

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



RECEIVED

AUG 21 2019

LAND DEPARTMENT

In Reply Refer To:

NMNM139713 3105.2 (NM925)

AUG 0 8 2019

Reference:

Communitization Agreement Corral Canyon Fed Com #16H Section 8: E2E2 Section 17: E2E2 T. 25 S., R. 29 E., N.M.P.M. Eddy County, NM

XTO Energy Inc. 22777 Springwoods Village Pkwy Spring, TX 77389-1425

To Whom It May Concern:

Enclosed is an approved copy of Communitization Agreement NMNM139712 involving 80 acres of Federal land in lease NMNM55929, 160 acres of Federal land in lease NMNM99147, and 80 acres of Federal land in lease NMNM96848, Eddy County, New Mexico, which comprise a 320-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2E2, Sec. 8 and E2E2, Sec. 17, T. 25 S., R. 29 E., NMPM, Eddy County, NM, and is effective Janruary 01, 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, contact Idu Opral C. Ijeoma (505) 954-2152.

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

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)

<u>Determination - Approval - Certification</u>

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 E2E2, Sec. 8 and E2E2, Sec. 17, T. 25 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Bone Springs 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:

AUG 0 8 2019

James Glover

Supervisory Geologist

Branch-of Reservoir Management

Division of Minerals

Effective: January 01, 2018

Contract No.: Com. Agr. NMNM139713