



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Pecos District
Carlsbad Field Office
620 E. Greene

Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

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IN REPLY REFER TO:
NMNM137568
3105.2 (P0220)

30-015-44095

Reference:
Communitization Agreement
Cedar Canyon 23 Fed Com #6H
Section 23: N2S2
Section 24: N2SW
T. 24 S., R. 29 E., N.M.P.M.
Eddy County, NM

OXY USA Inc.
Attn: Jeremy Murphrey.
P.O. Box 4294
Houston, TX 77210-4294

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM137568 involving 160.00 acres of Federal land in lease NMNM81586, 40 acres of Federal land in lease NMNM93477 and 40.00 acres of Federal land in lease NMNM88138, Eddy County, New Mexico, which comprise a 240 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the N2S2, Sec. 23, and the N2SW of Sec. 24, T. 24 S., R. 29 E., NMPM, Eddy County, NM, and is effective July 15, 2017. 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.

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:

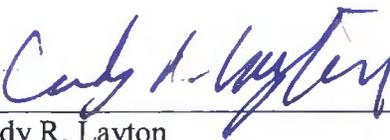
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement 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 N2S2 of sec. 23 and the N2SW of Sec. 24, T. 24 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

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

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 01/10/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: July 15, 2017

Contract No.: Com. Agr. NMNM137568