

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 28th day of September, 2017, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, Section 21: N/2N/2, Eddy County, New Mexico.

Containing 160.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be OXY USA Inc., 5 Greenway Plaza, Suite 110, Houston, TX 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September 28, 2017, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OXY USA Inc.
Operator

Date

By: _____
John V. Schneider, Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20____, by
JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on
behalf of said corporation.

Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER FOR NMNM 085893, NMNM 086550 and NMNM 086908
LESSEE OF RECORD FOR NM 086908

OXY USA INC.

Date

By: _____
John V. Schneider, Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20____, by
JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on
behalf of said corporation.

Notary Public in and for the State of Texas

NAME: _____

)

1

by _____, as _____ of EOG RESOURCES.

EXHIBIT "A"

Plat of communitized area covering **160.00** acres in N/2N/2 of Section 21, Township 24 South,
Range 29 East, Eddy County, New Mexico.

Cedar Canyon 21 Federal Com 21H

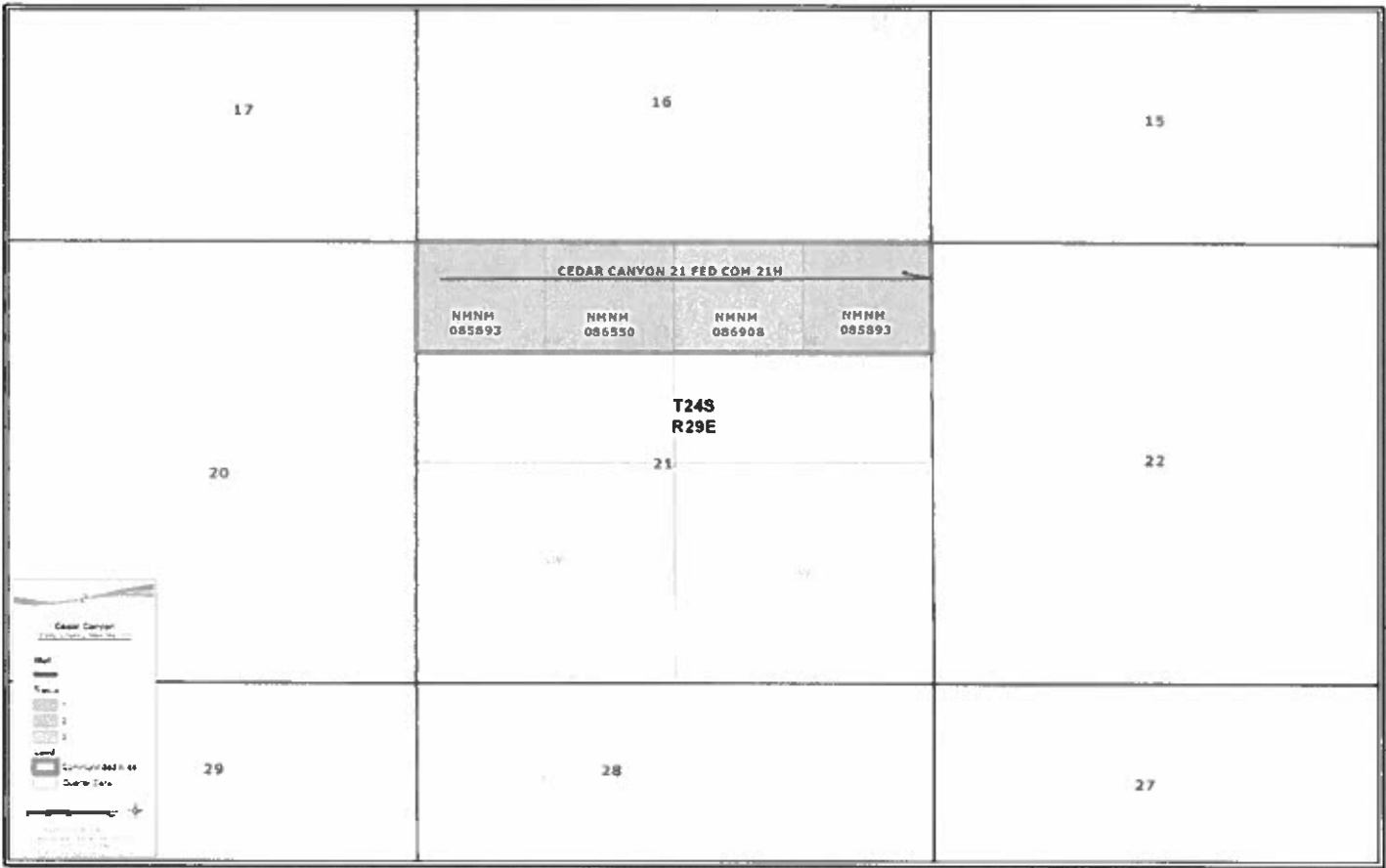


EXHIBIT "B"

To Communitization Agreement Dated September 28, 2017 embracing the following described land in N/2N/2 of Section 21, Township 24 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM - 085893
Description of Land Committed:	Township 24 South, Range 29 East, Section 21: NE/4NE/4, NW/4NW/4
Number of Acres:	80.00
Current Lessee of Record:	EOG Resources, Inc.
Name and Percent of WI Owners:	OXY USA Inc. – 100%

Tract No. 2

Lease Serial Number:	NMNM - 086550
Description of Land Committed:	Township 24 South, Range 29 East, Section 21: NE/4 NW/4
Number of Gross Acres:	40.00
Current Lessee of Record:	EOG Resources, Inc.
Name and Percent of WI Owners:	OXY USA Inc. – 100%

Tract No. 3

Lease Serial Number:	NMNM - 086908
Description of Land Committed:	Township 24 South, Range 29 East, Section 21: NW/4 NE/4
Number of Gross Acres:	40.00
Current Lessee of Record:	OXY USA Inc.
Name and Percent of WI Owners:	OXY USA Inc. – 100%

RECAPITULATION

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

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of October, 2017, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, Section 21: S/2N/2, Eddy County, New Mexico.

Containing 160.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be OXY USA Inc., 5 Greenway Plaza, Suite 110, Houston, TX 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 1, 2017, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

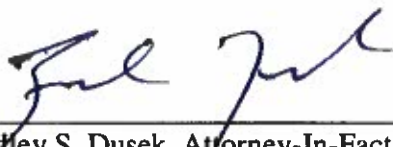
hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.


12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OXY USA Inc.
Operator

5/17/19
Date

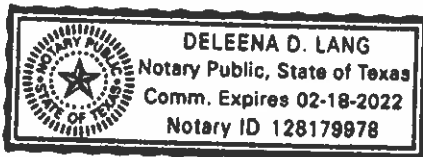
By: 
Bradley S. Dusek, Attorney-In-Fact



ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on May 17, 2019, by
BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on
behalf of said corporation.



Deleena D. Lang
Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER AND LESSEE OF RECORD FOR NM 085893, NM 086550
and NM 086908

OXY USA INC.

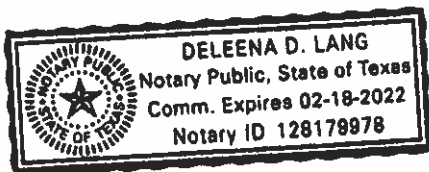
5/17/19
Date

By: [Signature]
Bradley S. Dusek, Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on May 17, 2019, by
BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on
behalf of said corporation.



Deleena D. Lang
Notary Public in and for the State of Texas

LESSEE OF RECORD FOR NM 085893 and NM 086550

EOG RESOURCES, INC.

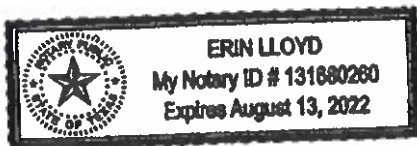
4-23-19
Date

BY: Wendy Dalton
NAME: Wendy Dalton
TITLE: Agent & Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Texas)
COUNTY OF Midland)

This instrument was acknowledged before me on this the 23rd day of April, 2019,
by Wendy Dalton, as Agent & Attorney-in-Fact of EOG RESOURCES,
INC., a Delaware corporation, on behalf of said corporation.



Erin Lloyd
Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering **160.00** acres in S/2N/2 of Section 21, Township 24 South,
Range 29 East, Eddy County, New Mexico.

Cedar Canyon 21 Federal Com 22H

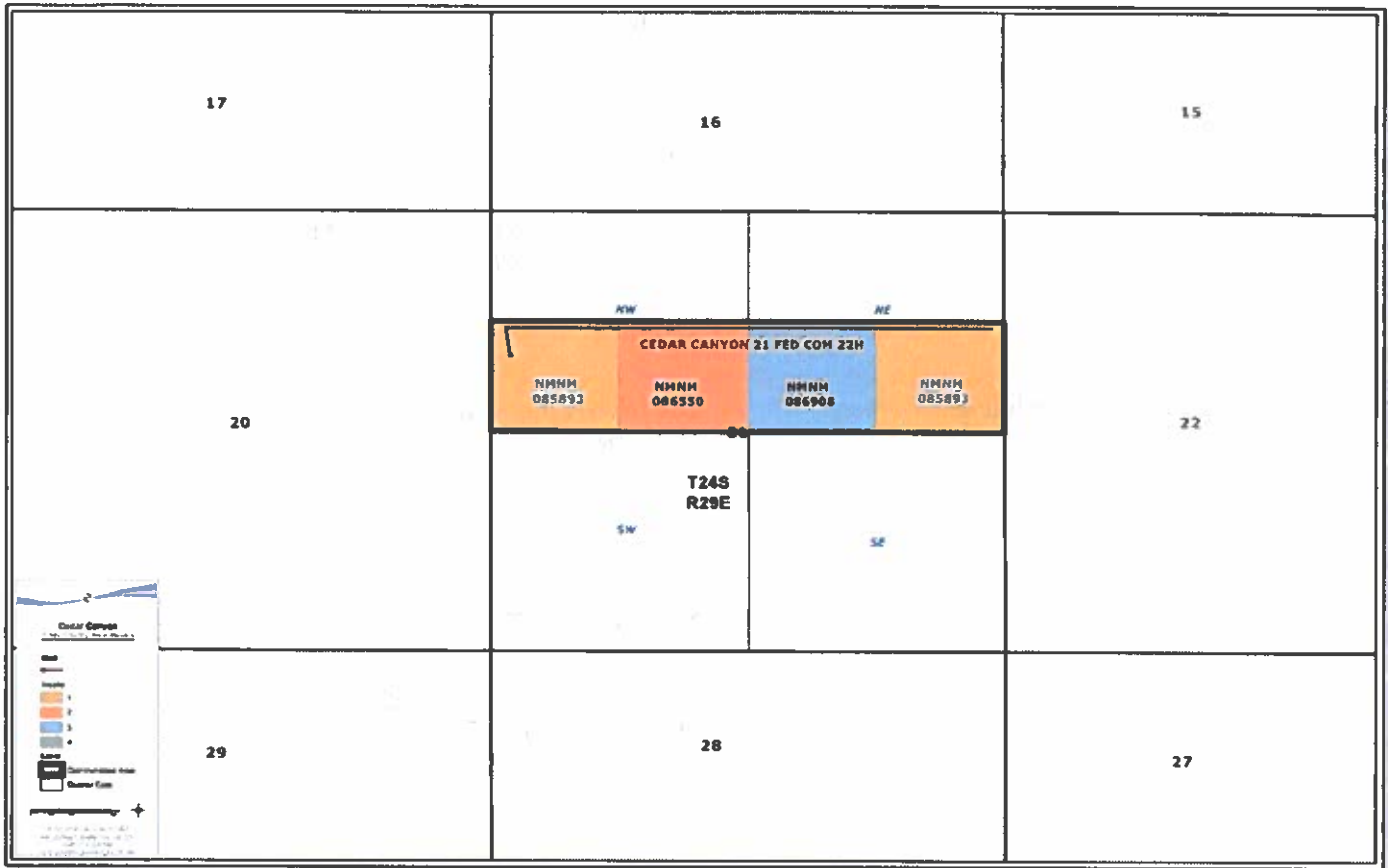


EXHIBIT "B"

To Communitization Agreement Dated October 1, 2017 embracing the following described land in S/2N/2 of Section 21, Township 24 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM - 085893

Description of Land Committed: Township 24 South, Range 29 East,
Section 21: SE/4NE/4, SW/4NW/4

Number of Acres: 80.00

Name of Working Interest Owners: OXY USA Inc. – 100%
*EOG Resources, Inc. – 0% WI (Lessee only)

Tract No. 2

Lease Serial Number: NMNM - 086550

Description of Land Committed: Township 24 South, Range 29 East,
Section 21: SE/4NW/4

Number of Gross Acres: 40.00

Name of Working Interest Owners: OXY USA Inc. – 100%
*EOG Resources, Inc. – 0% WI (Lessee only)

Tract No. 3

Lease Serial Number: NMNM - 086908

Description of Land Committed: Township 24 South, Range 29 East,
Section 21: SW/4NE/4

Number of Gross Acres: 40.00

Name of Working Interest Owners: OXY USA Inc. – 100%

RECAPITULATION

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

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of September, 2017, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, Section 21: N/2, Eddy County, New Mexico.

Containing 320.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be OXY USA Inc., 5 Greenway Plaza, Suite 110, Houston, TX 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September 1, 2017, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

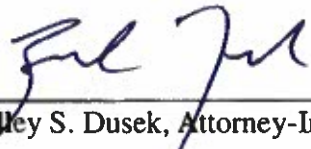
hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OXY USA Inc.
Operator

5/17/19
Date

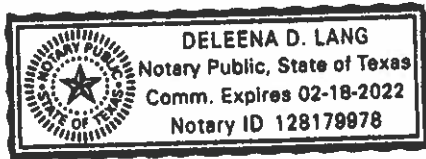
By: 
Bradley S. Dusek, Attorney-In-Fact

*ADM
SBR
JH*

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on May 17, 2019, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.



Deleena D. Lang
Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER AND LESSEE OF RECORD FOR NM 085893, NM 086550 and NM 086908

OXY USA INC.

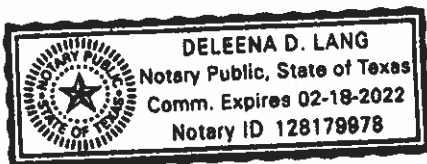
5/17/19
Date

By: [Signature]
Bradley S. Dusek, Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on May 17, 2019, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.



Deleena D. Lang
Notary Public in and for the State of Texas

LESSEE OF RECORD FOR NM 085893 and NM 086550

EOG RESOURCES, INC.

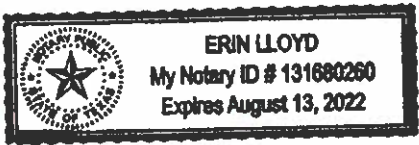
4-23-19
Date

BY: Wendy Dalton
NAME: Wendy Dalton
TITLE: Agent & Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Texas
COUNTY OF Midland

This instrument was acknowledged before me on this the 23d day of April, 20 19,
by Wendy Dalton, as Agent & Attorney-in-Fact of EOG RESOURCES,
INC., a Delaware corporation, on behalf of said corporation.



Erin Lloyd
Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in N/2 of Section 21, Township 24 South,
Range 29 East, Eddy County, New Mexico.

Cedar Canyon 21 Federal Com 31H



EXHIBIT "B"

To Communitization Agreement Dated September 1, 2017 embracing the following described land in N/2 of Section 21, Township 24 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM - 085893

Description of Land Committed: Township 24 South, Range 29 East,
Section 21: E/2NE/4, W/2NW/4

Number of Acres: 160.00

Name of Working Interest Owners: OXY USA Inc. – 100%
*EOG Resources, Inc. – 0% WI (Lessee only)

Tract No. 2

Lease Serial Number: NMNM - 086550

Description of Land Committed: Township 24 South, Range 29 East,
Section 21: E/2NW/4

Number of Gross Acres: 80.00

Name of Working Interest Owners: OXY USA Inc. – 100%
*EOG Resources, Inc. – 0% WI (Lessee only)

Tract No. 3

Lease Serial Number: NMNM - 086908

Description of Land Committed: Township 24 South, Range 29 East,
Section 21: W/2NE/4

Number of Gross Acres: 80.00

Name of Working Interest Owners: OXY USA Inc. – 100%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	50.0000%
2	80.00	25.0000%
3	<u>80.00</u>	<u>25.0000%</u>
Total	320.00	100.0000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of October, 2017, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, Sections 21 & 22: S/2 N/2, Eddy County, New Mexico.

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

This agreement will affect only the production from the wellbore of the Cedar Canyon 21-22 Fed Com #32H well located at an approximate surface location of 1794' from the NORTH line and 141' from the WEST line of Section 21, Township 24 South, Range 29 East and a bottom hole location of 1700' from the NORTH line and 180' from the EAST

line of Section 22, Township 24 South, Range 29 East, and shall not affect the allocation of production to any existing wells on the above described lands or on lands previously communitized with any of the above described lands.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA Inc., 5 Greenway Plaza, Suite 110, Houston, TX 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and

separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 1, 2017, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-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.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OXY USA Inc.
Operator

10/16/18
Date

By:

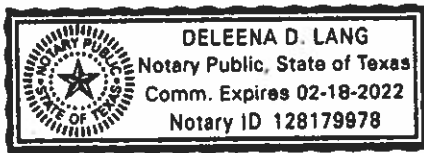

Bradley S. Dusek, Attorney-In-Fact

*9am
OK
JR*

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on October 16, 2018, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.



[Signature]
Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER AND LESSEE OF RECORD FOR NM 05893, NM 086550, NM 086908 and NM 081586

OXY USA INC.

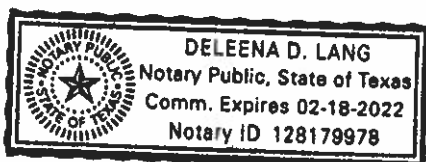
10/16/18
Date

By: [Signature]
apm Bradley S. Dusek, Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on October 16, 2018, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.



[Signature]
Notary Public in and for the State of Texas

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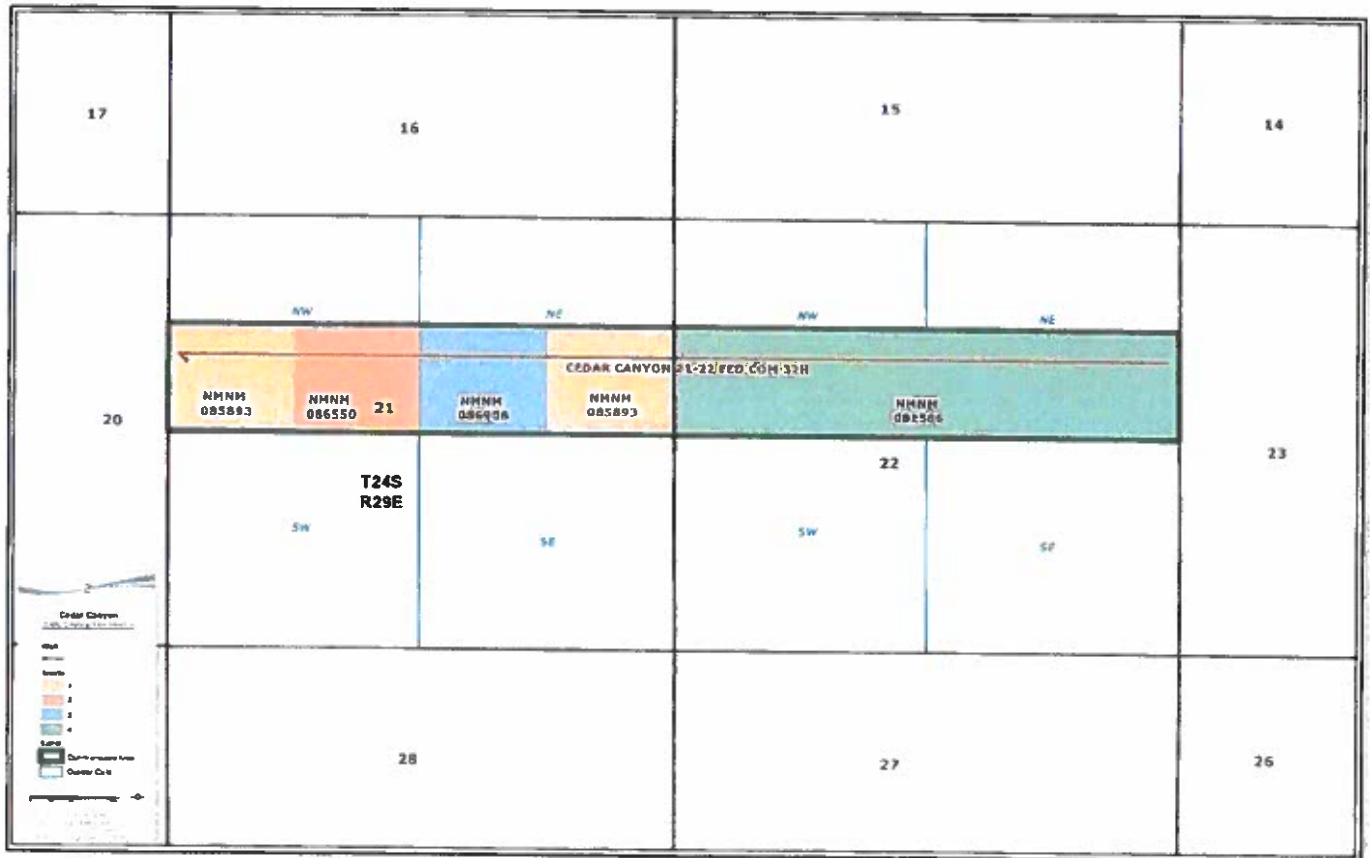


EXHIBIT "B"

To Communitization Agreement Dated September 1, 2017 embracing the following described land in S/2 N/2 of Sections 21 & 22, Township 24 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM - 085893

Description of Land Committed: Township 24 South, Range 29 East,
I.M., Section 21: SE/4NE/4, SW/4NW/4

Number of Acres: 80.00

Name of Working Interest Owners: OXY USA Inc.

Tract No. 2

Lease Serial Number: NMNM - 086550

Description of Land Committed: Township 24 South, Range 29 East,
I.M., Section 21: SE/4NW/4

Number of Gross Acres: 40.00

Name of Working Interest Owners: OXY USA Inc.

Tract No. 3

Lease Serial Number: NMNM - 086908

Description of Land Committed: Township 24 South, Range 29 East,
I.M., Section 21: SW/4NE/4

Number of Gross Acres: 40.00

Name of Working Interest Owners: OXY USA Inc.

Tract No. 4

Lease Serial Number:	NMNM - 081586
Description of Land Committed:	Township 24 South, Range 29 East, I.M., Section 22: S/2N/2
Number of Gross Acres:	160.00
Name of Working Interest Owners:	OXY USA Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	25.0000%
2	40.00	12.5000%
3	40.00	12.5000%
4	<u>160.00</u>	<u>50.0000%</u>
Total	320.00	100.0000%



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



IN REPLY REFER TO:
NM136578
3105.2 (P0220)

12/16/2016

Reference:
Communitization Agreement
Cedar Canyon 22 Fed Com 5H
T. 24 S., R. 29 E.,
Sec. 22: N2S2
Eddy County, NM

OXY USA INC.
P.O. Box 4294
Houston, TX 77210-4294

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136578 involving 40 acres of Federal land in lease NMNM13996 and 120 acres of Federal land in lease NMNM81586, Eddy County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the N2S2 of sec. 22, T. 24 S., R. 29 E., NMPM, and is effective 11/01/2016. 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 Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Cody R. Layton", with a stylized flourish at the end.

Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

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. 22, 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.

- 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: 12/16/2016



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 11/01/2016

Contract No.: Com. Agr. NM136578

COMMUNITIZATION AGREEMENT

Contract No. NMI36578

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 parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

Township 24 South, Range 29 East, NMPM
Section 22: N/2 S/2

Eddy County, New Mexico

containing 160.00 acres, more or less, and this agreement shall include only the Bone Spring formation underlying said lands and the hydrocarbons (hereinafter referred to as communitized substances:) producible from such formation.

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 four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced 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.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the Communitization Agreement area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the

provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is November 1, 2016, 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 duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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 the capability 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 during the period of nonproduction. The 2-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.
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, or his duly authorized representative.
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 fee and State Mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. 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. Nondiscrimination: 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:

OXY USA Inc.

DATE: 11/8/2016

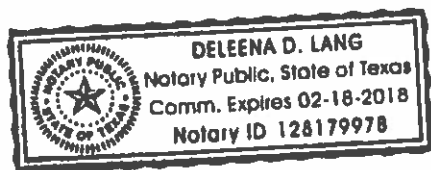
BY: 

Bradley S. Dusek
Attorney-in-Fact

DM
JVS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on November 8, 2016, by Bradley S. Dusek, Attorney-in-Fact of OXY USA Inc., a Delaware corporation, on behalf of said corporation.




Notary Public in and for the State of ~~Texas~~

LESSEES OF RECORD

DATE: 11/8/2016

OCCIDENTAL PERMIAN LIMITED PARTNERSHIP
By: Occidental Permian Manager LLC,
General Partner

By: [Signature]

Name: BURNEY DUSTIN

Title: Attorney in Fact

qpm
JVS

ACKNOWLEDGEMENTS

STATE OF Texas)
COUNTY OF Harris)

This instrument was acknowledged before me on November 8, 2016, by Bradley Derek, Attorney in Fact of Occidental Permian Manager LLC, a Delaware limited liability company, as General Partner of Occidental Permian Limited Partnership, a Texas limited partnership, on behalf of Occidental Permian Limited Partnership.

[Signature]

Notary Public in and for the State of Texas

Notary's name printed: Deleena D. Lang

Notary's commission expires: February 18, 2018

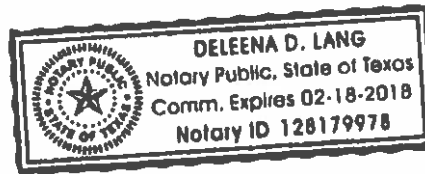


EXHIBIT "A"

Attached to and made a part of that certain Communitization Agreement dated November 1, 2016,
by OXY USA Inc., embracing the N/2 S/2 of Section 22, Township 24 South, Range 29 East, NMPM, all in
Eddy County, New Mexico

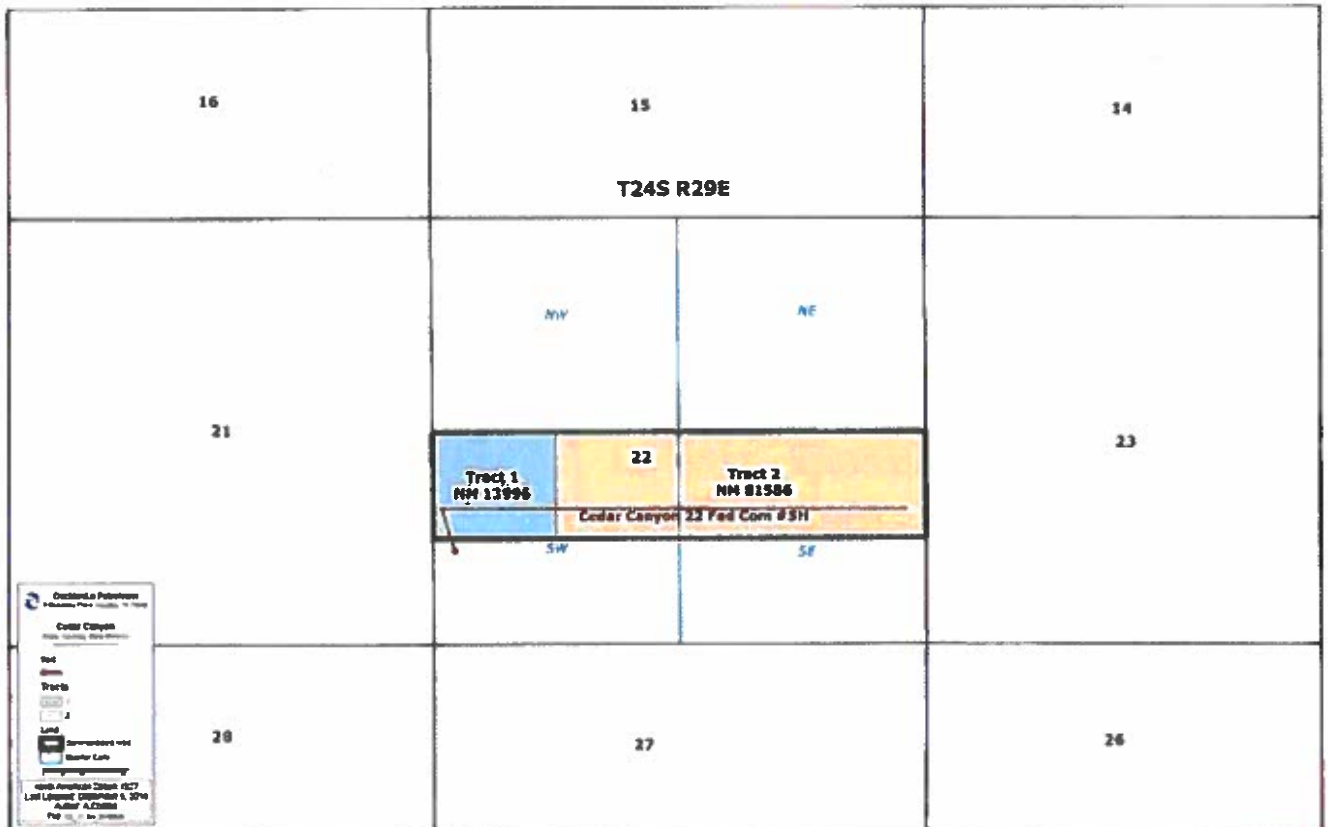


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated November 1, 2016, by OXY USA Inc., embracing the N/2 S/2 Section 22, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico

Operator of Communitized Area: OXY USA Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No.: 1

Lease Serial No.: NM NM 13996
Description of Land Committed: NW/4 SW/4, Sec. 22, T24S-R29E, NMPM
Number of Acres: 40.00 acres
Lessee of Record: Occidental Permian Limited Partnership
Name and Percent WI Owner:

OXY USA Inc.	72.97%
Mobil Producing Texas & New Mexico Inc.	12.50%
GD McKinney Investments LP	4.81%
Wayne Newkumet and Linda Newkumet	4.72%
Leopard Petroleum LP	1.00%
DRW Energy LLC	1.00%
B. Jack Reed	1.00%
Beryl Oil and Gas, LP	1.00%
M'Lissa L. McKinney Shoening	1.00%

Tract No.: 2

Lease Serial No.: NM NM 81586
Description of Land Committed: NE/4 SW/4 and N/2 SE/4, Sec. 22, T24S-R29E, NMPM
Number of Acres: 120.00 acres
Lessee of Record: OXY USA Inc

Name and Percent WI Owner:

OXY USA Inc. 100.00% WI

RECAPITULATION

<u>TRACT NO.</u>	<u>NUMBER OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST IN COMMUNITIZED AREA</u>
No. 1	40.00	25.00%
No. 2	120.00	75.00%
	160.00	100.00%