 34H

Bone Spring Formation

	Tract 1		Tract 2		Tract 3	Tract 4		SHL
	BHL							
Section 30-21S-30E		Section 29-21S-30E		Section 28-21S-30E				

Big Eddy Unit D19 34H

EXHIBIT "B"

To Communitization Agreement Dated July 18, 2014, embracing the following described land in Eddy County, New Mexico.

Operator of Communitized Area: **XTO Permian Operating, LLC.**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	USA NMNM 04105A
Lease Date:	March 1, 1952
Lease Term:	5 Years
Lessor:	The United States of America
Original Lessee:	W. R. Seltzer
Present Lessee:	XTO Delaware Basin, LLC
Description of Land Committed:	Township 21 South, Range 30 East, N.M.P.M. Section 30: N/2 NE/4
Number of Acres:	80.00
Royalty Rate:	12.50%
Name and Percent of ORRI Owners:	Those of record
WI Owners and Interests:	XTO Delaware Basin, LLC – 100.00%

Tract No. 2

Lease Serial Number:	USA NMNM 03297B
Lease Date:	April 1, 1952
Lease Term:	5 Years
Lessor:	The United States of America
Original Lessee:	Mrs. Lucy M. English
Present Lessee:	XTO Delaware Basin, LLC
Description of Land Committed:	Township 21 South, Range 30 East, N.M.P.M. Section 29: N/2 N/2
Number of Acres:	160.00
Royalty Rate:	12.5%
Name and Percent of ORRI Owners:	Those of record
WI Owners and Interests:	XTO Delaware Basin, LLC – 100.00%

Tract No. 3

Lease Serial Number: E0-5230-0007
 Lease Date: May 10, 1951
 Lease Term: 5 Years
 Lessor: State of New Mexico
 Original Lessee: Malco Refineries, Inc.
 Present Lessee: XTO Delaware Basin, LLC
 Description of Land Committed: Township 21 South, Range 30 East, N.M.P.M.
 Section 28: NW/4 NW/4; NW/4 NE/4
 Number of Acres: 80.00
 Royalty Rate: 12.5%
 Name and Percent of ORRI Owners: Those of record
 WI Owners and Interests: XTO Delaware Basin, LLC – 100.00%

Tract No. 4

Lease Serial Number: E0-0831-0007
 Lease Date: April 10, 1946
 Lease Term: 5 Years
 Lessor: State of New Mexico
 Original Lessee: Oliver Seth
 Present Lessee: XTO Delaware Basin, LLC
 Description of Land Committed: Township 21 South, Range 30 East, N.M.P.M.
 Section 28: NE/4 NW/4
 Number of Acres: 40.00
 Royalty Rate: 12.5%
 Name and Percent of ORRI Owners: Those of record
 WI Owners and Interests: XTO Delaware Basin, LLC – 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	22.22222%
2	160.00	44.44445%
3	80.00	22.22222%
4	40.00	11.11111%
Total	360.00	100.00000%

COPY

Federal/State

Communitization Agreement

BLM-NMSO
FEB:20:2020 14:55:26
RECEIVED

Contract No. NM Nm 141602

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 portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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

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

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

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

Township 21 South, Range 30 East, N.M.P.M.

Section 28: N/2 NW/4; NW/4 NE/4

Section 29: N/2 N/2

Section 30: N/2 NE/4

Eddy County, New Mexico

containing 360.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and crude oil and associated natural gas, 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. 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

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

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is July 18, 2014, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates

and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OPERATOR

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of XTO Permian Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

XTO Energy Inc, on behalf of
XTO Permian Operating, LLC

By: Edwin S. Ryan, Jr.
Title: Agent and Attorney-in-Fact

Date: 2/13/2020

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this 13th day of February, 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Permian Operating, LLC, a Texas limited liability company, on behalf of said company.

Tammy Ekrut
Notary Public, State of Texas



RECORD TITLE AND OPERATING RIGHTS OWNER (NM 03297B, NM 04105A, E0-5230-0007)
XTO ENERGY INC, ON BEHALF OF
XTO DELAWARE BASIN, LLC

Edwin S. Ryan, Jr.
 By: Edwin S. Ryan, Jr.
 Title: Agent and Attorney-in-Fact

2/13/2020
 Date:

STATE OF TEXAS §
 COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 13th day of February 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Delaware Basin, LLC, a Texas limited liability company, on behalf of said company.



Tammy Ekrut
 Notary Public, State of Texas

RECORD TITLE OWNER (E0-0831-0007)
TDY INDUSTRIES, INC., FORMERLY TELEDYNE INDUSTRIES, INC.
C/O BANK OF AMERICA, N.A. Agent

Teresa Grafton
 By: Teresa Grafton
 Title: Vice President

1-31-2020
 Date:

STATE OF _____ §
 COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 2019 by _____ as _____ for TDY INDUSTRIES, INC., FORMERLY TELEDYNE INDUSTRIES, INC., a _____ corporation, on behalf of said corporation.

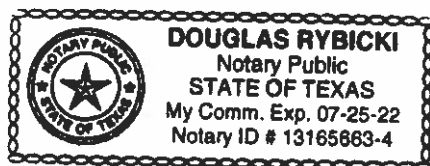
 Notary Public, State of _____

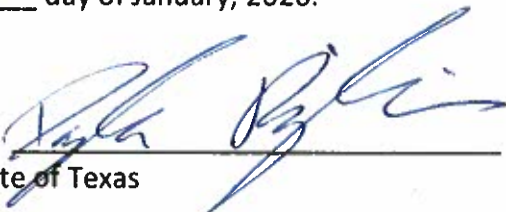
ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Teresa Grafton, Vice President of Bank of America, N.A., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Bank in the capacity therein stated.

Given under my hand and seal of office this the 31 day of January, 2020.



Notary Signature: 
Notary Public, State of Texas

OPERATING RIGHTS OWNER (E0-0831-0007)
XTO ENERGY INC., ON BEHALF OF
XTO DELAWARE BASIN, LLC

Edwin S. Ryan, Jr.
By: Edwin S. Ryan, Jr.
Title: Agent and Attorney-in-fact

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2/13/2020
Date:

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 13th day of February, 2020 by Edwin S. Ryan, Jr., Agent and Attorney-in-Fact of XTO Energy Inc. on behalf of XTO Delaware Basin, LLC, a Texas limited liability company, on behalf of said company.

Tammy Ekrut
Notary Public, State of Texas



EXHIBIT "A"

Plat of Communitized area covering
N/2 NW/4; NW/4 NE/4 Section 28 T21S R30E, N.M.P.M.
N/2 N/2 Section 29 T21S R30E, N.M.P.M.
N/2 NE/4 Section 30 T21S R30E, N.M.P.M.
Eddy County, NM

Big Eddy Unit D19 34H

Bone Spring Formation

[illegible]

Big Eddy Unit DI9 34H

EXHIBIT "B"

To Communitization Agreement Dated July 18, 2014, embracing the following described land in Eddy County, New Mexico.

Operator of Communitized Area: **XTO Permian Operating, LLC.**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	USA NMNM 04105A
Lease Date:	March 1, 1952
Lease Term:	5 Years
Lessor:	The United States of America
Original Lessee:	W. R. Seltzer
Present Lessee:	XTO Delaware Basin, LLC
Description of Land Committed:	Township 21 South, Range 30 East, N.M.P.M. Section 30: N/2 NE/4
Number of Acres:	80.00
Royalty Rate:	12.50%
Name and Percent of ORRI Owners:	Those of record
WI Owners and Interests:	XTO Delaware Basin, LLC – 100.00%

Tract No. 2

Lease Serial Number:	USA NMNM 03297B
Lease Date:	April 1, 1952
Lease Term:	5 Years
Lessor:	The United States of America
Original Lessee:	Mrs. Lucy M. English
Present Lessee:	XTO Delaware Basin, LLC
Description of Land Committed:	Township 21 South, Range 30 East, N.M.P.M. Section 29: N/2 N/2
Number of Acres:	160.00
Royalty Rate:	12.5%
Name and Percent of ORRI Owners:	Those of record
WI Owners and Interests:	XTO Delaware Basin, LLC – 100.00%

Tract No. 3

Lease Serial Number: E0-5230-0007
 Lease Date: May 10, 1951
 Lease Term: 5 Years
 Lessor: State of New Mexico
 Original Lessee: Malco Refineries, Inc.
 Present Lessee: XTO Delaware Basin, LLC
 Description of Land Committed: Township 21 South, Range 30 East, N.M.P.M.
 Section 28: NW/4 NW/4; NW/4 NE/4
 Number of Acres: 80.00
 Royalty Rate: 12.5%
 Name and Percent of ORRI Owners: Those of record
 WI Owners and Interests: XTO Delaware Basin, LLC – 100.00%

Tract No. 4

Lease Serial Number: E0-0831-0007
 Lease Date: April 10, 1946
 Lease Term: 5 Years
 Lessor: State of New Mexico
 Original Lessee: Oliver Seth
 Present Lessee: XTO Delaware Basin, LLC
 Description of Land Committed: Township 21 South, Range 30 East, N.M.P.M.
 Section 28: NE/4 NW/4
 Number of Acres: 40.00
 Royalty Rate: 12.5%
 Name and Percent of ORRI Owners: Those of record
 WI Owners and Interests: XTO Delaware Basin, LLC – 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	22.22222%
2	160.00	44.44445%
3	80.00	22.22222%
4	40.00	11.11111%
Total	360.00	100.00000%