

COMMISSIONER

Stephanie Garcia Richard

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 **COMMISSIONER'S OFFICE**

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

February 7th, 2024

Preston Cazale MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Communitization Agreement Approval
Nina Cortell Federal Com #112H
Vertical Extent: Wolfcamp
Township: 22 South, Range 32 East, NMPM
Section 3: Lot 3, SE4NW4, E2SW4

Section 10: E2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #112H Communitization Agreement for the Wolfcamp formation effective 1-1-2024. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson Petroleum Specialist

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #112H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 3: Lot 3, SENW4, E2SW4 Section 10: E2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February, 2024.

Auditor C. //

COMMISSIONER OF PUBLIC LANDS

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #112H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 3: Lot 3, SENW4, E2SW4 Section 10: E2W2

Lea County, New Mexico

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- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February, 2024.

COMMISSIONER OF PUBLIC LANDS

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Nina Cortell Federal Com #112H
Wolfcamp
Township: 22 South, Range: 32 East, NMPM
Section 3: Lot 3, SENW4, E2SW4
Section 10: E2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February, 2024.

COMMISSION R OF PUBLIC LANDS

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version COMMUNITIZATION AGREEMENT

API Initial Well: 30-0	-
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THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are describe	ed as follows:
Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10	,
Sect(s) 3&10 , T 22S , R 32E , NMPM Lea	_County, NM
containing 319.92 acres, more or less, and this agreement shall include only	the
Bone Spring	Formation
or pool, underlying said lands and the oil and gas	OE WALL
(hereinafter referred to as "communitized substances") producible from such formation	on.

ONLINE version June 2022 State/Fed/Fee

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- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
- The communitized area shall be developed and operated as an entirety with the 5. understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse OH: OLIMA OENAL MIN ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **January**Month 1st Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any St.O. HA OE WAL HIDS such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

- Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

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Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President

Name & Title of Authorized Agent

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS)

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COUNTY OF DALLAS)

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This instrument was acknowledged before me on February 17th, 2023, by Craig N. Adams, as Executive Vice President for Matador Production Company, on behalf of said corporation.

PRESTON CAZALE Notary ID #132990511 My Commission Expires

Name (Print)

My commission expires 3/23/2025

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

WINC PEIII	Company	
By:	Ou	- u od
Craig N. Ad	lams	000
Print Name		
Date:	2/17/23	

Acknowledgment in a Representative Capacity

STATE OF TEXAS)

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COUNTY OF DALLAS)

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This instrument was acknowledged before me on February 17th, 2023, by Craig N. Adams, as Executive Vice President, for MRC Permian Company on behalf of said corporation.

> PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025

Name (Print)

My commission expires 3/23/2025

34:01 MA OE WAL 4/105

MRC Permian LKE Company, LLC	
By:	
Craig N. Adams Print Name	R. C.
Date: 2/17/23	
Acknowledgment in a l	Representative Capacity
STATE OF TEXAS)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged befor N. Adams, as Executive Vice President , for N of said corporation.	
PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025	Signature Preston Carale Name (Print) My commission expires 3/23/2025

34:0144 OENAL MINIS

McCurdy Energy, LLC	
By:	
Mike McCus Print Name	rdy
Date: 3/2/2023	
	Acknowledgment in an Individual Capacity
STATE OF	§
COUNTY OF	§
This instrument was acknowledged	d before me on, 2023, by
Signature	
Name (Print) My commission expires	
	Acknowledgment in a Representative Capacity
STATE OF TEXAS	§
COUNTY OF Midland	§
This instrument was acknowledged	d before me on March Z, 2023, by Mike McCardy, as
behalf of said corporation.	, for McCurdy Energy, UC on
Signature Hay	
Name (Print) My commission expires 10/18/7	GRIFFIN HAYS My Notary ID # 134021342 Expires October 18, 2026

LH: CHAN DE WALL LY

Charlotte West-Pietenpol /
By: West Sulyne
Charlotte West-Pietenpol Print Name
Date: $\frac{3/16/23}{}$
Acknowledgment in an Individual Capacity
STATE OF COLORAGO §
COUNTY OF LALMURS
This instrument was acknowledged before me on MURA LC , 2023, by Charlotte West Pretenpol
Signature Michelle Josephine Harmande NOTARY PUBLIC STAYE OF COLORADO NOTARY ED 20144025201 My Commission expires My commission expires
Acknowledgment in a Representative Capacity
STATE OF §
COUNTY OF §
This instrument was acknowledged before me on, 2023, by, as
benan of said corporation.
Signature
Name (Print) My commission expires

TH: OF HALL MUST

By:
Tason Goss
Print Name
Date: $\frac{3-10-23}{}$
Acknowledgment in an Individual Capacity
STATE OF Texas
STATE OF Texas § COUNTY OF Midland §
This instrument was acknowledged before me on 18th of Manch, 2023, by JASON 5055 GLORIA ACOSTA
Notary Public STATE OF TEXAS My Comm. Exp. 11-02-23
Signature GLORIA ACUS Notary Public
Signature GLORIA ACUS
ZIACIA ACOSTA Name (Print)
My commission expires $11-2-2023$
A also avaled assessed in a Democratative Compaits
Acknowledgment in a Representative Capacity
STATE OF
COUNTY OF §
This instrument was acknowledged before me on, 2023, by, as
behalf of said corporation.
Signature
Signature
Name (Print)
My commission expires

LH:UIN OEWAL MUST

EXHIBIT "A"

Plat of communitized area covering <u>319.92</u> acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

Tract 1 NMNM- 135247 Acres 79.92		2
Tract 2 VC-0075 Acres 80.00		3
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4		
NMNM- 141008 Acres 40.00	1	0

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:

NMNM-135247

Description of Land Committed:

Township 22 South, Range 32 East,

Section 3: Lot 3, SE/4NW/4

Number of Acres:

79.92

Current Lessee of Record:

MRC Permian LKE Company, LLC

Name of Working Interest Owners:

MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:

VC-0075

Lease Date:

4/1/2017

Lease Term:

5 Years

Lessor:

State of New Mexico

Present Lessee:

MRC Permian Company

Description of Land Committed:

Township 22 South, Range 32 East,

Section 3: E/2SW/4

Subdivisions:

Number of Acres:

80.00

Royalty Rate:

1/5th

Name and WI Owners:

MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952

Description of Land Committed: Township 22 South, Range 32 East,

Section 10: NE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: David Pietenpol

Name of Working Interest Owners: MRC Permian Company

JSG Energy, LLC McCurdy Energy, LLC Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008

Description of Land Committed: Township 22 South, Range 32 East,

Section 10: SE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147

Description of Land Committed: Township 22 South, Range 32 East,

Sec 10: E/2SW/4

Number of Acres: 80.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0 25 - 51461

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are describe	ed as follows:
Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10	
Sect(s) 3&10 , T 22S , R 32E , NMPM Lea	_County, NM
containing 319.92 acres, more or less, and this agreement shall include only	the
Bone Spring	Formation
or pool, underlying said lands and the oil and gas	
(hereinafter referred to as "communitized substances") producible from such formation	on.

State/Fed/Fee

ONLINE version June 2022

- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage. percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse 94:01/4 OF WIF HIR ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **January**Month 1st Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

- Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

On OF WHY THE

Operator: <u>Matador Production Company</u>

By: Craig N. Adams - Executive Vice President

Name & Title of Authorized Agent

Signature of Authorized Agent

600

ACKNOWLEDGEMENT

STATE OF TEXAS)

§

COUNTY OF DALLAS)

§

This instrument was acknowledged before me on February 17th, 2023, by Craig N. Adams, as Executive Vice President for Matador Production Company, on behalf of said corporation.

PRESTON CAZALE
Notary ID #132990511
My Commission Expires
March 23, 2025

Signature

<u>Preston Carale</u> Name (Print)

My commission expires 3/23/1025

ONLINE version August 2021 State/Fed/Fee

94:01/4 OF HALLYON

MRC Permian Company		
By:	$-\omega_0$	
Craig N. Adams	DE	
Print Name	O	
Date: 2/17/23		
Acknowledgment	in a Representative Capacity	
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
	efore me on February 17th, 2023, by RC Permian Company on behalf of said corp	
	Puet	
	Signature	
PRESTON CAZALE Notary ID #132990511 My Commission Expires	Preston Carale	
March 23, 2025	Name (Print)	

Name (Print)

My commission expires 3/23/2025

MRC Permian LKE Company, LLC	
Ву:	wood
Craig N. Adams Print Name	600
Date: 2/17/23	
Acknowledgment in a	a Representative Capacity
STATE OF TEXAS)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged bef N. Adams, as Executive Vice President , for of said corporation.	Fore me on February 17th, 2023, by Crain MRC Permian LKE Company, LLC on behal
PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025	Signature Preston Carale Name (Print) My commission expires 3/23/2025

Charlotte West-Pietenpol	1 1					
By: West-Rus	lumif					
Charlotte West-Pietenpol Print Name						
Date: 3/16/23						
	Acknowledgment in	an Individual Capacity				
STATE OF	§					
COUNTY OF	_ §					
This instrument was acknowled	edged before me on	, 2023, by				
Signature						
Signature						
Name (Print)						
My commission expires	 					
	Acknowledgment in a	Representative Capacity				
			27			
STATE OF	§					
COUNTY OF	§					
This instrument was acknowle	edged before me on	, 2023, by	, as			
	, f	or	on			
behalf of said corporation.						
Signature						
Name (Print) My commission expires						

SH: CHAN OF HAL MON

McCurdy Energy, LLC	
By:	
11.401101	1
Mike M Cur	<u>/ Y</u>
Print Name	•
Date: 3 2 2025	
	Acknowledgment in an Individual Capacity
STATE OF	§
COUNTY OF	§
inis instrument was acknowledg	ed before me on, 2023, by
Signature	
Signature	
Name (Print)	
My commission expires	
A resolution for the second resolution	
	A change ledgment in a Democratative Congritu
	Acknowledgment in a Representative Capacity
STATE OF TEXAS	§
COUNTY OF Midland	
	8
This instrument was acknowledge	ed before me on March Z, 2023, by Mike McCurdy, as
President	, for McCurdy Energy, LLC on
behalf of said corporation.	1
William Has	
Signature	www.
Coriffin Have	GRIFFIN HAYS My Notary ID # 134021342
Name (Print)	Expires October 18, 2026
My commission expires 10 18	120710

OH: OLIVE OE WALLYOU

JSG Energy, LLC			
Ву:			
V Tason Goss			
Print Name			
Date: $3 - 10 - 23$			
Acknowledgmen	t in an Individ	lual Capacity	
STATE OF Texas § COUNTY OF Midland §			
COUNTY OF Midland 8			
	E Manch	2023 by	
This instrument was acknowledged before me on 1870	1 / / / / / / / /	_, 2025, by	GLORIA ACOSTA
			Notary Public STATE OF TEXAS My Comm. Exp. 11-02-23
Gignature Hostn			ter to the second
Signature 70		GLORIA ALUG	
	i.E.	Notary Public	
ZINCI A ACOSTA Name (Print)	8	wii	
My commission expires 11-2-2023	booocco	و بیاناندندن	
Acknowledgment i	n a Represent	ative Capacity	
CTATE OF			
STATE OF §			
COUNTY OF §			
This instrument was acknowledged before me on		_, 2023, by	, as
behalf of said corporation.	, 101		011
Signature			
Name (Print)			
My commission expires			

OH: OF WALLTON

EXHIBIT "A"

Plat of communitized area covering <u>319.92</u> acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

Tract 1 NMNM- 135247 Acres 79.92		2
Tract 2 VC-0075 Acres 80.00		3
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4 NMNM- 141008 Acres 40.00	1	0
Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:

NMNM-135247

Description of Land Committed:

Township 22 South, Range 32 East,

Section 3: Lot 3, SE/4NW/4

Number of Acres:

79.92

Current Lessee of Record:

MRC Permian LKE Company, LLC

Name of Working Interest Owners:

MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:

VC-0075

Lease Date:

4/1/2017

Lease Term:

5 Years

Lessor:

State of New Mexico

Present Lessee:

MRC Permian Company

Description of Land Committed:

Township 22 South, Range 32 East,

Section 3: E/2SW/4

Subdivisions:

Number of Acres:

80.00

Royalty Rate:

1/5th

Name and WI Owners:

MRC Permian Company

Tract No. 3

Lease Serial Number:

NMNM-055952

Description of Land Committed:

Township 22 South, Range 32 East,

Section 10: NE/4NW/4

Number of Acres:

40.00

Current Lessee of Record:

David Pietenpol

Name of Working Interest Owners:

MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number:

NMNM-141008

Description of Land Committed:

Township 22 South, Range 32 East,

Section 10: SE/4NW/4

Number of Acres:

40.00

Current Lessee of Record:

MRC Permian Company

Name of Working Interest Owners:

MRC Permian Company

Tract No. 5

Lease Serial No.:

NMNM-086147

Description of Land Committed:

Township 22 South, Range 32 East,

Sec 10: E/2SW/4

Number of Acres:

80.00

Current Lessee of Record:

MRC Permian Company

Name of Working Interest Owner(s):

MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE. NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

February 13th, 2024

Preston Cazale MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Communitization Agreement Approval

Nina Cortell Federal Com #202H

Vertical Extent: Wolfcamp

Township: 22 South, Range 32 East, NMPM

Section 3: Lot 3, SE4NW4, E2SW4

Section 10: E2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #202H Communitization Agreement for the Wolfcamp formation effective 1-1-2024. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson Petroleum Specialist

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #202H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 3: Lot 3, SE4NW4, E2SW4 Section 10: E2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 13th day of February, 2024.

MMISSIONER OF PUBLIC LANDS

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #202H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 3: Lot 3, SE4NW4, E2SW4 Section 10: E2W2

Lea County, New Mexico

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- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 13th day of February, 2024,

MMISSIONER OF PUBLIC LANDS

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #202H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 3: Lot 3, SE4NW4, E2SW4 Section 10: E2W2

Lea County, New Mexico

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- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 13th day of February, 2024.

COMMISSIONER OF PUBLIC LANDS

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0 25 _ 512-87

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are describ	ed as follows:
Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10	,
Sect(s) 3&10 , T 22S , R 32E , NMPM Lea	_County, NM
containing 319.92 acres, more or less, and this agreement shall include only	the
Wolfcamp	Formation Formation
or pool, underlying said lands and the oil and gas	CE VAL HOW
(hereinafter referred to as "communitized substances") producible from such formation	on: Wy

State/Fed/Fee

ONLINE version June 2022

- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

ONLINE version June 2022

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **January**Month 1st Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

ONLINE version

- Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

ONLINE version

Operator: <u>Matador Production Company</u>

By: Craig N. Adams – Executive Vice President

Name & Title of Authorized Agent

Signature of Authorized Agent

Bod

ACKNOWLEDGEMENT

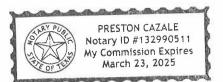
STATE OF TEXAS)

§

COUNTY OF DALLAS)

§

This instrument was acknowledged before me on <u>February 17th</u>, 2023, by Craig N. Adams, as Executive Vice President for Matador Production Company, on behalf of said corporation.



Signature

Preston Carale

Name (Print)

My commission expires 3/23/2025

MRC Permian Company	
By:	- u ()
Craig N. Adams Print Name	go er
Date: 2(17/23	
Acknowledgment in	a Representative Capacity
STATE OF TEXAS)	§
COUNTY OF <u>DALLAS</u>)	§
	re me on February 17th, 2023, by Craig N. Permian Company on behalf of said corporation.
	Signature
PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025	Signature Preston Cacale Name (Print)

Name (Print)

My commission expires 3/23/2025

MRC Permian LKE Company, LLC	^
By:	
Craig N. Adams Print Name	Ro
Date: 2(17(23	
Acknowledgment in a R	epresentative Capacity
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before N. Adams, as Executive Vice President , for M of said corporation.	me on February 17th, 2023, by Craig
PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025	Signature Preston Cazale Name (Print) My commission expires 3/23/2035

JSG Energy, LLC			
By:			
Jason	G055		
Print Name			
Date: $3 - 10 - 2$	23		
	Acknowledgmer	nt in an Individual Capacity	
Tour	-		
STATE OF Texas COUNTY OF Midland	, §		
COUNTY OF Midland	§		
This instrument was acknowled JASON 2005 9	lged before me on	of March, 2023, by	
Signature Signature ACOS Name (Print) My commission expires	TA	GLORIA ACOSTA Notary Public STATE OF TEXAS My Comm. Exp. 11-02-23 Notary ID # 13042739-5	(COCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCC
My commission expires		in a Representative Capacity	
STATE OF	§		
COUNTY OF	§		
This instrument was acknowled	lged before me on	, 2023, by	, as
		, for	on
behalf of said corporation.			
Signature			
Name (Print) My commission expires			

McCurdy Energy, LLC	
By:	
Mite MCur Print Name Date: 3 2 70 13	dy
Date: 3 2 70 L3	
	Acknowledgment in an Individual Capacity
STATE OF	§
COUNTY OF	§
This instrument was acknowledge	ed before me on, 2023, by
Signature	
Name (Print)	
My commission expires	
	Acknowledgment in a Representative Capacity
STATE OF TEXAS	§
COUNTY OF Midland	§
This instrument was acknowledg	ed before me on March Z, 2023, by Mike McCuroly, as
President	, for McCurdy Energy, LLC o
behalf of said corporation.	
Soffen Wa	
Signature House	GRIFFIN HAYS My Notary ID # 134021342
Name (Print)	Expires October 18, 2026
My commission expires 10118	3/7070

Charlotte West-Pietenpol		
By: Clarest-Perker	P. C.	
May offe West-	Piekenpol	
21/12		
Date: $\frac{3/4/23}{}$		
A A	Acknowledgment in an Individual Capacity	
STATE OF COLORADO	§	
COUNTY OF LAREMER	- §	
This instrument was acknowledg	ed before me on MURCH 1(e, 2023, by	
Signature Name (Print) My commission expires	MICHELLE JOSEPHINE HARMANDE NOTARY PUBLIC STATE OF GOLORADO NOTARY ID 20144025201 MY COMMISSION EXPIRES MARCH 31, 2025	
	Acknowledgment in a Representative Capacity	
STATE OF	§	
COUNTY OF	§	
This instrument was acknowledge	ed before me on, 2023, by	, as
	, for	on
behalf of said corporation.		
Signature		
Name (Print) My commission expires		

EXHIBIT "A"

Plat of communitized area covering <u>319.92</u> acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

Tract 1 NMNM- 135247 Acres 79.92		
Tract 2 VC-0075 Acres 80.00		3
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4 NMNM- 141008 Acres 40.00	1	0
Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM-135247

Description of Land Committed: Township 22 South, Range 32 East,

Section 3: Lot 3, SE/4NW/4

Number of Acres: 79.92

Current Lessee of Record: MRC Permian LKE Company, LLC

Name of Working Interest Owners: MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.: VC-0075

Lease Date: 4/1/2017

Lease Term: 5 Years

Lessor: State of New Mexico

Present Lessee: MRC Permian Company

Description of Land Committed:Township 22 South, Range 32 East,

Section 3: E/2SW/4

Subdivisions:

Number of Acres: 80.00

Royalty Rate: 1/5th

Name and WIOwners: MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952

Description of Land Committed: Township 22 South, Range 32 East,

Section 10: NE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: David Pietenpol

Name of Working Interest Owners: MRC Permian Company

JSG Energy, LLC McCurdy Energy, LLC Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008

Description of Land Committed: Township 22 South, Range 32 East,

Section 10: SE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147

Description of Land Committed: Township 22 South, Range 32 East,

Sec 10: E/2SW/4

Number of Acres: 80.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

THE I HILLIAN WELL, SO-O	API Initial	Well:	30-0	-
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THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are descr	ibed as follows:
Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10	
Sect(s) 3&10 , T 22S , R 32E , NMPM Lea	County, NM
containing 319.92 acres, more or less, and this agreement shall include on	ly the
Wolfcamp	FormationF\TM
or pool, underlying said lands and the oil and gas	- CHAL HOW
(hereinafter referred to as "communitized substances") producible from such format	tion.

State/Fed/Fee

ONLINE version

- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. Month 1st ____ Day, 2023 ____ Year, The date of this agreement is **January** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

- Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President

Name & Title of Authorized Agent

Signature of Authorized Agent

Do

ACKNOWLEDGEMENT

STATE OF TEXAS)

§

COUNTY OF DALLAS)

8

This instrument was acknowledged before me on <u>February 17th</u>, 2023, by Craig N. Adams, as Executive Vice President for Matador Production Company, on behalf of said corporation.

PRESTON CAZALE
Notary ID #132990511
My Commission Expires
March 23, 2025

Signature

Preston Carale

Name (Print)

My commission expires 3/23/2025

MRC Permian Company	
By:	nd
Craig N. Adams Print Name	gel
Date: 2(17/23	
Acknowledgment in a Re	presentative Capacity
STATE OF <u>TEXAS</u>)	§
COUNTY OF DALLAS)	§
This instrument was acknowledged before management, as Executive Vice President, for MRC Per	e on February 17th, 2023, by Craig Nemian Company on behalf of said corporation.
PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025	Signature Prestan Cazale Name (Print) My commission expires 3/23/2025

MRC Permian LKE Company, LLC	
By: U	
Craig N. Adams Print Name	
Date: 2(17/2)	
Acknowledgment in a Rep	resentative Capacity
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before m. N. Adams, as Executive Vice President, for MRC of said corporation.	C Permian LKE Company, LLC on behal
PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025	Signature Name (Print) My commission expires 3/23/2025

JSG Energy, LLC		
Ву:		
Jason Cross	_	
Print Name		
Print Name 3 - 10 - 20 2 3 Date:		
Anline		
Acknow	vledgment in an Individual Capacity	
STATE OF \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\		
COUNTY OF Midland 8		
This instrument was acknowledged before me	on 18 Th of Marich, 2023, by	
Signature Alista		
Signature	200000000000000000000000000000000000000	
ENORIA ACOSTA	GLORIA ACOSTA 8 Notary Public	
Name (Print) My commission expires 11-2-2023	STATE OF TEXAS My Comm. Exp. 11-02-23 Notary ID # 13042739-5	
Acknowle	edgment in a Representative Capacity	
STATE OF §		
COUNTY OF §		
This instrument was acknowledged before me	on, 2023, by	, as
	, for	on
behalf of said corporation.		
Signature		
organica V		
Name (Print) My commission expires		

McCurdy Energy, LLC		
By:		
Mike MCus Print Name Date: 3/2/202	O Y	
Date: 3/2/202	3	
	Acknowledgment in an Individual Capacity	
STATE OF	§	
COUNTY OF	§	
This instrument was acknow	edged before me on, 2023, by	
Signature		
Name (Print) My commission expires		
,		
	Acknowledgment in a Representative Capacity	
STATE OF TEXAS	§	
county of Midlan		
This instrument was acknowledged	edged before me on March Z, 2023, by Mike McCuraly, a	as
President	, for McCuroly Energy, LLC	
behalf of said corporation.	in the state of th	
Signature	ay	
Griffin Hay	GRIFFIN HAYS My Notary ID # 134021342	
Name (Print) My commission expires	Expires October 18, 2026	

Charlotte West-Pietenpol		
By: West-Rulingsel		
Marlotte West-Piet	enpol	
Print Name		
Date: West-Ruke	yst.	
	Acknowledgment in an Individual Capacity	
STATE OF COORAGE §		
COUNTY OF Halimel \$		
This instrument was acknowledged by	efore me on Malch 12, 2023, by	
Signature Middle Harm Name (Print) My commission expires	MICHELLE JOSEPHINE HARMANDE NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20144025201 MY COMMISSION EXPIRES MARCH 31, 2025 A 31, 2025	
A	Acknowledgment in a Representative Capacity	
STATE OF §		
COUNTY OF §		
This instrument was acknowledged be	efore me on, 2023, by, a	S
	, for	n
behalf of said corporation.		
Signature		
Name (Print)		

EXHIBIT "A"

Plat of communitized area covering <u>319.92</u> acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

Tract 1 NMNM- 135247 Acres 79.92		2
Tract 2 VC-0075 Acres 80.00		3
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4 NMNM- 141008 Acres 40.00	1	0
Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:

NMNM-135247

Description of Land Committed:

Township 22 South, Range 32 East,

Section 3: Lot 3, SE/4NW/4

Number of Acres:

79.92

Current Lessee of Record:

MRC Permian LKE Company, LLC

Name of Working Interest Owners:

MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:

VC-0075

Lease Date:

4/1/2017

Lease Term:

5 Years

Lessor:

State of New Mexico

Present Lessee:

MRC Permian Company

Description of Land Committed:

Township 22 South, Range 32 East,

Section 3: E/2SW/4

Subdivisions:

Number of Acres:

80.00

Royalty Rate:

1/5th

Name and WI Owners:

MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952

Description of Land Committed: Township 22 South, Range 32 East,

Section 10: NE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: David Pietenpol

Name of Working Interest Owners: MRC Permian Company

JSG Energy, LLC McCurdy Energy, LLC Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008

Description of Land Committed: Township 22 South, Range 32 East,

Section 10: SE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147

Description of Land Committed: Township 22 South, Range 32 East,

Sec 10: E/2SW/4

Number of Acres: 80.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 **COMMISSIONER'S OFFICE**

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

February 7th, 2024

Preston Cazale MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Communitization Agreement Approval

Nina Cortell Federal Com #211H

Vertical Extent: Wolfcamp

Township: 22 South, Range 32 East, NMPM

Section 10: W2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #211H Communitization Agreement for the Wolfcamp formation effective 1-1-2024. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson Petroleum Specialist

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #211H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 10: W2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February, 2024.

MMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #211H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 10: W2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February, 2024.

OMINISSIONER OF PUBLIC LANDS

of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company Nina Cortell Federal Com #211H Wolfcamp Township: 22 South, Range: 32 East, NMPM Section 10: W2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February, 2024.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version COMMUNITIZATION AGREEMENT

API	Initial	Well:	30-0	_	
Z. Z. T. T.	minim	WV CII.	20-0		

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described	l as follows:
Subdivisions W2W2	
Sect(s) 10 , T 22S , R 32E , NMPM Lea	County, NM
containing 160.00 acres, more or less, and this agreement shall include only t	
Wolfcamp	_Formation chill
or pool, underlying said lands and the oil & gas	_Formation_v101
(hereinafter referred to as "communitized substances") producible from such formation	· Oliki

ONLINE version June 2022

- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

ONLINE version June 2022

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **January** Month 1st Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Chillipp OF HAR HOLY

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President

Name & Title of Authorized Agent

Signature of Authorized Agent

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ACKNOWLEDGEMENT

STATE OF TEXAS)

§

COUNTY OF DALLAS)

§

This instrument was acknowledged before me on february 17th, 2023, by Craig N. Adams, as Executive Vice President for Matador Production Company, on behalf of said corporation.

PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025 Signature

Name (Print)

My commission expires 3/23/2025

EH: CHANGO ENAR HIRL

MRC Pern	iian Company	
By:	Cer	u N
Craig N. A	dams	
Print Name		()
Date:	2/17/23	

Acknowledgment in a Representative Capacity

STATE OF TEXAS)

§

COUNTY OF DALLAS)

This instrument was acknowledged before me on <u>February 17th</u>, 2023, by Craig N. Adams, as Executive Vice President, for MRC Permian Company on behalf of said corporation.

PRESTON CAZALE Notary ID #132990511 My Commission Expires

Signature

Preston Cazule

Name (Print)

My commission expires 3/23/2025

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC Permian LKE Company, LLC	
By:	a D
Craig N. Adams Print Name	
Date: 2(17(23	-
Acknowledgment in a Rep	oresentative Capacity
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before n N. Adams, as Executive Vice President, for MR of said corporation.	C Permian LKE Company, LLC on behal
PRESTON CAZALE Notary ID #132990511 My Commission Expires March 23, 2025	Signature Preston Carale Name (Print) My commission expires 3/23/2025
	iviy commission expires // // // // // // // // // // // // //

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JSG Energy, LLC			
Ву:			
Jason	Goss		
Print Name			
Date: 3-/0-	23		
		Igment in an Individual Capacity	
STATE OF Texas COUNTY OF Midlan	§		
COUNTY OF Midlyn	ds		
	1 1 1 1 0	18 AF MARCH 2000	
This instrument was acknow	ledged before me on Z	18 of MAnok, 2023, by	
Signature Information Acos Name (Print)	Y /.		
Signature	> +	GLORIA ACOSTA	
Signature	- A	Notary Public STATE OF TEXAS	
In/ORIA HOS	> / /T	My Comm. Exp. 11-02-23 8 Notary ID # 13042739-5	
Name (Print) My commission expires //		င်းသောကောင်လေလလေလလေ	
iviy commission expires //	2 2 2 3		
	Acknowledge	ment in a Representative Capacity	
COTA TOP OF	0		
STATE OF	§		
COUNTY OF	_ §		
This instrument was acknowle	ledged before me on	, 2023, by	25
behalf of said corporation.		, for	on
benail of said corporation.			
Signature			
Name (Print) My commission expires			

Released to Imaging: 2/13/2025 10:32:43 AM

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McCurdy Energy, LLC	
By: Mike McCurdy Print Name Date: 3/2/2023	
Print Name	
Date: 3/2/2023	
	Acknowledgment in an Individual Capacity
STATE OF	§
COUNTY OF	§
This instrument was acknowledged	before me on, 2023, by
Signature	
Name (Print) My commission expires	
	Acknowledgment in a Representative Capacity
STATE OF TEXAS	§
county of Midland	§
	before me on March 2, 2023, by Mike McCurdy, as
President	, for McCurdy Energy, LLC on
behalf of said corporation.	J/
Signature Hary	
Griffin Hays	GRIFFIN HAYS My Notary ID # 134021342 Expires October 18, 2026
Name (Print) My commission expires 0	711111
	00

Charlotte West-Pietenpol
By: Marlotte West-Retenpol Print Name
Date: 3/16/23
Acknowledgment in an Individual Capacity
STATE OF ROLLING &
COUNTY OF LAR MURE §
This instrument was acknowledged before me on Malch 14, 2023, by Charlotte West - Pieten pol
Signature Signature MICHELLE JOSEPHINE HARMANDE NOTARY PUBLIC STAYE OF COLORADO NOTARY ID 20144025201 MY COMMISSION EXPIRES MARCH 31, 2025 MY COMMISSION EXPIRES MARCH 31, 2025
Acknowledgment in a Representative Capacity
STATE OF COLORGEO § COUNTY OF COLORE § This instrument was acknowledged before me on Mala / Le , 2023, by Charlotte WEST PICK Ras
Signature
Name (Print) My commission expires

EH: CINHY OF HALL MON

EXHIBIT "A"

Plat of communitized area covering <u>160</u> acres in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Nina Cortell Fed Com #211H

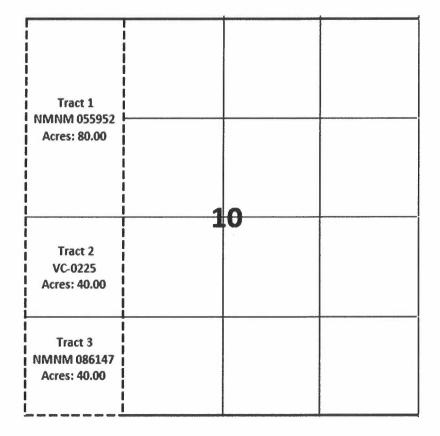


EXHIBIT B

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.:

NMNM-055952

Lessor:

Bureau Land Management

Present Lessee:

David Pietenpol

Description of Land Committed: Subdivisions:

Township 22 South, Range 32 East,

Section 10: W/2NW/4

Number of Acres:

80.00

Name and WIOwners:

MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil & Gas, LLC

TRACT NO. 2

Lease Serial No.:

VC-0225

Lease Date:

9/1/2017

Lease Term:

5 Years

Lessor:

State of New Mexico

Present Lessee:

MRC Permian Company

Description of Land Committed: Subdivisions:

Township 22 South, Range 32 East,

Section 10: NW/4SW/4

Number of Acres:

40.00

Royalty Rate:

1/5th

Name and WIOwners:

MRC Permian Company

TRACT NO. 3

Lease Serial No.:

NMNM-086147

Lessor:

Bureau Land Management

Present Lessee:

MRC Permian Company

Description of Land Committed: Subdivisions:

Township 22 South, Range 32 East,

Sec 10: SW/4SW/4

Number of Acres:

40.00

Name and WIOwners:

MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	80.00	50%
Tract 2	40.00	25%
Tract 3	40.00	25%
Total Acreage	160.00	100%

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version COMMUNITIZATION AGREEMENT

API Initial	Well:	30-0	-
1 KI I IIIICICI	TT CIL.	500	

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

1. The lands cov	vered by this agreement (hereinafter referred to as "commu	nitized area") are described as follows:
Subdivisions_	W2W2	S.1
Sect(s) 10	, T_22S_, R_32E_, NMPM_Lea	County, NM
containing	<u>160.00</u> acres, more or less, and this agreem	nent shall include only the
Wolfcamp		Formation
or pool, under	rlying said lands and the oil & gas	
hereinafter re	eferred to as "communitized substances") producib	ale from such formation

State/Fed/Fee

ONLINE version

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- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

ONLINE version

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **January** Month 1st ____ Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of my such land or interest subject hereto, whether voluntary or not, shall be and herety is conditioned upon the assumption of all obligations hereunder by the grantes transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

EN: JIM OE HAT HIDE

State/Fed/Fee

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President

Name & Title of Authorized Agent

Signature of Authorized Agent

ACKNOWLEDGEMENT

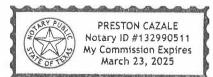
STATE OF TEXAS)

S

COUNTY OF DALLAS)

§

This instrument was acknowledged before me on February 17th, 2023, by Craig N. Adams, as Executive Vice President for Matador Production Company, on behalf of said corporation.



Signature

Name (Print)

My commission expires 3/23/2025

SI DIN CHIEF WITH

MRC Permia	in Company	
Ву:	Cer	
Craig N. Ada Print Name	<u>ms</u>	pla
Date:	2/17/22	·

Acknowledgment in a Representative Capacity

STATE OF TEXAS)

§

COUNTY OF DALLAS)

§

This instrument was acknowledged before me on February 17th, 2023, by Craig N. Adams, as Executive Vice President, for MRC Permian Company on behalf of said corporation.

PRESTON CAZALE
Notary ID #132990511
My Commission Expires
March 23, 2025

Signature

Preston Carake Name (Print)

My commission expires 3(23/2025

State/Fed/Fee

ONLINE version August 2021

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC Permian LKE Company, LLC	
By:w	poel
Craig N. Adams	
Print Name	
Date: 2/17/23	-
Acknowledgment in a I	Representative Capacity
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before Adams, as Executive Vice President, for MRC corporation.	me on February 17th, 2023, by Craig N. Permian LKE Company, LLC on behalf of said
PRESTON CAZALE Notary ID #132990511 My Commission Expíres March 23, 2025	Signature Signature Carale Name (Print) My commission expires 3/23/2025

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JSG Energy, LLC			
By:			
Toson C	1055		
Print Name			
Date: $\frac{3}{10-2}$	3	_	
	Acknowledg	gment in an Individual Capacity	
STATE OF Texas	§		
STATE OF Texas COUNTY OF Midland	8		
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This instrument was acknowledged	a before me on /	, 2023, by	
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Signature			
		000000000000000000000000000000000000000	
EloRiA AloSTA		GLORIA ACOSTA Notary Public	
Name (Print) My commission expires //- 2-		STATE OF TEXAS My Comm. Exp. 11-02-23	
,		Notary ID # 13042739-5	
	Acknowledge	nent in a Representative Capacity	
		cont in a resp. oscillation of Capacity	
STATE OF	§		
COUNTY OF	§		
This instrument was acknowledged	d before me on _	, 2023, by	, as
		, for	on
behalf of said corporation.			
Signature			
Name (Print)			
My commission expires			

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McCurdy Energy, LLC	
By:	
	······································
Print Name Date: 3 2 2023	
Date: 3/2/2023	
	Acknowledgment in an Individual Capacity
STATE OF	§
COUNTY OF	§
This instrument was acknowledged	before me on, 2023, by
Signature	
Name (Print) My commission expires	
	Acknowledgment in a Representative Capacity
STATE OF TEXAS	§
COUNTY OF Midland	§
This instrument was acknowledged	before me on March Z, 2023, by Mike McCurdy, as
President	, for McCurdy Energy, U.C. on
behalf of said corporation.	, ioi prisculty grady tote. on
Siffin Hay	
Signature	GRIFFIN HAYS
Name (Print)	My Notary ID # 134021342 Expires October 18, 2026
My commission expires 10 18	10700 Expires October 18, 2026
	, O ₂

Charlotte West-Pietenpol
By: West Tukyal
Charlotte West-Pietenpol Print Name
Date: $3/16/23$
Acknowledgment in an Individual Capacity
STATE OF COLOTTACLO § COUNTY OF Salimer §
This instrument was acknowledged before me on Malch / (e, 2023, by
Signature MICHELLE JOSEPHINE HARMANDE NOTARY PUBLIC STATE OF CCLORADO NOTARY ID 20144025201 MY COMMISSION EXPIRES MARCH 31, 2025 My commission expires March 31, 2025
Acknowledgment in a Representative Capacity
STATE OF §
COUNTY OF §
This instrument was acknowledged before me on, 2023, by, as
, foron
behalf of said corporation.
Signature
Name (Print)
My commission expires

Chillips Ochthening

EXHIBIT "A"

Plat of communitized area covering <u>160</u> acres in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Nina Cortell Fed Com #211H

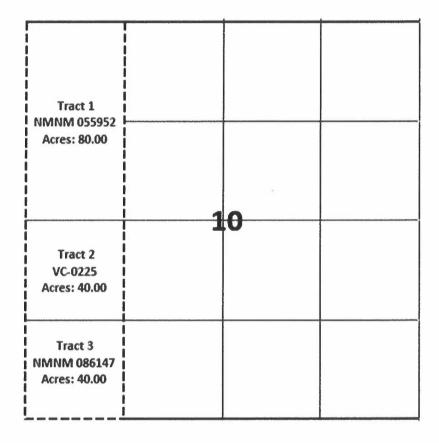


EXHIBIT B

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Operator of Communitized Area: <u>Matador Production Company</u>

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.:

NMNM-055952

Lessor:

Bureau Land Management

Present Lessee:

David Pietenpol

Description of Land Committed: Subdivisions:

Township 22 South, Range 32 East,

Section 10: W/2NW/4

Number of Acres:

80.00

Name and WIOwners:

MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil & Gas, LLC

TRACT NO. 2

Lease Serial No.:

VC-0225

Lease Date:

9/1/2017

Lease Term:

5 Years

Lessor:

State of New Mexico

Present Lessee:

MRC Permian Company

Description of Land Committed: Subdivisions:

Township 22 South, Range 32 East,

Section 10: NW/4SW/4

Number of Acres:

40.00

Royalty Rate:

1/5th

Name and WIOwners:

MRC Permian Company

TRACT NO. 3

Lease Serial No.:

NMNM-086147

Lessor:

Bureau Land Management

Present Lessee:

MRC Permian Company

Description of Land Committed: Subdivisions:

Township 22 South, Range 32 East, Sec 10: SW/4SW/4

Number of Acres:

40.00

Name and WIOwners:

MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	80.00	50%
Tract 2	40.00	25%
Tract 3	40.00	25%
Total Acreage	160.00	100%

csived by QCD: Ap(1912024)9v12:1	8 AM State of New Mex	rico	FormPage 9
Office District I – (575) 393-6161	Energy, Minerals and Natura	al Resources	Revised July 19, 202
1625 N. French Dr., Hobbs, NM 88240			ELL API NO.
District II - (575) 748-1283	OIL CONSERVATION I		0-025-51461
811 S. First St., Artesia, NM 88210 District III – (505) 334-6178	1220 South St. Franc	1 7	Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410	Santa Fe, NM 875		STATE FEE
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Pe, INIVI 673	6.	State Oil & Gas Lease No.
SUNDRY NOT (DO NOT USE THIS FORM FOR PROPO	TICES AND REPORTS ON WELLS DISALS TO DRILL OR TO DEEPEN OR PLUC	G BACK TO A N	Lease Name or Unit Agreement Name ina Cortell Fed Com
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other			Well Number 112H
2. Name of Operator MATADOR PRODUCTION CO.		9.	OGRID Number 228937
3. Address of Operator		10). Pool name or Wildcat
5400 LBJ Freeway, Ste 1500, Dal	las, TX 75240	B	ilbrey Basin; Bone Spring
4. Well Location			
Unit Letter N: 242 f	eet from the South line and 1	711feet from the_	Westline
Section 10	Township 22-S Range 32		MPM County Lea
P SVIII WAS AS A WALL OF	11. Elevation (Show whether DR, I		FAIT DE SAN SE VANDA
	3790'	. , , , ,	自然主义。[2] 自然,然后是
PERFORM REMEDIAL WORK TEMPORARILY ABANDON DULL OR ALTER CASING DOWNHOLE COMMINGLE CLOSED-LOOP SYSTEM OTHER: 13. Describe proposed or com	CHANGE PLANS MULTIPLE COMPL pleted operations. (Clearly state all pe	REMEDIAL WORK COMMENCE DRILLII CASING/CEMENT JO OTHER: extinent details, and gi	DB ve pertinent dates, including estimated d
of starting any proposed w proposed completion or re	ork). SEE RULE 19.15.7.14 NMAC.	For Multiple Comple	etions: Attach wellbore diagram of
Pursuant to Administrative peen approved.	e Order PLC-865-A, Matador files this	s notice that the attach	ed three communitization agreements ha
Spud Date:	Rig Release Date	e:	
	4 4 4	t at my lenandadaa an	a nettet
hereby certify that the information	above is true and complete to the bes	at of my knowledge an	d benef.
			sistant General Counsel DATE 4/19/24
SIGNATURE 5272		Vice President and As	sistant General Counsel DATE 4/19/24
SIGNATURE 5272 Type or print name Kyle Perkins	TITLE Senior V E-mail address: Kperkins@matadorre	Vice President and As	sistant General Counsel DATE 4/19/24 E: 972-371-5202

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Action 335245

CONDITIONS

Operator:	OGRID:
MATADOR PRODUCTION COMPANY	228937
One Lincoln Centre	Action Number:
Dallas, TX 75240	335245
	Action Type:
	[C-103] Sub. General Sundry (C-103Z)

CONDITIONS

Created By		Condition Date
sarah.clelland	ACCEPTED FOR RECORD ONLY; any revisions or the addition of wells to the commingling project shall be reported in accordance with the Commingling Order.	2/13/2025