

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

Reply Refer To: MAR 1 7 2021

In Reply Refer To: NMNM141307 3105.2 (NM920)

Reference:
Communitization Agreement
Bonaid Federal Com #14
Section 17: E2W2
Section 20: E2W2
T. 24 S., R. 35 E., N.M.P.M.
Lea County, NM

COG Operating LLC One Conch Center 600 W. Illinois Ave. Midland, TX 79701

Ms. Chappell:

Enclosed is an approved copy of Communitization Agreement NMNM141307 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 E2W2 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,

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 E2W2 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. NMNM141307





JAN 2 3 2020

BLM, NMSO SANTA FE

January 20, 2020

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

MMMM ,41307

RE:

Communitization Agreement Bonaid Federal Com #14H 3 0 02 5 4 5 0 5 Q Bonaid Federal Com #14H

Township 24 South - Range 35 East, NMPM

Section 17: E2W2 Section 20: E2W2 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 #14H 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 1

DISTRICT IV
120 8. 17. 784 25 08. 847 AFF 101 97809
150 8. 1600) 174-3460 722 (100) 174-3461

State of New Mexico

State of

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 4/505 8	Poel Code	Wildcat; Bone Spring	VOCEROPE
Property Cade 322226	Property Name BONAID FEDERAL COM 14H		
229137		stor Name RATING, LLC	Elevation 3376.7'

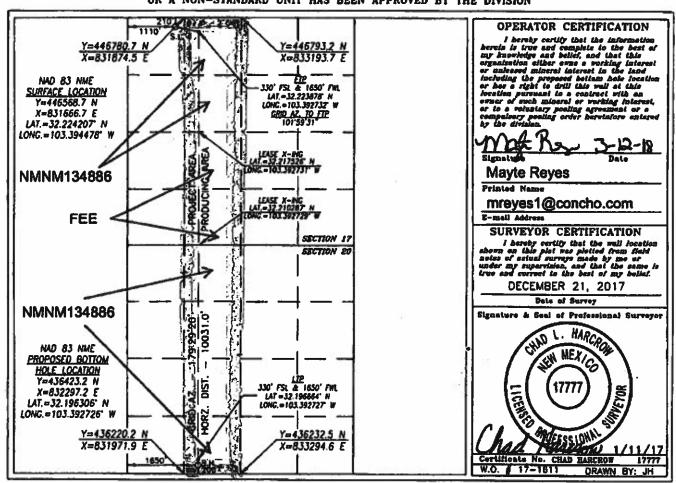
Surface Location

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	24-S	35−€		210	NORTH	1110	WEST	LEA

Bottom Hole Location If Different From Surface

VL or lot No.	Section 20	Township 24-S	Renge 35-E	Lot Ida	Feet from the 200	North/South Hins SOUTH	Feet from the 1650	East/West line WEST	County
1	Dedicated Acres Joint or Infilit Consolidation Code Order No.								
320								35	7.0

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



JAN 2 3 2020

Federal Communitization Agreement

Contract No. 7777141307

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: E/2 W/2 Section 20: E/2 W/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 2year 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

Date: 1/1/2020

Sean Johnson

Attorney In Face

ACKNOWLEDGEMENT

STATE OF TEXAS

8 8 8

COUNTY OF MIDLAND

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:

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD

Date:	By:	Sean Johnson	
Date:	By:	COG Production LLC Sean Johnson Attorney In Fact	
Date:	By: Name: Title:	Clayton Sponch VP Land Alegal Crown Oil Partners VI, LLC	{
Date:	Name		
Date:	Name	Crump Energy Partners III, LLC Topwater Resources, LLC	
Date:	Name		
Date:	By:	Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)	

ACKNOWLEDGEMENT

STATE OF T	ΓEXAS	§		
COUNTY O	F MIDLAND	§ §		
This instrume	nt was acknowled	ged before me on th	e day of	, 2019,
by.	Attorney I	n Fact of COG Op	oerating LLC, a Delaware L	imited Liability
Company, on	behalf of same.			
			tary Public in and for the State	
		Му	Commission expires:	
<u>v</u>	VORKING INTE	RET OWNERS AN	D/OR LESSEES OF RECO	<u>RD</u>
			COG OPERATING LLC	
Date:		Ву:		
			9.000	
			Attorney In Fact	
			Tap Rock Resources, LLC	
Date		P.v.		
Date.				
				
		Title:		
			Charm Old Danta and M. 1.1	
			Crown Oil Partners VI, LLO	L
Date:		\\ \bigg\{\bigg\{\bigg\} \\ \By: \\	Brandon Black Vine President	
		Name:	Brandon Black	
		Title:	Vive President	

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

		Crump Energy Partners III, LLC
Date:	PV By:	nA
	Name:	Noble Starnes
	Title:	Noble Stornes Anthorized Person
		Topwater Resources, LLC
Date:	Ву:	
	Title:	
		Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	By:	
	Name:	
	Title:	

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

Crump Energy Partners III, LLC

Date:	By:	
		Topwater Resources, LLC
Date: 2/6/2019	Ву:	Robert A. Roorle
	Name:	Robert A. Roorle
		Director
		Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:	
	Name:	
	Title:	

ACKNOWLEDGEMENTS

STATE OF TEXAS §	
COUNTY OF MIDLAND §	
This instrument was acknowledged before me on the Attorney In Fact of COG Operating LLC, a Delaware Lin	
Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021	Bully Sindel Notary Public in and for the State of Texas My Commission expires: 1/10/21
STATE OF TEXAS §	
COUNTY OF MIDLAND §	200
This instrument was acknowledged before me on the Attorney In Fact of COG Production LLC. Texas i imit	
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: 7/10/2
STATE OF §	
COUNTY OF <u>GEOGRAP</u> §	
This instrument was acknowledged before me on	the 15th day of Hovember, 2019, by
Clayton Sparish as VF	4
LLC, a delawore limited liability	on behalf of same.
EMILY KASA Notary Public State of Colorado Notary ID # 20184039277 My Commission Expires 10-04-2022	Notary Public in and for the State of Texas My Commission expires: 10-4-2022
STATE OF §	
COUNTY OF §	
This instrument was acknowledged before me on	the day of, 2019, by
	of Crown Oil Partners VI,
LLC, a	_, on behalf of same.
	Notary Public in and for the State of Texas

ACKNOWLEDGEMENTS

STATE OF TEXAS	§
COUNTY OF MIDLAND	§ §
	re me on the day of, 2019, of COG Operating LLC, a Delaware Limited Liability
	Notary Public in and for the State of Texas My Commission expires:
STATE OF	§ §
	§ §
-	re me on the, 2019,
by	, as of
same.	Notary Public in and for the State of Texas My Commission expires:
COUNTY OF MINICAL	§ § §
This instrument was acknowledged before	The me on the $\frac{7}{VP}$ day of $\frac{February}{VP}$, 2019,
Crown Oil Partners VI, LLC, a	aware LLC , on behalf of
WALKER JAMES MEADOWS My Commission Expires August 25, 2019	Notary Public in and for the State of Texas

ACKNOWLEDGEMENTS (cont'd)

STATE OF TOXAS COUNTY OF Milland	§
COUNTY OF Milland	\$ \$ \$
This instrument was acknowledged be	efore me on the day of February, 20: Authorized Parson, on behalf
Crump Energy Partners III, LLC, a _	Delaware LLC, on behalf
same	
WALKER JAMES MEADOWS My Commission Expires August 25, 2019	Notary Public in and for the State of Texas
TE OF THE	My Commission expires: $8/25/16$
STATE OF	§ §
COUNTY OF	§ §
This instrument was acknowledged be	fore me on the, 201
	, as
Topwater Resources, LLC, a	, on behalf
same.	
	Notary Public in and for the State of Texas
	My Commission expires:

ACKNOWLEDGEMENTS (cont'd)

STATE OF §		
COUNTY OF §		
This instrument was acknowledged before	me on the day of	, 2019,
by	, as	of
Crump Energy Partners III, LLC, a		, on behalf of
same.		
	Nadama Dalakia Saran d	Court Court CT
	•	for the State of Texas
STATE OF Texos § COUNTY OF Milland §		
This instrument was acknowledged before by Robert A. Rook	me on theday of, as	February, 2019,
Topwater Resources, LLC, a		, on behalf of
Laura R Reyna Notary Public, State of Texas Notary ID 199845-1	* · · · · · · · · · · · · · · · · · · ·	for the State of Texas
My Commission Exp. 02-14-2023	My Commission expir	res: 7-14-2023

EXHIBIT "A"

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

Bonaid Federal Com 14H

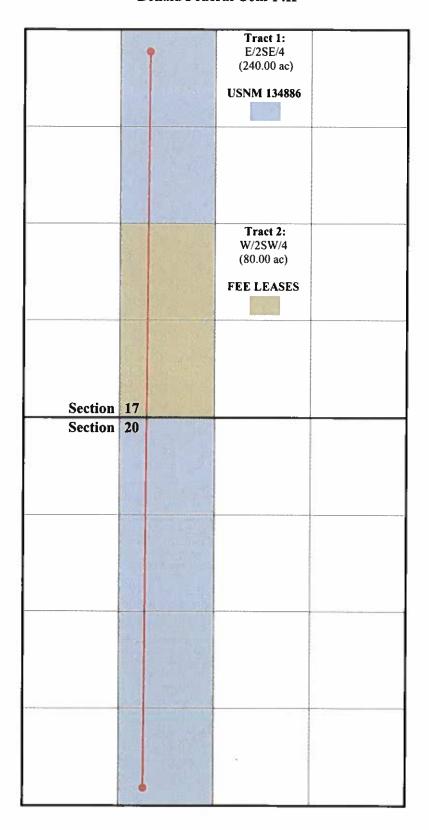


EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated September 1, 2019, covering E/2W/2 of Section 17 and the E/2W/2 of Section 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

Lease Effective Date:

October 1, 2015

Lease Terms: Recordation

10 Years

Not Recorded

Lessor:

USA NM-134886

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

Lea County, New Mexico

Number of Acres:

240

Royalty Rate: WI Owners Names & Interests: 12-1/2 COG Operating LLC

100%

ORRI Owners:

Of Record

Tract No. 2

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1717, Page 170, Lea County Records

Lessor:

Neal Parks King, et ux 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: E/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

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 238, Lea County Records

Lessor:

Rebecca Hunter

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: E/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 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: E/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

Lease Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 246, Lea County Records

Lessor:

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: E/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

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: E/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

Lease Effective Date:

February 25, 2011

Lease Term: Recordation: 5 Years

Recordation: Book 1720, Page 474, Lea County Records Lessor: Katherine Madera

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: E/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

Lease Effective Date:

February 1, 2018 3 Years

Lease Term: Recordation:

Book 2129, Page 824, Lea County Records

Lessor: Original Lessee:

Michael Fred 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: E/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate: 80 1/4

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners: O

Of Record

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:

Tap Rock Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/2SW/4

Lea County, New Mexico

Number of Acres:

80 3/16

Royalty Rate:

WI Owners Names & Interests: ORRI Owners:

Tap Rock Resources, LLC 100%

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

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: E/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate: WI Owners Names & Interests: 1/4

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: Original Lessee: Oak Valley Mineral and Land, LP, et al

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: E/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

100%

Sec. 17: E/2SW/4

Lea County, New Mexico

Number of Acres: 80 Royalty Rate: 1/4

ORRI Owners:

WI Owners Names & Interests: COG Operating LLC

Of Record

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

Recordation: Book 2135, Page 715
Lessor: Katherine "Kitty" Madera

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: E/2SW/4 Lea County, New Mexico

Number of Acres: 8

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

ORRI Owners: Of Record

Lease Effective Date: February 25, 2011

Lease Terms: 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 Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/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

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: E/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	240.00	75.0000%
No. 2	80.00	25.0000%
1	320.00	100.0000%

Federal Communitization Agreement

BLM, NMSO SANTA FE

Contract No. 7170141307

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: E/2 W/2 Section 20: E/2 W/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 10. 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 2vear 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.
- This agreement may be executed in any number of counterparts, no one of which 14. 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

§ §

COUNTY OF MIDLAND

This instrument was acknowledged before me on the day of Januar 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 Ay Commission Exp. 07-10-2021

Notary Public in and for the State of

My Commission expires:

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD

18
MC
- A
W
9
#14688)

ACKNOWLEDGEMENT

STATE OF TEXA	· · · · · · · · · · · · · · · · · · ·
COUNTY OF MI	\$ DLAND \$
This instrument wa	acknowledged before me on the day of, 2019,
by	Attorney In Fact of COG Operating LLC, a Delaware Limited Liability
Company, on behal	of same.
	Notary Public in and for the State of Texas
	My Commission expires:
WOR	KING INTERET OWNERS AND/OR LESSEES OF RECORD
	*
	COG OPERATING LLC
Date:	Ву:
	Attorney In Fact
	Tap Rock Resources, LLC
Date:	By:
	Name:
	Title:
	Crown Oil Partners VI, LLC
Date:	all By: Fromwither
	Name: Brandon Black Title: Via President
	Title: Via President

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

		Crump Energy Farmers III, LLC
Date:		Noble Starnes Anthorized Person
	Name:	Noble Staines
	Title:	Authorized Person
		Topwater Resources, LLC
Date:	Ву:	
	Title:	
		Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:	
	Name:	
	Title:	

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

Crump Energy Partners III, LLC

Date:	Ву:	
	Name:	
	Title:	
		Topwater Resources, LLC
Date: 2/6/2019	Ву:	Report A h
	Name:	Ribert A. Roark
		Director
		Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:	
	Name:	
	Title:	

ACKNOWLEDGEMENTS

STATE OF TEXAS §	
COUNTY OF MIDLAND §	2010
This instrument was acknowledged before me on the Attorney In Fact of COG Operating LLC, a Delaware Lin	day of January 2019, by Sean Johnson, nited 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:
STATE OF TEXAS §	
COUNTY OF MIDLAND §	200
This instrument was acknowledged before me on the	day of January, 2019, by Sean Johnson, ed Liability Company, on behalt 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: 110/2
STATE OF §	
COUNTY OF GEFFEYSON §	
	the 15th day of November, 2019, by
	and : Lead of Tap Rock Resources,
LLC, a <u>Delawore limited liability</u>	on benalt of same,
EMILY KASA Notary Public State of Colorado Notary ID # 20184039277 My Commission Expires 10-04-2022	Notary Public in and for the State of Texas My Commission expires: 10 1:2022
STATE OF §	
COUNTY OF §	
This instrument was acknowledged before me on	the, day of, 2019, by
, as	of Crown Oil Partners VI,
LLC, a	
	Notary Public in and for the State of Texas My Commission expires:

ACKNOWLEDGEMENTS

STATE OF TEXAS	§	
COUNTY OF MIDLAND	§ §	
		on the day of, 2019, OG Operating LLC, a Delaware Limited Liability
er er		Notary Public in and for the State of Texas My Commission expires:
STATE OF	§	
COUNTY OF	§ §	
This instrument was acknowledged be	fore me	on the, 2019,
by		, as of
same.		Notary Public in and for the State of Texas My Commission expires:
		•
STATE OF TEXAS COUNTY OF Midland	\$ \$ \$	
This instrument was acknowledged bef	ore me	on the day of February, 2019,
by Brandon Black		of
Crown Oil Partners VI, LLC, a <u>De</u>	lawa	on behalf of
WALKER JAMES MEADOWS My Commission Expires August 25, 2019		Notary Public in and for the State of Texas
STATE OF TEAS		My Commission expires: 8/2-5/19

ACKNOWLEDGEMENTS (cont'd)

STATE OF Texas COUNTY OF Millant This instrument was acknowledged be by Noble Starnes Crump Energy Partners III, LLC, a	§ § § fore me	e on the 7 day of February, 2019, as Authorized Person of Jaware LLC, on behalf of
WALKER JAMES MEADOWS My Commission Expires August 25, 2019		Notary Public in and for the State of Texas My Commission expires: 8/25/19
STATE OF	00 00 00 00	
This instrument was acknowledged bef	fore me	on the, 2019,
by		, as of
Topwater Resources, LLC, a		, on behalf of
same.		
		Notary Public in and for the State of Texas My Commission expires:

ACKNOWLEDGEMENTS (cont'd)

STATE OF	§
COUNTY OF	§ §
This instrument was acknowledged before	re me on the, 2019,
by	, as of
Crump Energy Partners III, LLC, a	, on behalf of
same.	
	Notary Public in and for the State of Texas My Commission expires:
STATE OF Texas	
This instrument was acknowledged before by Robert A. Roade Topwater Resources, LLC, a Texas	e me on the bud day of February, 2019, as Director of
	LLC , on behalf of
Laura R Reyna Notary Public, State of Texas Notary ID 199845-1 My Commission Exp. 02-14-2023	Notary Public in and for the State of Texas My Commission expires: 2-14-2023

EXHIBIT "A"

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

Bonaid Federal Com 14H

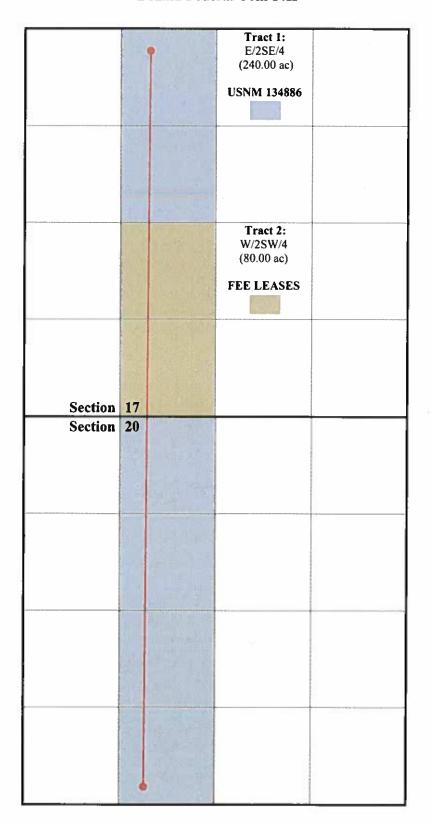


EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated September 1, 2019, covering E/2W/2 of Section 17 and the E/2W/2 of Section 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

Lease Effective Date:

Lease Terms:

Recordation

Lessor:

Original Lessee:

Current Lessee:

Description of Land Committed:

October 1, 2015

10 Years

Not Recorded USA NM-134886

COG Operating LLC

COG Operating LLC

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

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

Lea County, New Mexico

Number of Acres:

Royalty Rate:

WI Owners Names & Interests:

240 12-1/2

COG Operating LLC

100%

ORRI Owners:

Of Record

Tract No. 2

Lease Effective Date:

Lease Term:

Recordation:

Lessor:

Original Lessee:

Current Lessee:

Description of Land Committed:

January 17, 2011

5 Years

Book 1717, Page 170, Lea County Records

Neal Parks King, et ux

Sam Shackelford

COG Production LLC

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/2SW/4

Lea County, New Mexico

Number of Acres:

Royalty Rate:

ORRI Owners:

WI Owner Names & Interests:

80 1/5

COG Production, LLC

100%

Lease Effective Date: January 17, 2011

Lease Term: 5 Years

Recordation: Book 1718, Page 238, Lea County Records

Lessor: Rebecca Hunter
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: E/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 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: E/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: E/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: E/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 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: E/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 MaderaOriginal Lessee:COG Operating LLCCurrent Lessee:COG Operating LLC

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

Township 24 South, Range 35 East

Sec. 17: E/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

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:

Tap Rock Resources, LLC

Description of Land Committed:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/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:

WI Owners Names & Interests:

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

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

80

Number of Acres: Royalty Rate:

1/4 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: E/2SW/4

Lea County, New Mexico 80

Number of Acres: Royalty Rate:

1/4

WI Owners Names & Interests:

Crown Oil Partners VI, LLC, Crump Energy Partners

III, LLC

100%

ORRI Owners:

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: E/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 28, 2018
Lease Terms: 3 Years

Recordation: Book 2135, Page 715
Lessor: Katherine "Kitty" Madera

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: E/2SW/4 Lea County, New Mexico

Number of Acres: 8

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

ORRI Owners: Of Record

Lease Effective Date: February 25, 2011

Lease Terms: 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 Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/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

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: E/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	240.00	75.0000%
No. 2	80.00	25.0000%
	320.00	100.0000%

JAN 2 3 2020

Federal Communitization Agreement

Contract No. 17mn m/4/307

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: E/2 W/2 Section 20: E/2 W/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.

1

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 2year 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 TLC

Date: 1/17/2020

Sean Johnson

Attorney In Fact

NOS JN/

ACKNOWLEDGEMENT

By:

STATE OF TEXAS

§

COUNTY OF MIDLAND

This instrument was acknowledged before me on the \ \ day of January 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:

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD

			COG Operating LLC	
Date:		Ву:	Sean Johnson Attorney In Fact	
Date:		Ву:	Scan Johnson Attorney In Fact	
Date:	Na T	By: ime:	Ciayton Sponch VP Land Alegal Crown Oil Partners VI, LLC	EH
Date:		ine:		
Date:	Na	me:	Topwater Resources, LLC	
Date:		me:		
Date:	Na	By: me:	Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)	

ACKNOWLEDGEMENT

STATE OF TEXA				
COUNTY OF MII	OLAND §			
This instrument was	s acknowledged be	fore me on th	e day of	_, 2019,
by	Attorney In Fact	of COG O	perating LLC, a Delaware Limited	Liability
Company, on behalf	f of same.			
			stary Public in and for the State of Tex	
		IVI	y Commission expires:	
Wont			JD (OD I EGGERG OF DEGGER	
WORK	AING INTERET	JWNERS AF	ND/OR LESSEES OF RECORD	
			COG OPERATING LLC	
			ood of Eldiffind Bec	
Date:		Ву:		
			Attorney In Fact	
		Įe.	Tap Rock Resources, LLC	
			rap Nock Resources, LLC	
Date:		By:		
		Name:		
		Title:		
			Crown Oil Partners VI, LLC	
Date:		₹W By:	Promer Suc	
		Name:	Brandon Block Via Rosident	
		Title:	Via Prosident	

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

		Crump Energy 1 artifers III, LEC
Date:	Ву:	NA
	Name:	Noble Starnes
	Title:	Noble Starnes Authorized Person
127		
		Topwater Resources, LLC
Date:	By:	
		Chevron U.S.A., Inc.
		(Compulsory Pooled via NMOCD Order #14688)
Date:	By:	
	Name:	
	Title:	

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

Crump Energy Partners III, LLC

Date:	Ву:	
		Topwater Resources, LLC
Date: 46/1019	Ву:	Robert A Pr
	Name:	Robert A. Ruch
	Title:	Director
		Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:	
	Title:	

ACKNOWLEDGEMENTS

STATE OF TEXAS §	
COUNTY OF MIDLAND §	
This instrument was acknowledged before me on the Attorney In Fact of COG Operating LUC, a Delaware Lim Becky Zindel Notary Public, State of Texas Notary ID 129/1587-2 My Commission Exp. 07-10-2021	day of January 1, 2019, by Sean Johnson, nited Liability Company, on behalf of same. Notary Public in and for the State of Texas My Commission expires: 7/10/21
STATE OF TEXAS §	
COUNTY OF MIDLAND §	- 2020
This instrument was acknowledged before me on the	day of January, 2019, by Scan Johnson, and Liability Company, on behalf of same.
Recky Zindel Notary Public, State of Texas Notary ID 12941587-2 My Commission Exp. 07-10-2021	Notary Public in and to The State of Texas My Commission expires: 7/10/2
STATE OF § COUNTY OF §	
Ø .	the 15th day of November, 2019, by
Clayton Sporich as VP	The state of the s
LLC, a Delaware limited liability co	
EMILY KASA Notary Public State of Colorate Not a ID # 2018 of the 2017 My Construction Experies as 04-2022	Notary Public in and for the State of Texas My Commission expires: 10.4.2022
STATE OF	
COUNTY OF §	
	the, day of, 2019, by
, as	of Crown Oil Partners VI,
LLC, a	
	Notary Public in and for the State of Texas

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

My Commission expires:

ACKNOWLEDGEMENTS

STATE OF TEXAS	§
COUNTY OF MIDLAND	§ §
	ore me on the day of, 2019, of COG Operating LLC, a Delaware Limited Liability
	Notary Public in and for the State of Texas My Commission expires:
STATE OF	§
COUNTY OF	\$ \$
This instrument was acknowledged befo	ore me on the, 2019,
by	, as of
same.	Notary Public in and for the State of Texas My Commission expires:
COUNTY OF Milland This instrument was acknowledged before by Brandon Blank Crown Oil Partners VI, LLC, a Decision Same. WALKER JAMES MEADOWS My Commission Expires	, as

ACKNOWLEDGEMENTS (cont'd)

STATE OF Texas \$ COUNTY OF Milland \$	
This instrument was acknowledged before me oby	on the T day of February, 2019, _, as Authorized Person of were, LLC, on behalf of
WALKER JAMES MEADOWS My Commission Expires August 25, 2019	Notary Public in and for the State of Texas My Commission expires: 8/2-5/15
STATE OF	
This instrument was acknowledged before me of	on the day of, 2019,
by	, as of
	, on behalf of
same.	
	Notary Public in and for the State of Texas My Commission expires:

ACKNOWLEDGEMENTS (cont'd)

STATE OF §	
COUNTY OF §	
This instrument was acknowledged before me	on the, 2019,
by	, as of
Crump Energy Partners III, LLC, a	, on behalf of
same.	
	Notary Public in and for the State of Texas
	My Commission expires:
STATE OF Texes §	
STATE OF TEXES \$ COUNTY OF LLE Milland \$	
This instrument was acknowledged before me	on the 6th day of February, 2019, , as
by Robert A. Roak	_, as of
Topwater Resources, LLC, a Text LL	on behalf of
same.	
Laura R Reyna Notary Public, State of Texas Notary ID 199845-1 My Commission Exp. 02-14-2023	Notary Public in and for the State of Texas My Commission expires: 2-14-207.3

EXHIBIT "A"

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

Bonaid Federal Com 14H

	Tract 1: E/2SE/4 (240.00 ac) USNM 134886	
	Tract 2: W/2SW/4 (80.00 ac) FEE LEASES	
Section Section		
		Politic School - Scho

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated September 1, 2019, covering E/2W/2 of Section 17 and the E/2W/2 of Section 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

Lease Effective Date:

Lease Terms:

Recordation

Lessor:

Original Lessee:

Current Lessee:

Number of Acres:

Description of Land Committed:

October 1, 2015

10 Years

Not Recorded

USA NM-134886

COG Operating LLC COG Operating LLC

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

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

COG Operating LLC

Lea County, New Mexico

240 12-1/2

Royalty Rate:

WI Owners Names & Interests:

ORRI Owners:

Of Record

100%

Tract No. 2

Lease Effective Date:

Lease Term:

Recordation:

Lessor:

Original Lessee:

Current Lessee:

January 17, 2011

5 Years

Book 1717, Page 170, Lea County Records

Neal Parks King, et ux

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: E/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate:

80 1/5

WI Owner Names & Interests:

COG Production, LLC

100%

ORRI Owners:

Lease Effective Date: January 17, 2011

Lease Term: 5 Years

Recordation: Book 1718, Page 238, Lea County Records

Lessor: Rebecca Hunter
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: E/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 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: E/2SW/4
Lea County, New Mexico

Number of Acres: 80
Royalty Rate: 1/5

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: E/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

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: E/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5

WI Owners Names & Interests: ORRI Owners:

COG Production LLC

Of Record

Lease Effective Date:

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: E/2SW/4

Lea County, New Mexico

Number of Acres:

80

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

100%

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 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: E/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate:

80 1/4

WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

May 30, 2017 4 Years

Lease Term: 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: E/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:

Of Record

Lease Effective Date:

March 19, 2018

Lease Term: Recordation: 3 Years

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: E/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

100%

III, LLC

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

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: E/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate:

WI Owners Names & Interests:

Crown Oil Partners VI, LLC, Crump Energy Partners

III, LLC

100%

ORRI Owners:

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: E/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 28, 2018 Lease Terms: 3 Years

Recordation: Book 2135, Page 715 Lessor: Katherine "Kitty" Madera

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: E/2SW/4 Lea County, New Mexico

Number of Acres:

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

Lease Effective Date: February 25, 2011

Lease Terms: 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 Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/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

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: E/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	240.00	75.0000%
No. 2	80.00	25.0000%
· · · ·	320.00	100.0000%

JAN 2 3 2020

Federal Communitization Agreement

BLM, NMSO SANTA FE

Contract No. 7777141307

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: E/2 W/2 Section 20: E/2 W/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.

l

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 2year 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 TLC

Date: 1/17/2020

Sean Johnson

Attorney In Fact

MOS.

ACKNOWLEDGEMENT

By:

STATE OF TEXAS

Ş

COUNTY OF MIDLAND

8

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:

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD

		Cod Operating LLC	
Date:	By:	Sean Johnson	
		Attorney In Fact	
Date:	Ву:	Scan Johnson Attorney In Fact	
		Tap Rock Resources, LLC	/:1\
Date:			EH
	Name:	Clayton Sporch VP Land & Legal	
	Title:	Crown Oil Partners VI, LLC	
Date:	Ву:		
	Name:		
	Title:	Crump Energy Partners III, LLC	
Date:	Ву:		
	Name:		
	Title:		
		Topwater Resources, LLC	
Date:	Ву:		
Date:	By:	Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)	

ACKNOWLEDGEMENT

STATE OF 1	ΓEXAS	§		
COUNTY O	F MIDLAND	§ §		
This instrume	nt was acknowle	edged before me on th	ne day of	, 2019,
by	Attorney	In Fact of COG O	perating LLC, a Delaware Limited L	iability
Company, on	behalf of same.			
			otary Public in and for the State of Texa	
		MI	y Commission expires:	
*1	VODIZING INT		VIN (OR LEGGERS OF REGORD	
. <u>V</u>	VURKING INT	ERET OWNERS AF	ND/OR LESSEES OF RECORD	
			COG OPERATING LLC	
			COO OI BRAXING EDC	
Date:		Ву:		
			Attorney In Fact	
			Tap Rock Resources, LLC	
			Tap Nock Resources, LLC	
Date:		By:		
		Name:		
**		Title:		
			Crown Oil Partners VI, LLC	
Date:		<\mathcal{V}^\cap By:	Brandon Boule Via Prosident	
		Name:	Brandon Bowle	
		Title:	Via Prosident	

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

		Crump Energy Partners III, LLC
Date:	Ву:	
	Name:	Noble Starnes
	Title:	Noble Starnes Authorized Person
		Topwater Resources, LLC
Date:	Ву:	
	Name:	ATT
		Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	By:	
	Name:	
	Title:	

WORKING INTERET OWNERS AND/OR LESSEES OF RECORD (cont'd)

Crump Energy Partners III, LLC

Date:	Ву:	
	Name:	
		Topwater Resources, LLC
Date: 46/1019	Ву:	Robert A Pr
	Name:	Robert A. Room
	Title:	Director
		Chevron U.S.A., Inc. (Compulsory Pooled via NMOCD Order #14688)
Date:	Ву:	
	Name:	
	Title:	

ACKNOWLEDGEMENTS

STATE OF TEXAS § §	
COUNTY OF MIDLAND §	
This instrument was acknowledged before me on the Attorney In Fact of COG Operating LLC, a Delaware Line Becky Zindel Notary Public, State of Texas Notary ID 129/1587-2 My Commission Exp. 07-10-2021	
STATE OF TEXAS \$ COUNTY OF MIDLAND This instrument was acknowledged before me on the Attorney In Fact of COG Production LLC, a Texas Limite	day of <u>January</u> , 2020 ed 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 define State of Texas My Commission expires: 140/21
STATE OF §	
COUNTY OF gefferson §	
Ø	
EMILY KASA Notary Public State of Coloration Notable # 2018 of 1997 My Coloradission Expense 1994-2022	Notary Public in and for the State of Texas My Commission expires: 10.4.2022
STATE OF §	
COUNTY OF §	
, as	the day of, 2019, by of Crown Oil Partners VI,
LLC, a	_, on behalf of same.
	Notary Public in and for the State of Texas My Commission expires:

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

ACKNOWLEDGEMENTS

STATE OF TEXAS	§			
COUNTY OF MIDLAND	§ §			
This instrument was acknowledged be by Attorney In Fact Company, on behalf of same.			day of ing LLC, a Delawar	
		•	Public in and for the S	
STATE OF	§			
COUNTY OF	§ §			
This instrument was acknowledged be	fore me	on the	day of	, 2019,
by		, as		of
Tap Rock Resources, LLC, a				, on behalf of
		_	Public in and for the S nmission expires:	
STATE OF TEXCS COUNTY OF Milland This instrument was acknowledged be by Brandon Black Crown Oil Partners VI, LLC, a	§ § § fore me	on the $\frac{7}{2}$, as	day of February De La	, 2019, of , on behalf of
WALKER JAMES MEADOWS My Commission Expires August 25, 2019			Public in and for the Sommission expires:	

ACKNOWLEDGEMENTS (cont'd)

STATE OF TEXAS \$ COUNTY OF Milland \$	math.
This instrument was acknowledged before me of the by Note / Starnes Crump Energy Partners III, LLC, a Pola	on the T day of Fibruary, 2019,
WALKER JAMES MEADOWS My Commission Expires August 25, 2019	Notary Public in and for the State of Texas My Commission expires: 8/25/19
STATE OF	
This instrument was acknowledged before me of	on the day of, 2019,
	of
	, on behalf of
same.	
	Notary Public in and for the State of Texas My Commission expires:

ACKNOWLEDGEMENTS (cont'd)

STATE OF	§	
COUNTY OF	§ §	
This instrument was acknowledged be	fore me on the day of	, 2019,
by	, as	of
Crump Energy Partners III, LLC, a		, on behalf of
same.		
	Notary Public in and for	the State of Texas
	My Commission expires:	
STATE OF TEXES	\$ \$ \$	
This instrument was acknowledged be by Robert A. Ruak		orwary , 2019,
Topwater Resources, LLC, a Texa	1 LC	on behalf of
same.		
Laura R Reyna Notary Public, State of Texas Notary ID 199845-1 My Commission Exp. 02-14-2023	Notary Public in and for to My Commission expires:	

EXHIBIT "A"

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

Bonaid Federal Com 14H

	•	Tract 1: E/2SE/4 (240.00 ac) USNM 134886
		Tract 2: W/2SW/4 (80.00 ac) FEE LEASES
Section Section		

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated September 1, 2019, covering E/2W/2 of Section 17 and the E/2W/2 of Section 20, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

Lease Effective Date:

Lease Terms:

Recordation

Lessor:

Original Lessee:

Current Lessee:

Description of Land Committed:

Number of Acres: Royalty Rate:

WI Owners Names & Interests:

ORRI Owners:

October 1, 2015

10 Years

Not Recorded USA NM-134886

COG Operating LLC COG Operating LLC

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

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

Lea County, New Mexico

240 12-1/2

COG Operating LLC Of Record

100%

Tract No. 2

Lease Effective Date:

Lease Term:

Recordation:

Lessor:

Original Lessee:

Current Lessee:

ORRI Owners:

Description of Land Committed:

January 17, 2011

5 Years

Book 1717, Page 170, Lea County Records

Neal Parks King, et ux

Sam Shackelford

COG Production LLC

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate:

WI Owner Names & Interests:

1/5 COG Production, LLC

100%

Of Record

80

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 238, Lea County Records

Lessor:

Rebecca Hunter 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: E/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 Effective Date:

January 17, 2011

Lease Term:

5 Years

Recordation:

Book 1718, Page 241, Lea County Records

Lessor:

David F. K. Puckett Sam Shackelford

Original Lessee:

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: E/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 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 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: E/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5 COG Production LLC

100%

WI Owners Names & Interests:

ORRI Owners:

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: E/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 25, 2011

Lease Term:

5 Years

Recordation:

Book 1720, Page 474, Lea County Records

Lessor:

Katherine Madera Sam Shackelford

Original Lessee:

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: E/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate:

1/5 COG Production LLC

100%

WI Owners Names & Interests: 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 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: E/2SW/4

Lea County, New Mexico

Number of Acres:

80

Royalty Rate: WI Owners Names & Interests: 1/4

COG Operating LLC

100%

ORRI Owners:

May 30, 2017

Lease Term:

4 Years

Recordation:

Book 2112, Page 122, Lea County Records

Lessor:

Mildred Madera McCall Legion Petroleum, LLC

Original Lessee:

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: E/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: E/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 100%

III, LLC

ORRI Owners:

Of Record

Lease Effective Date:

March 29, 2018

Lease Term:

3 Years

Recordation:

Unrecorded at this time

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

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

Current Lessee:

Crown Oil Partners VI, LLC, Crump Energy Partners

Description of Land Committed:

III, LLC

Insofar and only insofar as said lease covers:

Sec. 17: E/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate:

WI Owners Names & Interests:

Township 24 South, Range 35 East

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

100%

ORRI Owners:

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: E/2SW/4

Lea County, New Mexico

Number of Acres:

80 1/4

Royalty Rate: WI Owners Names & Interests:

COG Operating LLC

100%

ORRI Owners:

Of Record

Lease Effective Date:

May 28, 2018

Lease Terms:

3 Years

Recordation:

Book 2135, Page 715

Lessor:

Katherine "Kitty" Madera

Original Lessee:

Ozark Royalty Co.

Current Lessee:
Description of Land Committed:

Topwater Resources, LLC

Insofar and only insofar as said lease covers:

Township 24 South, Range 35 East

Sec. 17: E/2SW/4

Lea County, New Mexico

Number of Acres:

80

WI Owners Names & Interests:

Topwater Resources, LLC 100%

ORRI Owners:

Of Record

Lease Effective Date:

February 25, 2011

Lease Terms: Recordation: 5 Years Book 1892, Page 99, Lea County Records

Lessor:

Pamela Madera Sam L. 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: E/2SW/4

Lea County, New Mexico

Number of Acres: Royalty Rate: 80

WI Owners Names & Interests:

1/5 COG Production 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: E/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	240.00	75.0000%
No. 2	80.00	25.0000%
	320.00	100.0000%