

United States Department of the Interior



BUREAU OF LAND MANAGEMENT New Mexico State Office 301 Dinosaur Trail Santa Fe, New Mexico 87508 https://www.blm.gov/new-mexico

MAR 1 7 2021

In Reply Refer To: NMNM141309 3105.2 (NM920)

Reference:

Communitization Agreement Bonaid Federal Com #15H Section 17: W2W2 Section 20: W2W2 T. 24 S., R. 35 E., N.M.P.M. Lea County, NM

COG Operating, LLC One Concho Center 600 West Illinois Ave. Midland, TX 79701

Ms. Chappell:

Enclosed is an approved copy of Communitization Agreement NMNM141309 involving 240 acres of Federal land in lease NMNM134886 and 80 acres of fee land, Lea 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 W2W2 of Secs. 17 and 20, T. 24 S., R. 35 E., NMPM, Lea County, NM, and is effective September 1, 2019. 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 Elizabeth Rivera at (505) 954-2162.

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

Sincerely,

Sheila Mallory

Deputy State Director 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)
NM STATE LAND COMM.

<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 W2W2 of Secs. 17 and 20, T. 24 S., R. 35 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:

MAR 1 7 2021

Deputy State Director
Division of Minerals

Effective: September 1, 2019

Contract No.: Com. Agr. NMNM141309





JAN 2 3 2020

BLM, NMSO SANTA FE

January 20, 2020

Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508

MMMMM 141309

RE:

Communitization Agreement Bonaid Federal Com #15H 3002545057

Township 24 South - Range 35 East, NMPM

Section 17: W2W2 Section 20: W2W2 Containing 320 Acres Lea County, New Mexico

To Whom It Concerns:

Enclosed are two (2) originals and two (2) copies of the Bonaid Federal Com #15H Communitization Agreement for approval covering the subject lands in the Bone Spring formation. Following approval, please return to me in the envelope provided.

Should you have any questions, I can be reached at 432-688-6641 or email at Mchappell@concho.com.

Sincerely,

COG Operating LLC

Melody Chappell

Melody Chappell Land Tech II, NDB East

DISTRICT I

1625 N. FERRICE DA. BORRAS, NON BASAGE
PROMISE (1874) 1825-4111 Face (1874) 1825-4111 Page (1874) DISTRICT I Form C-102 Revised August 1, 2011 Submit one copy to appropriate RECEIVED District Office DISTRICT IV
1030 S. ST. FRANCES DR., SANTA PF. 100 07405
Phone: (408) 478-3460 Pag: (805) 478-3488 O AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Cade 9 80% NOLF POUR Pool Name 30-025- 4505 Wildcat; Bone Spring Property Code Property Name Wall Number 32226 **BONAID FEDERAL COM** 15H OGRID No. Operator Name Elevation 229137 COG OPERATING, LLC 3376.5 Surface Location UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feel from the East/West line County D 17 24-S 35-E 210 NORTH 1080 WEST LEA Bottom Hole Location If Different From Surface VL or lot No. Section Township Range Feet from the North/South line Feet from the East/West line County 20 24-S 35-E 200 SOUTH 990 WEST LEA Dedicated Acres Joint or Joffill Consolidation Code 320 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION of ERATOR CERTIFICATION

I hereby certify that the information
herein is true and complete to the best of
my knowledge and belief, and that this
arganization either was a warking interest
or universed mineral interest in the land
including the proposed bettom hale location
or has a right to will this well at this
location pursuant to a contract with an
location pursuant to a contract with an
location for such mineral or working fainers,
or to a voluntary pooling agreement or a
compulsory pooling actor herelofure entered
by the division. Y=445768.2 N <u>Y=446780.7 N</u> X=831874.5 E X=830555.4 E æ NMNM134886⁴ 330' FML & 990' FML NAD BJ NME LONG - 103.394866 W GRIO AZ. 10 FTP 215 20 22 SURFACE LOCATION Y=446568.5 N MAR X=831636.7 E 3-12-19 LAT.=32.224207" N LEASE N-ING LAT = 37.717575 N LONG = 703.394885 Signatur LONG.=10J.394575' W Date Mayte Reves Printed Name FEE < LEASE X-ING LAT.-32.210294 N ING.-103.344837 W mreyes1@concho.com E-mail Address SURVEYOR CERTIFICATION SECTION 17 I herely certify that the wall location shown on this plat was plotted from field notes of selvel surveys made by me or under my supervision, and that the same is true and currect to the best of my belief. SECTION EO **VMNM134886**9 .79'29'2, ----10030.9 **DECEMBER 21, 2017** Date of Survey Signature & Seal of Professional Surveyor NAD 83 NME CHARCAGE PROPOSED BOTTOM EM MEXICO HOLE LOCATION Y=436417.1 N X=831637.2 E 330' FSL & 990' FM. LAT = 32,196663' H LAT.=32.196305' N 17777 LONG.=103.394860° W LONG = 103.394867 W <u>Y=436220.2 N</u> X=831971.9 E Y=436207.8 N X=830649.1 E <u>/11/18</u> W.O. 17-1612 DRAWN 17777 DRAWN BY: JH

JAN 2 3 2020

Federal Communitization Agreement

BLM, NMSO SANTA FE

Contract No. <u>477771141309</u>

THIS AGREEMENT entered into as of the 1st day of September, 2019, 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 35 East, N.M.P.M.

Section 17: W/2W/2 Section 20: W/2W/2 Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation as defined by the NMOCD, underlying said lands and the oil, natural gas and associated liquid hydrocarbons 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 COG Operating LLC, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. 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, 2019**, 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.

OPERATOR:

COG OPERATING LLC

By: Sean Johnson

Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS

This instrument was acknowledged before me on the

COUNTY OF MIDLAND

day of January Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware Limited Liability Company, on

behalf of same.

Becky Zindel Notary Public, State of Texas Notary ID 12941587-2 ly Commission Exp. 07-10-2021

My Commission expires:

	COG Operating LC
Date:	By:
	Sean Johnson
	Attorney-in-Fact
	- Van
	COG Production LLC
Date:	By:
10-10-10-10-10-10-10-10-10-10-10-10-10-1	Sean Johnson
	Sean Johnson Attorney-in-Fact
	VIII
	Tap Rock Resources, LLC
Date:	Ву:
Date.	Name: Claudana Sociale
	Name: Clayton Spones Title: Ve Land Alega
	Crown Oil Partners VI, LLC
Date:	Ву:
	Name:
	Title:
	Crump Energy Partners III, LLC
Date:	Ву:
	Name:
	Title:
	Topwater Resources, LLC
Date:	Ву:
	Name:
	Title:
	Chevron U.S.A. Inc.
	Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:
	Name:
	Title

EH

	COG Operating LLC
Date:	Ву:
	Mark A. Carter
	Attorney-in-Fact
	Tap Rock Resources, LLC
Date:	Ву:
	Name;
	Title:
	Crown Oil Partners VI, LLC
Date:	2018 By: Francis Bull
Date.	Name: Granden Glade.
	Title: Uni Resided
	Crump Energy Partners III, LLC
Date:	Ву:
	PUN Name: Nuble Starres
	PON Name: Noble Stames Title: Anthonize/ Person
	Topwater Resources, LLC
Date:	Ву:
	Name:
	Title:
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #1468
Date:	Ву:
	Name:
	Title:
	11101

	COG Operating LLC
Date:	Ву:
	Mark A. Cartes
	Attorney-in-Fact
	Tap Rock Resources, LLC
Date:	Ву:
	Name;
	Title:
	Crown Oil Partners VI, LLC
Date:	Ву:
A86.42 (940)	Name:
	Title:
	Crump Energy Partners III, LLC
Date:	Ву:
	Name:
	Title:
	Topwater Resources, LLC
Date: 2-6-2019	By: Robert A Box
	Name: Robert A. Rock
	Title: Director
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:
	Name:
	Title:

ACKNOWLEDGEMENTS

STATE OF TEXAS §
COUNTY OF MIDLAND §
The foregoing instrument was acknowledged before me on the
Becky Zindel Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021 NOTARY PUBLIC in and for the State of Texas
STATE OF TEXAS § 8
COUNTY OF MIDLAND §
The foregoing instrument was acknowledged before me on the day of
Sean Johnson, as Attorney-In-Fact of COG PRODUCTION LLC, a Texas limited liability company, on behalf of said limite
Becky Zindel Notary Public, Stote of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021
STATE OF <u>CO</u> §
COUNTY OF ACKERS \$
This instrument was acknowledged before me on the 15th day of November, 2019, be Clearly Sporish, as VP Land Clearly of TAP ROCK RESOURCES LLC, a Delaware limited liability of on behalf of said LCC EMILY KASA Novary Public Stere of Colorad Notbry 1D # 20184039277 My Corpus and Fyricas 10.04 2022
My Commission Expires 10-04-2022
STATE OF §
COUNTY OF §
This instrument was acknowledged before me on the day of, 2019, b
LLC, a, on behalf of said
NOTARY PUBLIC in and for the State of

ACKNOWLEDGEMENTS

STATE OF TEXAS §	
COUNTY OF MIDLAND §	
The foregoing instrument was acknowledged before me on the Mark-A. Carter, as Attorney-In-Fact of COG OPERATING I limited liability company.	· · · · · · · · · · · · · · · · · · ·
	NOTARY PUBLIC in and for the State of Texas
STATE OF	
This instrument was acknowledged before me on the	
LLC, a, on behalf of	said of TAP ROCK RESOURCES,
	NOTARY PUBLIC in and for the State of
STATE OF Texas & COUNTY OF MINICAL & STATE OF MINIC	day of February 2019, by of CROWN OIL PARTNERS VI,
Delaware LLC on behalf of	said <u>LLC</u>
WALKER JAMES MEADOWS My Commission Expires August 25, 2019	NOTARY PUBLIC in and for the State of TX
STATE OF TEXAS & COUNTY OF MINICAL & S This instrument was acknowledged before me on the Noble Stanes, as Addrized III, LLC, a Delawae LLC, on behal	OF CRUMP ENERGY PARTNERS
, on behin	
WALKER JAMES MEADOWS My Commission Expires August 25, 2019	NOTARY PUBLIC in and for the State of

ACKNOWLEDGEMENTS -cont'd

STATE OF Kass §	
COUNTY OF Milland \$	
This instrument was acknowledged before me or	n the leth day of February. 2019, by
Robert A. Rook, as Dic	of TOPWATER RESOURCES, LLC.
a TCSBS LLC , on behalf of	
	Laura B lumo
Notary Public, State of Texas Notary iD 199645-1 My Commission Exp. 02-14-2023	NOTARY PUBLIC in and for the State of TEXAS

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in W/2W/2 of Sections 17 and 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Bonaid Federal Com #15H

TRACT 1
Fee Leases



TRACT 2 USA NM 134886



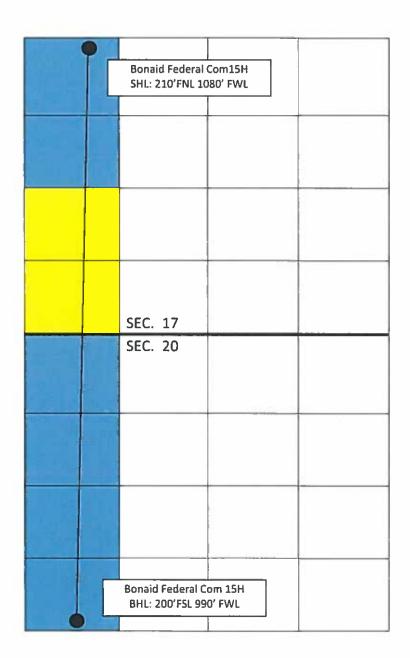


EXHIBIT "B"

Attached to and made part of that Designation of Unit made by COG OPERATING LLC, et al, designating the Bonaid Federal Com #15H Unit

OIL AND GAS LEASES AND/OR OIL AND GAS INTERESTS SUBJECT TO THIS DESIGNATION OF UNIT

TRACT 1

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1717, Page 170, Lea County Records

Lessor:

Neal Parks King, et ux

Original Lessee:

Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5

WI Owner Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 238, Lea County Records

Lessor:

Rebecca Hunter

Original Lessee: Current Lessee:

Sam Shackelford **COG Production LLC**

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate:

80 1/5

WI Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 241, Lea County Records

Lessor: Original Lessee: David F. K. Puckett Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5

WI Owners Names & Interests:

COG Production LLC Of Record 100%

ORRI Owners:

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 246, Lea County Records

Lessor: Original Lessee: Mary Jack Johnson Sam Shackelford COG Production LLC

Current Lessee:
Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5 COG Production LLC

WI Owners Names & Interests:

100%

ORRI Owners:

Of Record

Lease Effective Date:

March 18, 2011

Lease Term:

5 Years

Recordation: Lessor: Book 1723, Page 596, Lea County Records The Mildred A. Broman Living Trust

Original Lessee: Current Lessee: Sam Shackelford

Description of Land Committed:

COG Production LLC

cription of Land Committed: Insola

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80 1/5

Royalty Rate: WI Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

Lease Term: 5 Years

Recordation: Book 1720, Page 474, Lea County Records

Lessor: Katherine Madera
Original Lessee: Sam Shackelford
Current Lessee: COG Production LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

February 25, 2011

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/5

WI Owners Names & Interests: COG Production LLC 100%

ORRI Owners: Of Record

Lease Effective Date: February 1, 2018

Lease Term: 3 Years

Recordation: Book 2129, Page 824, Lea County Records

Lessor: Michael Fred Madera
Original Lessee: COG Operating LLC
Current Lessee: COG Operating LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: COG Operating LLC 100%

ORRI Owners: Of Record

Lease Effective Date: May 30, 2017 Lease Term: 4 Years

Recordation: Book 2112, Page 122, Lea County Records

Lessor: Mildred Madera McCall
Original Lessee: Legion Petroleum, LLC
Current Lessee: Tap Rock Resources, LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 3/16

WI Owners Names & Interests: Tap Rock Resources, LLC 100%

ORRI Owners: Of Record

March 19, 2018

Lease Term:

3 Years

Recordation:

Unrecorded at this time

Lessor:

5588 Oil, LLC

Original Lessee: Current Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC
Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80 1/4

Royalty Rate: WI Owners Na: ORRI Owners;

I Ouman Namas P. Intanasta

WI Owners Names & Interests:

Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Of Record

Lease Effective Date:

March 29, 2018

Lease Term:

3 Years

Recordation: Lessor: Unrecorded at this time

Original Lessee:

Oak Valley Mineral and Land, LP, et al

Current Lessee:

Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres:

80 1/4

Royalty Rate: WI Owners Names & Interests:

Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC 10

ORRI Owners:

Of Record

Lease Effective Date:

February 22, 2018

Lease Term:

3 Years

Recordation:

Book 2131, Page 345, Lea County Records

Lessor: Original Lessee: Lela Ellen Madera COG Operating LLC COG Operating LLC

Current Lessee:
Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Number of Acres: Royalty Rate: Lea County, New Mexico 80

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

Of Record

1/4

May 28, 2018

Lease Terms:

3 Years

Recordation:

Book 2135, Page 715, (as amended in Bk 2135, Pg 604)

Lea County Records

Lessor:

Katherine Ross Madera Sharbutt

Original Lessee: Current Lessee:

Ozark Royalty Co Topwater Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

Royalty Rate:

1/5

WI Owners Names & Interests:

Topwater Resources, LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

February 25, 2011

Lease Term:

5 Years

Recordation:

Book 1892, Page 99, Lea County Records

Lessor: Original Lessee: Pamela Madera Sam L. Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Number of Acres:

Lea County, New Mexico 80

Royalty Rate:

1/5

Wl Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

TRACT 2

Lease Effective Date:

October 1, 2015

Lease Terms: Recordation

10 Years Not Recorded

Lessor:

USA NM-134886 COG Operating LLC

Original Lessee: Current Lessee:

COG Operating LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2NW/4 Sec. 20: W/2W/2

Lea County, New Mexico

Number of Acres: Royalty Rate:

240 12-1/2

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

Of Record

May 30, 2017

Lease Terms:

4 Years

Recordation:

Book 2121, Page 660, Lea County Records

Lessor:

Rubert "Bert" Madera and Montie Carol Madera, as

Managing Members of the Pitchfork Cattle Company, LLC

Original Lessee:

Legion Petroleum, LLC

Current Lessee:

Tap Rock Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico 3/16

Royalty Rate:

WI Owners Names &Interests:

Tap Rock Resources, LLC 100%

ORRI Owners:

Of Record

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	25,0000%
No. 2	240.00	75.0000%
	320.00	100.0000%

JAN 2 3 2020

Federal Communitization Agreement

BLM, NMSO SANTA FE

Contract No. 77 77 141309

THIS AGREEMENT entered into as of the 1st day of September, 2019, 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 35 East, N.M.P.M.

Section 17: W/2W/2 Section 20: W/2W/2 Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation as defined by the NMOCD, underlying said lands and the oil, natural gas and associated liquid hydrocarbons 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 COG Operating LLC, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. 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.
- The date of this agreement is September 1, 2019, and it shall become effective as of this 10. 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. <u>Nondiscrimination</u>. 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.

OPERATOR:

COG OPERATING LLC

MIC

Date: 1/17/2020

By:

Sean Johnson Attorney-In-Face

ACKNOWLEDGEMENT

STATE OF TEXAS

8

COUNTY OF MIDLAND

8

This instrument was acknowledged before me on the _____ day of ______, 2019, by Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware Limited Liability Company, on behalf of same.

Becky Zindel
Notary Public, State of Texas
Notary ID 12941587-2
My Commission Exp. 07-10-2021

Notary Public in and for the State of Texas

My Commission expires: 7/10/21

Date:	Sean Johnson Attorney-in-Fact
Date:	By: Scan Johnson Attorney-in-Fact
Date:	Tap Rock Resources, LLC By: Name: Clauten Spanes Title: VP Land Alega P
Date:	Crown Oil Partners VI, LLC By: Name: Title:
Date:	Crump Energy Partners III, LLC By: Name: Title:
Date:	Topwater Resources, LLC By: Name: Title:
Date:	Chevron U.S.A. Inc. (Compulsory Pooled via NMOCD Order #14688) By: Name: Title:

	COG Operating LLC
Date:	By:
	By:
	Attorney-in-Fact
	Tap Rock Resources, LLC
Date:	Ву:
	Name:
	Title:
	Crown Oil Partners VI, LLC
Data	Rown Oil Partners VI, LLC Rown Oil Partners VI, LLC Rown Oil Partners VI, LLC By: Rown Gule Francisco Blade Title: Vie Brade-t
Date:	Nome Greeden Blede
	Tate the Krade L
	Title:
	Crump Energy Partners III, LLC
	RVV By:
Date:	VV By:
	Name: Noble Stanes
	Title: Anthorized Person
	Topwater Resources, LLC
Date:	Ву:
(\$404.6 ·	Name:
	Title:
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #14688)
Date:	By:
	Name:
	Title:
K.	

	COG Operating LLC
Date:	By:
	Mark A. Carter-
	Attorney-in-Fact
	Tap Rock Resources, LLC
Date:	Ву:
	Name:
	Title:
	Crown Oil Partners VI, LLC
Date;	Ву:
	Name:
	Title:
	Crump Energy Partners III, LLC
Date:	Ву:
**************************************	Name:
	Title:
-11	Topwater Resources, LLC
Date: 2/6/2019	By: Robert A Row
The state of the s	Name: Name:
	Title: Direch
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:
	Name:
	Title:

ACKNOWLEDGEMENTS

STATE OF TEXAS	§		
COUNTY OF MIDLAND	§ §		
	Becky Zindel Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021		vany, on behalf of said limited
STATE OF TEXAS	§ §		
	§ as acknowledged before me on the _ n-Fact of COG PRODUCTION LLO		A STATE OF THE STA
liability company.	Becky Zindel Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021	Bully 30 NOTARY PUBLIC in and for	the State of Texas
STATE OF	§		
COUNTY OF Jefferson	§ §		
V	nowledged before me on the, as	ilegal of 7	AP ROCK RESOURCES,
STATE OF	§ §		
	nowledged before me on the		
	, as, on behalf of s		
		NOTARY PURLIC in and for	6

ACKNOWLEDGEMENTS

STATE OF TEXAS §	
COUNTY OF MIDLAND §	
The foregoing instrument was acknowledged before me on the Mark A. Cartee, as Attorney-In-Fact of COG OPERATING L limited liability company.	·
	NOTARY PUBLIC in and for the State of Texas
STATE OF	
This instrument was acknowledged before me on the	
LLC, a, on behalf of s	
STATE OF TEXAS & COUNTY OF MILLAN & COUNTY OF MILLAN & COUNTY OF MILLAN & STATE OF M	of CROWN OIL PARTNERS VI,
STATE OF Texas § COUNTY OF MINISTRUMENT Was acknowledged before me on the Noble Stancs, as Addrized III, LLC, a Delaware LLC, on behalf	
WALKER JAMES MEADOWS My Commission Expires August 25, 2019	NOTARY PUBLIC in and for the State of Texas

ACKNOWLEDGEMENTS -cont'd

STATE OF 1865 §	
COUNTY OF Midead §	
This instrument was acknowledged before me on the Robert A. Roark as Divertor	
Laura R Reyna Notary Public, State of Texas Notary ID 199645-1 My Commission Exp. 02-14-2023	NOTARY PUBLIC in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in W/2W/2 of Sections 17 and 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Bonaid Federal Com #15H

TRACT 1
Fee Leases



TRACT 2 USA NM 134886



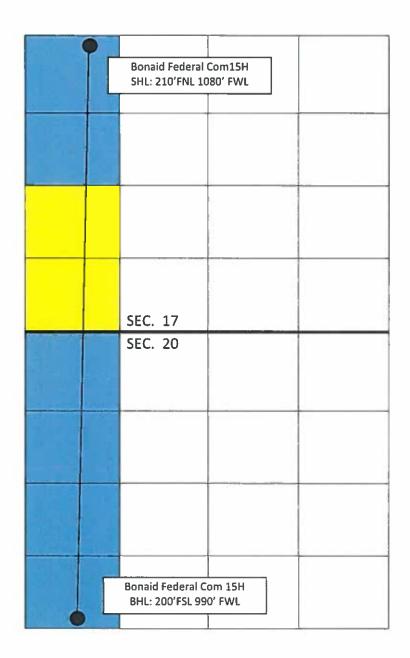


EXHIBIT "B"

Attached to and made part of that Designation of Unit made by COG OPERATING LLC, et al, designating the Bonaid Federal Com #15H Unit

OIL AND GAS LEASES AND/OR OIL AND GAS INTERESTS SUBJECT TO THIS DESIGNATION OF UNIT

TRACT 1

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1717, Page 170, Lea County Records

Lessor:

Neal Parks King, et ux

Original Lessee: Current Lessee: Sam Shackelford COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80 1/5

Royalty Rate:

COG Production LLC

100%

WI Owner Names & Interests: ORRI Owners:

Of Record

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 238, Lea County Records

Lessor: Original Lessee: Rebecca Hunter Sam Shackelford

Original Lessee; Current Lessee;

Sam Shackelford
COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres:

80

Royalty Rate: WI Owners Names & Interests: 1/5 COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date: January 17, 2011

Lease Term: 5 Years

Recordation: Book 1718, Page 241, Lea County Records

Lessor: David F. K. Puckett
Original Lessee: Sam Shackelford
Current Lessee: COG Production LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/5

WI Owners Names & Interests: COG Production LLC 100%

ORRI Owners: Of Record

Lease Effective Date: January 17, 2011

Lease Term: 5 Years

Recordation: Book 1718, Page 246, Lea County Records

Lessor: Mary Jack Johnson
Original Lessee: Sam Shackelford
Current Lessee: COG Production LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/5

WI Owners Names & Interests: COG Production LLC 100%

ORRI Owners: Of Record

Lease Effective Date: March 18, 2011

Lease Term: 5 Years

Recordation: Book 1723, Page 596, Lea County Records
Lessor: The Mildred A. Broman Living Trust

Original Lessee: Sam Shackelford
Current Lessee: COG Production LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/5

WI Owners Names & Interests: COG Production LLC 100%

ORRI Owners: Of Record

February 25, 2011

Lease Term:

5 Years

Recordation:

Book 1720, Page 474, Lea County Records

Lessor:

Katherine Madera Sam Shackelford

Original Lessee:

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5

WI Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

February 1, 2018

Lease Term:

3 Years

Recordation:

Book 2129, Page 824, Lea County Records

Lessor: Original Lessee: Michael Fred Madera COG Operating LLC

Current Lessee:

COG Operating LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/4

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

May 30, 2017

Lease Term:

4 Years

Recordation:

Book 2112, Page 122, Lea County Records

Lessor: Original Lessee: Mildred Madera McCall Legion Petroleum, LLC

Current Lessee: Description of Land Committed: Tap Rock Resources, LLC Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

3/16

WI Owners Names & Interests:

Tap Rock Resources, LLC 100%

ORRI Owners:

Of Record

Lease Effective Date: March 19, 2018

Lease Term: 3 Years

Recordation: Unrecorded at this time

Lessor: 5588 Oil, LLC

Original Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC
Current Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC 100%

ORRI Owners: Of Record

Lease Effective Date: March 29, 2018

Lease Term: 3 Years

Recordation: Unrecorded at this time

Lessor: Oak Valley Mineral and Land, LP, et al

Original Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC
Current Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC 100%

ORRI Owners: Of Record

Lease Effective Date: February 22, 2018

Lease Term: 3 Years

Recordation: Book 2131, Page 345, Lea County Records

Lessor: Lela Ellen Madera
Original Lessee: COG Operating LLC
Current Lessee: COG Operating LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: COG Operating LLC 100%

May 28, 2018 3 Years

Lease Terms: Recordation:

Book 2135, Page 715, (as amended in Bk 2135, Pg 604)

Lea County Records

Lessor:

Katherine Ross Madera Sharbutt Ozark Royalty Co

Original Lessee: Current Lessee:

Topwater Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate: 80 1/5

WI Owners Names & Interests:

Topwater Resources, LLC

C 100%

ORRI Owners:

Of Record

Lease Effective Date:

February 25, 2011

Lease Term:

5 Years

Recordation:

Book 1892, Page 99, Lea County Records

Lessor: Original Lessee: Pamela Madera
Sam L. Shackelford
COG Production LLC

Current Lessee: Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

80

Number of Acres: Royalty Rate:

1/5

WI Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

TRACT 2

Lease Effective Date:

October 1, 2015

Lease Terms: Recordation 10 Years Not Recorded

Lessor: Original Lessee: USA NM-134886 COG Operating LLC COG Operating LLC

Current Lessee:
Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2NW/4 Sec. 20: W/2W/2 Lea County, New Mexico

Number of Acres: Royalty Rate: 240 12-1/2

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

May 30, 2017

Lease Terms:

4 Years

Recordation:

Book 2121, Page 660, Lea County Records

Lessor:

Rubert "Bert" Madera and Montie Carol Madera, as Managing Members of the Pitchfork Cattle Company, LLC

Original Lessee:

Legion Petroleum, LLC

Current Lessee:

Tap Rock Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Royalty Rate:

WI Owners Names &Interests:

Tap Rock Resources, LLC 100%

ORRI Owners:

Of Record

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80,00	25.0000%
No. 2	240.00	75.0000%
	320.00	100.0000%

JAN 2 3 2020

Federal Communitization Agreement

BLM, NMSO SANTA FE

Contract No. 7777141309

THIS AGREEMENT entered into as of the 1st day of September, 2019, 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 35 East, N.M.P.M.

Section 17: W/2W/2 Section 20: W/2W/2 Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation as defined by the NMOCD, underlying said lands and the oil, natural gas and associated liquid hydrocarbons 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 COG Operating LLC, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. 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, 2019, 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. <u>Nondiscrimination.</u> 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.

OPERATOR:

COG OPERATING LL

Date: 1/17/2020

Sean Johnson

Attorney-In-Fact

THE

ACKNOWLEDGEMENT

STATE OF TEXAS

83 83

COUNTY OF MIDLAND

Ş

This instrument was acknowledged before me on the ______ day of _______, 2019, by Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware Limited Liability Company, on behalf of same.

Becky Zindel
Notary Public, State of Texas
Notary ID 12941587-2
My Commission Exp. 07-10-2021

Notary Public in and for the State of Texas

My Commission expires:

	COG Operating/LLC
Date:	Ву:
	Attornay in Fact Mile
	Anomey-m-ract
	COG Production LLC
Date:	Ву:
	Sean Jöhnson Attorney-in-Fact
	This said the said th
	Tap Rock Resources, LLC
Date:	Rus
	By: Clayton Spanch
	Title: VP (And Alege)
	Crown Oil Partners VI, LLC
Date:	Ву:
	Name:
	Title:
	Crump Energy Partners III, LLC
Date:	Ву:
	Name:
	Title:
	Topwater Resources, LLC
Date:	Ву:
	Name:
	Title:
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:
	Name:
	Title:

EH

	COG Operating LLC
Date:	Ву:
	Attorney-in-raci
	Tap Rock Resources, LLC
Date:	By: Name: Title:
	Crown Oil Partners VI, LLC
Date:	By: Lommington Name: Brandon Black Title: Vice Projekt
Date:PUV	By: Name: Nuble Staines Title: Authorized from
	Topwater Resources, LLC
Date:	By:
	Chevron U.S.A. Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	By:

	COG Operating LLC
Date:	Ву:
	Attorney men dec
	Tap Rock Resources, LLC
Date:	Ву:
	Name:
	Title:
	Crown Oil Partners VI, LLC
Date:	Ву:
	Name:
	Title:
	Crump Energy Partners III, LLC
Date:	Ву:
	Name:
	Title:
	Topwater Resources, LLC
Date: 2/6/2019	By: Rebert A P
	Name: Pakert A Rocate
	Name: Robert A Zocola Title: Diverton
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:
2.000.18	Name:
	Title:
	* * * * * * * * * * * * * * * * * * *

ACKNOWLEDGEMENTS

STATE OF TEXAS 8
COUNTY OF MIDLAND §
The foregoing instrument was acknowledged before me on the
Becky Zindel Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021
STATE OF TEXAS §
COUNTY OF MIDLAND §
The foregoing instrument was acknowledged before me on the
Sean Johnson, as Attorney-In-Fact of COG PRODUCTION LLC, a Texas limited liability company, on behalf of said limited
Becky Zindel Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021 My Commission Exp. 07-10-2021
STATE OF <u>CO</u> §
COUNTY OFOEFERSONS
This instrument was acknowledged before me on the 15th day of Hovernber, 2019, by Clayth Sporich, as VP land: Legal of TAP ROCK RESOURCES, LLC, a Delaware Limited, on behalf of said LLC NOTARY PUBLIC in and for the State of Colorad
STATE OF §
COUNTY OF §
This instrument was acknowledged before me on the day of, 2019, by
, on ourself of said
NOTARY PUBLIC in and for the State of

EMILY KASA Notary Public State of Colorado Notary ID # 20184039277 My Commission Expires 10-04-2022

ACKNOWLEDGEMENTS

STATE OF TEXAS §	
COUNTY OF MIDLAND §	
The foregoing instrument was acknowledged before me on the	
	NOTARY PUBLIC in and for the State of Texas
STATE OF	
This instrument was acknowledged before me on the _	•
LLC, a, on behalf of sa	
STATE OF TOKAS S COUNTY OF MINICAL S This instrument was acknowledged before me on the 3-cando-13/ack LLC a Delivere CLC , on behalf of sa WALKER JAMES MEADOWS My Commission Expires August 25, 2019	NOTARY PUBLIC in and for the State of
STATE OF Tink instrument was acknowledged before me on the Value Stances, as Authorized on behalf of the Stances on behalf of the Stance of th	day of February . 2019, by Person of CRUMP ENERGY PARTNERS of said LCC. NOTARY PUBLIC in and for the State of TX

ACKNOWLEDGEMENTS -cont'd

STATE OF 1ex65 §	
COUNTY OF Midland &	
This instrument was acknowledged before me on the	6th day of February, 2019, by
Libert A. Work as Virentor	of TOPWATER RESOURCES, LLC.
a Texes LLC . on behalf of said	LLC
-	Laura B luma
Laura R Reyna Notary Public, State of Texas	NOTARY PUBLIC in and for the State of TOYPOS
Notary ID 199845-1	NOTARY PUBLIC in and for the State of 167713
My Commission Exp. 02-14-2023	

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in W/2W/2 of Sections 17 and 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Bonaid Federal Com #15H

TRACT 1
Fee Leases



TRACT 2 USA NM 134886



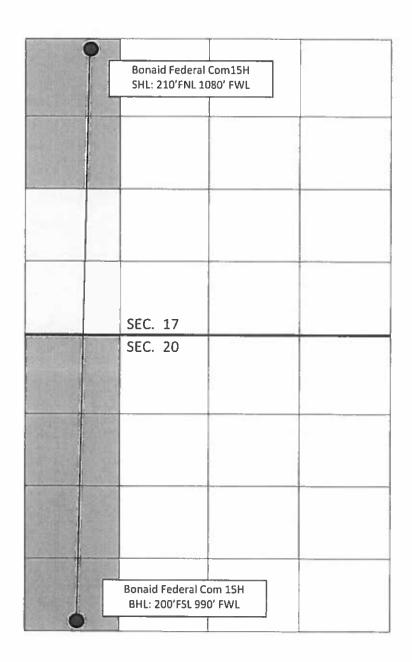


EXHIBIT "B"

Attached to and made part of that Designation of Unit made by COG OPERATING LLC, et al, designating the Bonaid Federal Com #15H Unit

OIL AND GAS LEASES AND/OR OIL AND GAS INTERESTS SUBJECT TO THIS DESIGNATION OF UNIT

TRACT 1

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1717, Page 170, Lea County Records

Lessor:

Neal Parks King, et ux

Original Lessee: Current Lessee:

Sam Shackelford COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate: WI Owner Names & Interests:

1/5 COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 238, Lea County Records

Lessor: Original Lessee:

Rebecca Hunter Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate: 80 1/5

WI Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 241, Lea County Records

Lessor:

David F. K. Puckett

Original Lessee:

Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres:

80

Royalty Rate: WI Owners Names & Interests:

1/5 COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 246, Lea County Records

Lessor:

Mary Jack Johnson

Original Lessee:

Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate:

80 1/5

WI Owners Names & Interests:

COG Production LLC

100%

100%

ORRI Owners:

Of Record

Lease Effective Date:

March 18, 2011

Lease Term:

5 Years

Recordation: Lessor:

Book 1723, Page 596, Lea County Records The Mildred A. Broman Living Trust

Original Lessee:

Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate: ORRI Owners:

1/5 COG Production LLC

WI Owners Names & Interests:

Lease Effective Date: February 25, 2011

Lease Term: 5 Years

Recordation: Book 1720, Page 474, Lea County Records

Lessor: Katherine Madera
Original Lessee: Sam Shackelford
Current Lessee: COG Production LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/5

WI Owners Names & Interests: COG Production LLC 100%

ORRI Owners: Of Record

Lease Effective Date: February 1, 2018

Lease Term: 3 Years

Recordation: Book 2129, Page 824, Lea County Records

Lessor: Michael Fred Madera
Original Lessee: COG Operating LLC
Current Lessee: COG Operating LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: COG Operating LLC 100%

ORRI Owners: Of Record

Lease Effective Date: May 30, 2017 Lease Term: 4 Years

Recordation: Book 2112, Page 122, Lea County Records

Lessor: Mildred Madera McCall
Original Lessee: Legion Petroleum, LLC
Current Lessee: Tap Rock Resources, LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 3/16

WI Owners Names & Interests: Tap Rock Resources, LLC 100%

Lease Effective Date: March 19, 2018

Lease Term: 3 Years

Recordation: Unrecorded at this time

Lessor: 5588 Oil, LLC

Original Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC
Current Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC 100%

ORRI Owners: Of Record

Lease Effective Date: March 29, 2018

Lease Term: 3 Years

Recordation: Unrecorded at this time

Lessor: Oak Valley Mineral and Land, LP, et al

Original Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC
Current Lessee: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC 100%

ORRI Owners: Of Record

Lease Effective Date: February 22, 2018

Lease Term: 3 Years

Recordation: Book 2131, Page 345, Lea County Records

Lessor: Lela Ellen Madera
Original Lessee: COG Operating LLC
Current Lessee: COG Operating LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

WI Owners Names & Interests: COG Operating LLC 100%

Lease Effective Date: May 28, 2018 Lease Terms: 3 Years

Recordation: Book 2135, Page 715, (as amended in Bk 2135, Pg 604)

Lea County Records

Lessor: Katherine Ross Madera Sharbutt

Original Lessee: Ozark Royalty Co

Current Lessee: Topwater Resources, LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/5

WI Owners Names & Interests: Topwater Resources, LLC 100%

ORRI Owners: Of Record

Lease Effective Date: February 25, 2011

Lease Term: 5 Years

Recordation: Book 1892, Page 99, Lea County Records

Lessor: Pamela Madera
Original Lessee: Sam L. Shackelford
Current Lessee: COG Production LLC

Description of Lund Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/5

WI Owners Names & Interests: COG Production LLC 100%

ORRI Owners: Of Record

TRACT 2

Lease Effective Date;October 1, 2015Lease Terms;10 YearsRecordationNot RecordedLessor;USA NM-134886Original Lessee;COG Operating LLC

Original Lessee: COG Operating LLC
Current Lessee: COG Operating LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2NW/4 Sec. 20: W/2W/2 Lea County, New Mexico

Number of Acres: 240 Royalty Rate: 12-1/2

WI Owners Names & Interests: COG Operating LLC 100%

May 30, 2017

Lease Terms:

4 Years

Recordation:

Book 2121, Page 660, Lea County Records

Lessor:

Rubert "Bert" Madera and Montie Carol Madera, as

Managing Members of the Pitchfork Cattle Company, LLC

Original Lessee:

Legion Petroleum, LLC

Current Lessee:

Tap Rock Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Royalty Rate:

3/16

WI Owners Names &Interests:

Tap Rock Resources, LLC 100%

ORRI Owners:

Of Record

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	25.0000%
No. 2	240.00	75.0000%
	320.00	100.0000%

JAN 23 2020

Federal Communitization Agreement

Contract No. 141309

BLM, NMSO SANTA FE

THIS AGREEMENT entered into as of the 1st day of September, 2019, 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 35 East, N.M.P.M.

Section 17: W/2W/2 Section 20: W/2W/2 Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation as defined by the NMOCD, underlying said lands and the oil, natural gas and associated liquid hydrocarbons 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 COG Operating LLC, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. 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, 2019, 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. <u>Nondiscrimination.</u> 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.

OPERATOR:

COG OPERATING LL

Date: 1/17/2020

Sean Johnson

Attorney-In-Fact

JAC

ACKNOWLEDGEMENT

STATE OF TEXAS

§ 8

COUNTY OF MIDLAND

8

This instrument was acknowledged before me on the day of Javuary, 2019, by Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware Limited Liability Company, on behalf of same.

Becky Zindel
Notary Public, State of Texas
Notary ID 12941587-2
My Commission Exp. 07-10-2021

Notary Public in and for the State of Texas

My Commission expires:

	COG Operating LLC
Date:	By: Sean Johnson
	Attorney-in-Fact
	COG Production LLC
Date:	By: Sean Johnson
	Attorney-in-Fact
	Tap Rock Resources, LLC
Date:	By: Clay ton Spaner
	Title: W (and Alega)
	Crown Oil Partners VI, LLC
Date:	By:
	Name: Title:
	Crump Energy Partners III, LLC
Date:	Ву:
	Name:
	Topwater Resources, LLC
Date;	Ву:
	Name: Title:
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:
	Name:
	Title:

EH

BONAID FED COM 15H

		COG Operating LLC
Date:		Ву:
		Attorney-in-ract
		Tap Rock Resources, LLC
Date:		By:
		Crown Oil Partners VI, LLC
Date:	EOM	By: Brandon Elast Title: Viu President
Date:	PUN	By: Auble Staines Title: Authorized form
		Topwater Resources, LLC
Date:		By:
		Chevron U.S.A. Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:		By:

	COG Operating LLC
Date:	Ву:
	Attorney-in-i acc
	Tap Rock Resources, LLC
Date:	Ву:
	Name:
	Title:
	Crown Oil Partners VI, LLC
Date:	Ву:
	Name;
	Title:
	Crump Energy Partners III, LLC
Date:	Ву:
	Name:
	Title:
	Topwater Resources, LLC
Date: 2/6/2019	Name: Robert A. Rocche Title: Divern
	Name: Pabort A Zoch
	Title: Diver
	Chevron U.S.A. Inc.
	(Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:
	Name:
	Title:

ACKNOWLEDGEMENTS

STATE OF TEXAS §	
COUNTY OF MIDLAND §	
Che foregoing instrument was acknowledged before me on the	9, by mited
TATE OF TEXAS §	
COUNTY OF MIDLAND §	ממ
the foregoing instrument was acknowledged before me on the day of	by by
ean Johnson, as Attorney-In-Fact of COG PRODUCTION LLC, a Texas limited liability company, on behalf of said lines to the company of the comp	mited
Becky Zindel Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021 TATE OF	
OUNTY OF <u>Deferson</u> s	
his instrument was acknowledged before me on the 15th day of Hovenber, 2019. Clayton Sporish, as VP Land: Legal of TAP ROCK RESOURGED. LC, a Delaware Limited, on behalf of said LLC Limbility Company NOTARY PUBLIC in and for the State of Colo	CES,
TATE OF §	
OUNTY OF §	
his instrument was acknowledged before me on the day of, 2019,	, by
asof CROWN OIL PARTNERS	s VI,
LC, a, on behalf of said	
NOTADV PLIBLIC in and for the State of	

EMILY KASA Notary Public State of Colorado Notary ID # 20184039277 My Commission Expires 10-04-2022

ACKNOWLEDGEMENTS

STATE OF TEXAS	§			
COUNTY OF MIDLAND	§ §			
				, 2019, by illity company, on behalf of said
			NOTARY PUBLIC in and	for the State of Texas
STATE OF	8			
				, 2019, by
			said	of TAP ROCK RESOURCES,
STATE OF Times COUNTY OF Milland This instrument was ack 3: Candon 13land LLCa Delaware WALKER JAMES My Commission August 25,	MEADOWS In Expires	before me on the _, as, on behalf of		CROWN OIL PARTNERS VI,
WALKER JAMES MI	EADOWS Expires	as Authorized	Person of CR	UMI ENERGI PARTNERS
August 25, 20	119			

ACKNOWLEDGEMENTS -cont'd

STATE OF LEXES §	
COUNTY OF Midland &	
This instrument was acknowledged before me on the Robert A. Roark, as Director	6th day of February. 2019, by
Kobert A. Roack as Director	of TOPWATER RESOURCES, LLC,
a Texas LLC , on behalf of said	uc,
	Laura B Cuma
Laura R Reyna Notary Public, State of Texas Notary ID 199645-1 My Commission Exp. 02-14-2023	NOTARY PUBLIC in and for the State of TEXPS

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in W/2W/2 of Sections 17 and 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Bonaid Federal Com #15H

TRACT 1
Fee Leases



TRACT 2 USA NM 134886



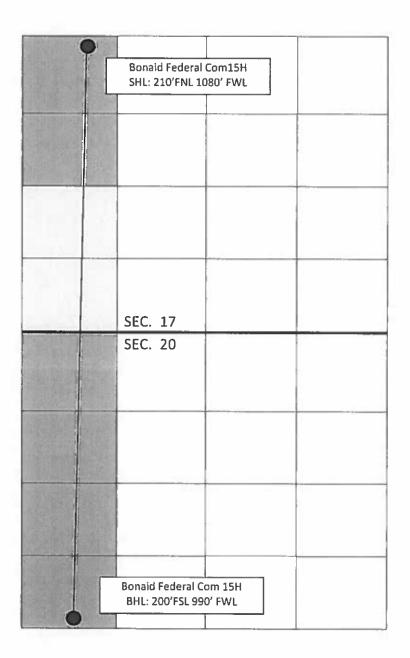


EXHIBIT "B"

Attached to and made part of that Designation of Unit made by COG OPERATING LLC, et al, designating the Bonaid Federal Com #15H Unit

OIL AND GAS LEASES AND/OR OIL AND GAS INTERESTS SUBJECT TO THIS DESIGNATION OF UNIT

TRACT 1

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1717, Page 170, Lea County Records

Lessor:

Neal Parks King, et ux

Original Lessee: Current Lessee: Sam Shackelford COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate: 80 1/5

WI Owner Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 238, Lea County Records

Lessor: Original Lessee: Rebecca Hunter Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5

WI Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 241, Lea County Records

Lessor: Original Lessee: David F. K. Puckett Sam Shackelford

Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate: 80

WI Owners Names & Interests:

1/5 COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 246, Lea County Records

Lessor: Original Lessee: Mary Jack Johnson Sam Shackelford

Original Lessee: Current Lessee:

COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate: 80 1/5

WI Owners Names & Interests:

COG Production LLC

100%

100%

ORRI Owners:

Of Record

Lease Effective Date:

March 18, 2011

Lease Term:

5 Years

Recordation: Lessor:

Book 1723, Page 596, Lea County Records The Mildred A. Broman Living Trust

Original Lessee: Current Lessee: Sam Shackelford COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate: 80 1/5

WI Owners Names & Interests:

COG Production LLC

ORRI Owners:

February 25, 2011

Lease Term:

5 Years

Recordation:

Book 1720, Page 474, Lea County Records Katherine Madera

Lessor: Original Lessee: Current Lessee:

Sam Shackelford COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate:

1/5

WI Owners Names & Interests:

COG Production LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

February 1, 2018

Lease Term:

3 Years

Recordation:

Book 2129, Page 824, Lea County Records

Lessor: Original Lessee: Current Lessee:

Michael Fred Madera COG Operating LLC COG Operating LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate:

80 1/4

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

May 30, 2017

Lease Term:

4 Years

Recordation:

Book 2112, Page 122, Lea County Records Mildred Madera McCall

Lessor: Original Lessee: Current Lessee:

Legion Petroleum, LLC Tap Rock Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate:

80 3/16

WI Owners Names & Interests:

Tap Rock Resources, LLC 100%

ORRI Owners:

March 19, 2018

Lease Term:

3 Years

Recordation:

Unrecorded at this time

Lessor:

5588 Oil, LLC

Original Lessee: Current Lessee:

Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate:

ORRI Owners:

1/4

WI Owners Names & Interests:

Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC 100%

Of Record

Lease Effective Date:

March 29, 2018

Lease Term:

3 Years

Recordation:

Unrecorded at this time

Lessor:

Oak Valley Mineral and Land, LP, et al

Original Lessee: Current Lessee:

Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate:

ORRI Owners:

80 1/4

WI Owners Names & Interests:

Crown Oil Partners VI, LLC, Crump Energy Partners III, LLC 100%

100%

Of Record

Lease Effective Date:

February 22, 2018

Lease Term:

3 Years

Recordation:

Book 2131, Page 345, Lea County Records

Lessor:

Lela Ellen Madera COG Operating LLC

Original Lessee: Current Lessee:

COG Operating LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acres: Royalty Rate:

ORRI Owners:

80

COG Operating LLC

WI Owners Names & Interests:

Of Record

BONAID FED COM 15H

May 28, 2018

Lease Terms:

3 Years

Recordation:

Book 2135, Page 715, (as amended in Bk 2135, Pg 604)

Lea County Records

Lessor:

Katherine Ross Madera Sharbutt

Original Lessee:

Ozark Royalty Co

Current Lessee:

Topwater Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4 Lea County, New Mexico

Number of Acrest Royalty Rate:

80 1/5

WI Owners Names & Interests:

Topwater Resources, LLC

ORRI Owners:

Of Record

Lease Effective Date:

February 25, 2011

Lease Term;

5 Years

Recordation:

Book 1892, Page 99, Lea County Records

Lessor:

Pamela Madera

Original Lessee: Current Lessee: Sam L. Shackelford COG Production LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Number of Acres:

80 1/5

Royalty Rate: WI Owners Names & Interests:

COG Production LLC

100%

100%

ORRI Owners:

Of Record

TRACT 2

Lease Effective Date:

October 1, 2015

Lease Terms: Recordation 10 Years Not Recorded

Lessor:

USA NM-134886 COG Operating LLC

Original Lessee: Current Lessee:

COG Operating LLC
COG Operating LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2NW/4 Sec. 20: W/2W/2 Lea County, New Mexico

Number of Acres:

240

Royalty Rate:

12-1/2

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

May 30, 2017

Lease Terms:

4 Years

Recordation:

Book 2121, Page 660, Lea County Records Rubert "Bert" Madera and Montie Carol Madera, as

Lessor:

Managing Members of the Pitchfork Cattle Company, LLC

Original Lessee:

Legion Petroleum, LLC

Current Lessee:

Tap Rock Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: W/2SW/4

Lea County, New Mexico

Royalty Rate:

WI Owners Names &Interests:

Tap Rock Resources, LLC 100%

ORRI Owners:

Of Record

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	25,0000%
No. 2	240.00	75.0000%
	320.00	100.0000%