



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:

NMNM140815
3105.2 (NM920)

APR 13 2021

Reference:
Communitization Agreement
Charlie Chocolate 14-15 Fed Com #31H
Section 14: N2N2
Section 15: N2N2
T. 20 S., R. 28 E., N.M.P.M.
Eddy County, NM

OXY USA WTP Limited Partnership
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM140815 involving 40 acres of Federal land in lease NMLC 050797, 40 acres of Federal land in lease NMNM 6856, 120 acres of Federal land in lease NMNM 0541580, and 120 acres of Federal land in lease NMNM 0554216, Eddy County, New Mexico, which comprise a 320.00 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the N2N2 of Sec.14 and the N2N2 of Sec. 15, T. 20 S., R. 28 E., NMPM, Eddy County, NM, and is effective July 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**

Digitally signed by
SHEILA MALLORY
Date: 2021.04.13
13:32:51 -06'00'

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 N2N2 of sec. 14 and the N2N2 of sec. 15, T. 20 S., R. 28 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: **APR 13 2021**

**SHEILA
MALLORY**

Digitally signed by SHEILA MALLORY
Date: 2021.04.13 13:33:36 -06'00'

Sheila Mallory
Deputy State Director
Division of Minerals

Effective: July 1, 2019

Contract No.: Com. Agr. NMNM140815