



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office

301 Dinosaur Trail

Santa Fe, New Mexico 87508

www.blm.gov/new-mexico



IN REPLY REFER TO:

NMNM139560
3105.2 (NM920)

Reference:

Communitization Agreement

Black River 3-10 Fed Com WCA #4H

Section 03: W2

Section 10: W2

T. 24 S., R. 26 E., N.M.P.M.

Eddy County, NM

Chisholm Energy
800 Cherry Street, Suite 1200 Unit 20
Fort Worth, TX 76102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM139560 involving 318.160 acres of Federal land in lease NMNM 96047, 280 acres of Federal land in lease NMLC 064200, and 40 acres of Federal land in lease NMNM 0413245 Eddy County, New Mexico, which comprise a 638.160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolf Camp formation beneath the W2 of Sec. 03, and W2 of Sec. 10, T. 24 S., R. 26 E., NMPM, Eddy County, NM, and is effective June 08, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

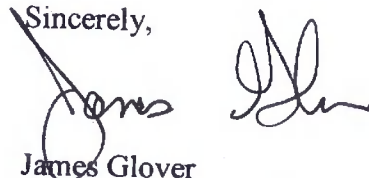
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Indra Dahal, Geologist at (505) 954-2201.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'James Glover', is written over the word 'Sincerely,'.

James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

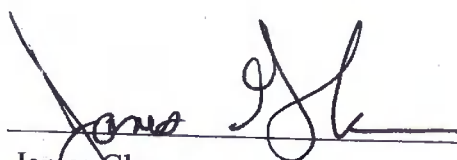
NMSO (NM925, File)

Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2 of sec. 03 and W2 of sec. 10, T. 24 S., R. 26 E., NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:


James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: June 08, 2018

Contract No.: Com. Agr. NMNM139560