

# 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: NMNM141730 3105.2 (NM920)

Reference: Communitization Agreement Dos Equis 13 Fed Com 10H Section 13: W2W2 T. 24 S., R. 32 E., N.M.P.M. Lea County, NM

Cimarex Energy Co. 600 N. Marienfeld St, Suite 600 Midland, Texas 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM141730 involving 80 acres of Federal land in lease NMNM 0553548, 40 acres of Federal land in lease NMNM 0553642, and 40 acres of Federal land in lease NMNM 116574, Eddy County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2W2 of Sec. 13, T. 24 S., R. 32 E., NMPM, Lea County, NM, and is effective January 15, 2020. 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.

INTERIOR REGION 6 · ARKANSAS-RIO GRANDE-TEXAS GULF Oklahoma, Texas 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,

la Malling

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 W2W2 of Sec. 13, T. 24 S., R. 32 E., NMPM, Lea 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 3 1 2021

Ahula Mellong

Sheila Mallory () Deputy State Director Division of Minerals

Effective: January 15, 2020

Contract No.: Com. Agr. NMNM141730

			BLM-NMSO MAR:12:2020 13:43:45
Cimar	ex Energy Co.		RECEIVED
600 N	. Marienfeld St.		
Suite (			326 - 214 - 24
	nd, TX 79701		
iviain:	432.571.7800		ar Bart
		0	CIMAREX
Marcl	h 3, 2020		1
		1mmm 141730	
	u of Land Management	14/730	Bureau of Land Management
	2. Greene Street bad, New Mexico 88220		RECEIVED
	Sertified Mail Return Receipt # 9	<u>407 1108 98766 5055 191</u>	MAR 0 6 2020
Re:	Cimarex Energy Co. Communitization Agreement Dos Equis 13 Fed Com 10H	30025 4541	Carlsbad Field Office Carlsbad, NM
			1102

needs SRP

Re: Cimarex Energy Communitization Agreement Dos Equis 13 Fed Com 10H Township 24 South, Range 32 East Section 13: W/2W/2 Lea County, New Mexico

To Whom It May Concern:

We are enclosing herewith for approval four (4) originals of the fully signed and acknowledged Communitization Agreement regarding the captioned well. Upon your approval of the same, please return one (1) approved original to the undersigned at the above letterhead address.

If there is anything further that you should require in regard to this matter, please do not hesitate to contact myself or Dylan Park, landman.

Thank you very much.

Sincerely,

iBennlee

Kaimi Brownlee Land Technician Cimarex Energy Co. 432-571-7868

District 1 1623 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (515) 393-0720 <u>District 11</u> 811 S. First SL, Artesia, NM 88210 Phone: (575) 744-1283 Fax: (575) 748-9720 <u>District 111</u> 1000 Rio Brazos Road, Azuce, NM 87410 Phone: (503) 334-6178 I/m: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 478-3460 Fax: (505) 478-3462

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

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

					REAGE DEDIC	CATION PLAT	Γ	
30-025-45417 96674 Triple X; Bone Spring, West			est					
* Property Code 40201			<u></u>	* Property N OS EQUIS 13 FE				• Well Number IOH
215099				*Operator Name CIMEREX ENERGY CO.				* Elevation 3620.5'
"Surface Location								
UL or lot no. Section C 13	Township 24S	Range 32E	Loi Idn	Feet from the 360	North/South line NORTH	Feel from the 1 320	Rast/West line WEST	County LEA

"Bottom Hole Location If Different From Surface									
UL er lot no. M	Section 13	Township 24S	Renge 32E	Loi Ida	Feel from the 100	North/South line SOUTH	Feet from the 440	East/West line WEST	Cousty LEA
" Dedicated Acre 160	а I	Joint ar Infili	Le Conse	olideilon Code	15 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.



## Federal Communitization Agreement

## Contract No. 17177 141730

THIS AGREEMENT entered into as of the 15th day of January, 2020, 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:

The W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico

Containing **160.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and 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. The Operator of the communitized area shall be Cimarex Energy Co., located at 600 N. Marienfeld Ave, Suite 600, Midland, Texas 79701. 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 January 15, 2020, 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 2year 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. <u>Nondiscrimination.</u> 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.

Cimarex Energy Co. - Operator By: LE Michael DeShazer - Attorney-in-Fact m

Date

## ACKNOWLEDGEMENT

STATE OF TOXAS COUNTY OF Midland ) ss.

On this A day of February, 2020, before me, a Notary Public for the State of Texas, personally appeared Michael DeShazer, known to me to be the Attorney-in-Fact of Cimarex Energy Co., a Delaware Corporation, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

KAIMI BROWNLEE Notary Public, State of Tex-SEAL Notaly ID 126052368

My Commission Expires

France

Notary Public

2/25/2020 Date

ConocoPhillips Company By: Title: Attorney-i

#### ACKNOWLEDGEMENT

STATE OF CXQJ ) ss. COUNTY OF HUMS

On this 25 day of february, 2020, before me, a Notary Public for the State of <u>Icxal</u>, personally appeared <u>Linchary B. Wedelle</u>, known to me to be the <u>Attorney in fact</u> of <u>ConcePhiller Guypary</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



My Commission Expires

11-18-2030

Chevron U.S.A. Inc.

2 2 20 22 Date

Alloney-In-Freet By: Title:

#### ACKNOWLEDGEMENT

STATE OF Texas COUNTY OF Midland ) ss.

On this 20<sup>th</sup> day of <u>tebruary</u>, 2020, before me, a Notary Public for the State of <u>Texas</u>, personally appeared <u>Sacob Velasco</u>, known to me to be the <u>Attorney-In-fact</u> of <u>Cheyron U.S.A. Inc.</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

6-29-2022

PETRA KRISS WOOLDRIDGE Notary Public, State of Texas Comm. Expires 08-29-2022 Notary ID 129866395 Notary ID 129866395

Notary Public

My Commission Expires

Devon Energy Production Co., LP

By: Title: Catherine Lebsack Vice President

## ACKNOWLEDGEMENT

STATE OF OKLAHOMA ) SS. COUNTY OF OKLAHOMA )

On this 4<sup>tht</sup> day of termine, 2020, before me, a Notary Public for the State of <u>OK</u>, personally appeared <u>Catherine Lebsack</u>, known to me to be the <u>Vice President of Devon Energy Production Company</u>, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

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My Commission Expires



lotary P

#### SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of Cimarex Energy Co., 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 : CTE Rom Printed: Michael DeShazer TITLE: Attorney-in-Fact Phone number: 432-571-7800,

email celliott@cimarex.com

## EXHIBIT "A"

Plat of communitized area covering **160.00** acres in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Dos Equis 13 Fed Com 10H

Tract 1 Fed Lease NM-0553548 out of NM-01917 80.00 acres	
Tract 2 Fed Lease NM-0553642 out of NM 02889 40.00 acres	
Tract 3 Fed Lease NM-116574 40.00 acres	

## **EXHIBIT "B"**

To Communitization Agreement Dated January 15, 2020 embracing the following described land in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Cimarex Energy Co.

## DESCRIPTION OF LEASES COMMITTED

### Tract No. 1

Lease Serial Number:	NM-0553548, out of NM-01917		
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/2NW/4		
Number of Gross Acres:	80.00		
Number of Acres:	80.00		
Current Lessee of Record:	Chevron U.S.A. Inc.		
Name of Working Interest Owners:	Cimarex Energy Co.		
Pitch Energy Corpora	/k/a Anna A. Nearburg		
Lease Serial Number:	NM-0553642		
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/4 SW/4		
Number of Gross Acres:	40.00		
Number of Net Acres:	40.00		
Current Lessee of Record:	ConocoPhillips Co.		

Name of Working Interest Owners:

Cimarex Energy Co.

ORRI Owners: ConocoPhillips Company

## Tract No. 3

Lease Serial Number:	NM-116574
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: SW/4 SW/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	Devon Energy Production Co., LP
Name of Working Interest Owners:	Cimarex Energy Co.
ORRI Owners: none	

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	50.0000%
2	40.00	25.0000%
3	40.00	25.0000%
Total	160.00	100.0000%

### Federal Communitization Agreement

## Contract No. <u>(1117171)4</u>)730

THIS AGREEMENT entered into as of the 15th day of January, 2020, 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:

The W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico

Containing **160.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and 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. The Operator of the communitized area shall be Cimarex Energy Co., located at 600 N. Marienfeld Ave, Suite 600, Midland, Texas 79701. 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 January 15, 2020, 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 2year 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. <u>Nondiscrimination</u>. 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.

Cimarex Energy Co. - Operator

Date

By:\_ Michael DeShazer - Attorney-in-Fact

## ACKNOWLEDGEMENT

STATE OF TOXAS COUNTY OF Midland ) ss.

On this A day of FORMANY, 2020, before me, a Notary Public for the State of Texas, personally appeared Michael DeShazer, known to me to be the Attorney-in-Fact of Cimarex Energy Co., a Delaware Corporation, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

SHAL **KAIMI BROWNLEE** Notary Public, State of Texas Comm Expires 03-26-2023 Notary ID 126052368

My Commission Expires

aimi Beaunle

Notary Public

-25-3020 d

Date

ConocoPhillips Company By: Title: tomev-i

#### ACKNOWLEDGEMENT

STATE OF Texas ) ss. COUNTY OF Hams

On this 25 day of the heavy, 2020, before me, a Notary Public for the State of the

(SEAL)



My Commission Expires

11-18-2020

Notary Public

Chevron U.S.A. Inc.

220

Date

Attaney-In-Ent By: Title:

## ACKNOWLEDGEMENT

STATE OF Texas ) ss. COUNTY OF Midland

On this 20<sup>th</sup> day of Lornary, 2020, before me, a Notary Public for the State of TexaS, personally appeared <u>Jacob Velasco</u>, known to me to be the <u>Attorney - In - Fact</u> of <u>Chevron U.S.A. Inc.</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

PETRA KRISS WOOLDRIDGE Notary Public, State of Texas Comm. Expires 08-29-2022 Notary ID 129866395

ide Notary Pu

020 Date

Devon Energy Production Co., LP				
By:	atherine Debreck			
Title:	Catherine Lebsack			
	Vice President 🔿 况			

AD

## ACKNOWLEDGEMENT

STATE OF OKLAHOMA ) SS. COUNTY OF OKLAHOMA )

On this <u>ATH</u> day of <u>Catherine Lebsack</u>, 2020, before me, a Notary Public for the State of <u>OK</u>, personally appeared <u>Catherine Lebsack</u>, known to me to be the <u>Vice President of Devon Energy Production Company</u>, L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires



Notary Public

#### SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of Cimarex Energy Co., 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 : CTE pon Printed: Michael DeShazer

TITLE: Attorney-in-Fact Phone number: 432-571-7800, email celliott@cimarex.com

# EXHIBIT "A"

Plat of communitized area covering 160.00 acres in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Dos	Equis	13	Fed	Com	<b>10H</b>
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Tract 1 Fed Lease NM-0553548 out of NM-01917 80.00 acres	
Tract 2 Fed Lease NM-0553642 out of NM 02889 40.00 acres	
Tract 3 Fed Lease NM-116574 40.00 acres	

## **EXHIBIT "B"**

To Communitization Agreement Dated January 15, 2020 embracing the following described land in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Cimarex Energy Co.

## DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

NM-0553548, out of NM-01917			
Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/2NW/4			
80.00			
80.00			
Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/2NW/4 80.00 80.00 Chevron U.S.A. Inc. Cimarex Energy Co. IV, L.P. K/a Anna A. Nearburg tion <u>No. 2</u> NM-0553642 Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/4 SW/4			
Cimarex Energy Co.			
IV, L.P. /k/a Anna A. Nearburg tion			
<u>t No. 2</u>			
NM-0553642			
Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/4 SW/4			
40.00			
40.00			
ConocoPhillips Co.			

Name of Working Interest Owners:

Cimarex Energy Co.

ORRI Owners: ConocoPhillips Company

## Tract No. 3

Lease Serial Number:	NM-116574
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: SW/4 SW/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	Devon Energy Production Co., LP
Name of Working Interest Owners:	Cimarex Energy Co.
ORRI Owners: none	

# **RECAPITULATION**

	55 C	
Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	50.0000%
2	40.00	25.0000%
3	40.00	25.0000%
Total	160.00	100.0000%

#### Federal Communitization Agreement

## Contract No. 11mm 141730

THIS AGREEMENT entered into as of the 15th day of January, 2020, 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:

The W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico

Containing **160.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and 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. The Operator of the communitized area shall be Cimarex Energy Co., located at 600 N. Marienfeld Ave, Suite 600, Midland, Texas 79701. 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 January 15, 2020, 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 2year 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. <u>Nondiscrimination</u>. 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.

Cimarex Energy Co. - Operator By:\_ Michael DeShazer - Attorney-in-Fact 01

## ACKNOWLEDGEMENT

STATE OF TOLAS COUNTY OF Midland ) ss.

Date

On this A day of February , 2020, before me, a Notary Public for the State of Texas, personally appeared Michael DeShazer, known to me to be the Attorney-in-Fact of Cimarex Energy Co., a Delaware Corporation, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

DEAL KAIMI BROWNLEE Notary Public, State of Texas Comm. Expires 03-26-2023 Notary ID 126052368

My Commission Expires

Zounte

Notary Public
2-25-2020

Date

Conoc	Phillips Company
By:	Lindsay B. Weddle
Title:	Attorney-in-fact

## ACKNOWLEDGEMENT

STATE OF CXAS ) ss. Harris COUNTY OF

On this 35 day of <u>*Remun*</u>, 2020, before me, a Notary Public for the State of <u>*Texal*</u>, personally appeared <u>*Lindsay*</u> B. Weddle, known to me to be the <u>*Attoney-in-fact*</u> of <u>*CuncoPhillips*</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

11-18-2020

My Commission Expires

KELLY KING My Notary ID # 126727639 Expires November 18, 2020

Notary Pub

Chevron U.S.A. Inc.

22020 Date

By: A Honey - In-Title: 1

## ACKNOWLEDGEMENT

STATE OF lexas ) ss. COUNTY OF Midland )

On this 20<sup>th</sup> day of <u>Libruary</u> 2020, before me, a Notary Public for the State of <u>Lexas</u>, personally appeared <u>Jacob Velasco</u>, known to me to be the <u>Aftorney-In-Fact</u> of <u>Cnew wn U.S.A. Inc.</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

6-29-2

PETRA KRISS WOOLDRIDGE Notary Public, State of Texas Comm. Expires 06-29-2022 nos Notary ID 129866395 ( Notary Public

My Commission Expires

020

Devon Energy Production Co., LP

By: Title: Catherine Lebsack Vice President

### ACKNOWLEDGEMENT

) ss.

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

day of tEBD Catherine Lebsack , known to me to be the On this , known to me to be the personally appeared Vice President of Devon Energy Production Company, L.P. , the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

OTHO OTAR # 19010630 EXP. 10/21/23 PUBL OF

Notary Public

**Commission Expires** My

#### SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of Cimarex Energy Co., 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 : LTE PAR Printed: Michael DeShazer TITLE: Attorney-in-Fact Phone number: 432-571-7800,

email celliott@cimarex.com

# EXHIBIT "A"

Plat of communitized area covering **160.00** acres in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Dos	Equis	13	Fed	Com	<b>10H</b>
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Tract 1 Fed Lease NM-0553548 out of NM-01917 80.00 acres	
Tract 2 Fed Lease NM-0553642 out of NM 02889 40.00 acres	
Tract 3 Fed Lease NM-116574 40.00 acres	

# **EXHIBIT "B"**

To Communitization Agreement Dated January 15, 2020 embracing the following described land in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Cimarex Energy Co.

### DESCRIPTION OF LEASES COMMITTED

Lease Serial Number:	NM-0553548, out of NM-01917
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/2NW/4
Number of Gross Acres:	80.00
Number of Acres:	80.00
Current Lessee of Record:	Chevron U.S.A. Inc.
Name of Working Interest Owners:	Cimarex Energy Co.
ORRI Owners: Santa Elena Minerals IV, L.P. Anna A. Reischman f/k/a Anna A. Nearburg Pitch Energy Corporation <u>Tract No. 2</u>	
Lease Serial Number:	NM-0553642
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/4 SW/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	ConocoPhillips Co.

Name of Working Interest Owners:

Cimarex Energy Co.

ORRI Owners: ConocoPhillips Company

Lease Serial Number:	NM-116574
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: SW/4 SW/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	Devon Energy Production Co., LP
Name of Working Interest Owners:	Cimarex Energy Co.
ORRI Owners: none	

# **RECAPITULATION**

	ici	ιά.		
Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area		
1	80.00	50.0000%		
2	40.00	25.0000%		
3	40.00	25.0000%		
Total	160.00	100.0000%		

# Federal Communitization Agreement

# Contract No. 11mm/4/230

THIS AGREEMENT entered into as of the 15th day of January, 2020, 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:

The W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico

Containing **160.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and 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. The Operator of the communitized area shall be Cimarex Energy Co., located at 600 N. Marienfeld Ave, Suite 600, Midland, Texas 79701. 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 January 15, 2020, 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 2year 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. <u>Nondiscrimination</u>. 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.

Cimarex Energy Co. - Operator By:\_ Michael DeShazer - Attomey-in-Fact M

#### ACKNOWLEDGEMENT

STATE OF Tetas COUNTY OF Midland ) ss. )

Date

On this A day of FODY (10, 2020, before me, a Notary Public for the State of Texas, personally appeared Michael DeShazer, known to me to be the Attorney-in-Fact of Cimarex Energy Co., a Delaware Corporation, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)	
NUT ARY PUG	KAIMI BROWNLEE Notary Public, State of Texas
	Comm. Expires 03-26-2023
N ALUY	Notary ID 126052368

Brownlu

-25-2000

Date

ConocoPhillips Compan By Title:

### ACKNOWLEDGEMENT

STATE OF	Texas	)
COUNTY OF	Itamis	) ss. )

On this <u>25</u> day of <u>Ebnan</u>, 2020, before me, a Notary Public for the State of <u>Texas</u>, personally appeared <u>Unbay</u> <u>B</u>. <u>Weddle</u>, known to me to be the <u>Athorney in fact</u> of <u>Concephillips Curpany</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

11-15-2020

KELLY KING My Notary ID # 128727639 Expires November 18, 2020

My Commission Expires

Notary Publ

Chevron U.S.A. Inc.

2/20/20 Date

By: Title:

# ACKNOWLEDGEMENT

STATE OF TEXAS ) ss. COUNTY OF Midland

On this 22<sup>th</sup> day of <u>Coruan</u>, 2020, before me, a Notary Public for the State of <u>Exas</u>, personally appeared <u>Jacob Velasco</u>, known to me to be the <u>Attorney-In-Sact</u> of <u>Chevron U.S.A. Inc.</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

6-29-20

My Commission Expires

PETRA KRISS WOOLDRIDGE Notary Public, State of Texas Comm. Expires 06-29-2022 Notary ID 129866395

Notary Public

neg

11	Devon Energy Production Co., LP
2 4 2020	By: Cotherine Sebreck
Date	Title: <u>Catherine Lebsack</u>
	Vice President 🐧 🥂
ACKNOWLED	GEMENT
STATE OF OKLAHOMA )	
) ss.	
COUNTY OF OKLAHOMA )	
personally appeared <u>Catherine Lebsack</u>	a Notary Public for the State of <u>ok</u> , , known to me to be the
Vice President of Devon Energy Producti	
corporation that executed the foregoing instrumen	t and acknowledged to me such
corporation executed the same.	
(SEAL)	
102123 The OF ORLAND	( Avin Othan
My Commission Expires	Notary Public

#### SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of Cimarex Energy Co., 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 : - CTE 2.PM Printed: Michael DeShazer TITLE: Attorney-in-Fact Phone number: 432-571-7800, email celliott@cimarex.com

# EXHIBIT "A"

Plat of communitized area covering **160.00** acres in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Dos Equis 13 Fed Com 10	H
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Tract 1 Fed Lease NM-0553548 out of NM-01917 80.00 acres	
Tract 2 Fed Lease NM-0553642 out of NM 02889 40.00 acres	
Tract 3 Fed Lease NM-116574 40.00 acres	

# **EXHIBIT "B"**

To Communitization Agreement Dated January 15, 2020 embracing the following described land in the W/2 W/2 of Section 13, Township 24 South, Range 32 East, Lea County, New Mexico.

Operator of Communitized Area: Cimarex Energy Co.

## DESCRIPTION OF LEASES COMMITTED

Lease Serial Number:		NM-0553548, out of NM-01917
Description of Land Committed:		Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/2NW/4
Number of Gross Acr	res:	80.00
Number of Acres:		80.00
Current Lessee of Red	cord:	Chevron U.S.A. Inc.
Name of Working Int	erest Owners:	Cimarex Energy Co.
ORRI Owners:	ners: Santa Elena Minerals IV, L.P. Anna A. Reischman f/k/a Anna A. Nearburg Pitch Energy Corporation	
	Trac	<u>et No. 2</u>
Lease Serial Number:		NM-0553642
Description of Land Committed:		Township 24 South, Range 32 East, N.M.P.M, Section 13: NW/4 SW/4
Number of Gross Acres:		40.00
Number of Net Acres:		40.00
Current Lessee of Record:		ConocoPhillips Co.

Name of Working Interest Owners:

Cimarex Energy Co.

ORRI Owners: ConocoPhillips Company

Lease Serial Number:	NM-116574
Description of Land Committed:	Township 24 South, Range 32 East, N.M.P.M, Section 13: SW/4 SW/4
Number of Gross Acres:	40.00
Number of Net Acres:	40.00
Current Lessee of Record:	Devon Energy Production Co., LP
Name of Working Interest Owners:	Cimarex Energy Co.
ORRI Owners: none	

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	50.0000%
2	40.00	25.0000%
3	40.00	25.0000%
Total	160.00	100.0000%