



Certificate of Analysis

Number: 6030-21100279-007A

Artesia Laboratory

200 E Main St.

Artesia, NM 88210

Phone 575-746-3481

Zach LaCount
Mewbourne Oil Company
4801 Business Park Blvd
Hobbs, NM 88240

Nov. 01, 2021

Station Name: Sapphire Sapphire 11/12 B2NW Battery VRU
Station Number: N/A
Station Location: Mewbourne
Sample Point: VRU
Instrument: 6030_GC2 (Agilent GC-7890B)
Last Inst. Cal.: 09/13/2021 14:54 PM
Analyzed: 10/29/2021 08:06:11 by EJR

Sampled By: Chad Whitt
Sample Of: Gas Spot
Sample Date: 10/25/2021
Sample Conditions: 81.8 psig, @ 195 °F Ambient: 61 °F
Effective Date: 10/25/2021
Method: GPA 2286
Cylinder No: 1111-002244

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.696 psia	
Hydrogen Sulfide	0.000	0.00000	0.000		GPM TOTAL C2+ 14.646
Nitrogen	0.623	0.61400	0.583		GPM TOTAL C3+ 8.313
Methane	48.620	47.93600	26.065		GPM TOTAL iC5+ 1.349
Carbon Dioxide	0.322	0.31700	0.473		
Ethane	23.896	23.56000	24.011	6.333	
Propane	16.709	16.47400	24.622	4.562	
Iso-butane	2.228	2.19700	4.328	0.723	
n-Butane	5.375	5.29900	10.439	1.679	
Iso-pentane	1.310	1.29200	3.159	0.475	
n-Pentane	1.224	1.20700	2.952	0.440	
Hexanes Plus	1.120	1.10400	3.368	0.434	
	101.427	100.0000	100.000	14.646	

Calculated Physical Properties

	Total	C6+
Relative Density Real Gas	1.0260	3.1016
Calculated Molecular Weight	29.50	89.83
Compressibility Factor	0.9924	

GPA 2172 Calculation:

Calculated Gross BTU per ft³ @ 14.696 psia & 60°F

Real Gas Dry BTU	1726	4804
Water Sat. Gas Base BTU	1696	4721
Ideal, Gross HV - Dry at 14.696 psia	1713.0	4804.4
Ideal, Gross HV - Wet	1683.1	0.000

Comments: H2S Field Content 0 ppm

Data reviewed by: Krystle Fitzwater, Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



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Nov. 01, 2021

Station Name: Sapphire Sapphire 11/12 B2NW Battery VRU
Station Number: N/A
Station Location: Mewbourne
Sample Point: VRU
Analyzed: 10/29/2021 15:46:26 by EJH

Sampled By: Chad Whitt
Sample Of: Gas Spot
Sample Date: 10/25/2021
Sample Conditions: 81.8 psig, @ 195 °F
Method: GPA 2286
Cylinder No: 1111-002244

Analytical Data

Components	Mol. %	Wt. %	GPM at 14.696 psia
Hydrogen Sulfide	0.000	0.000	
Nitrogen	0.614	0.583	
Methane	47.936	26.065	
Carbon Dioxide	0.317	0.473	
Ethane	23.560	24.011	6.333
Propane	16.474	24.622	4.562
Iso-Butane	2.197	4.328	0.723
n-Butane	5.299	10.439	1.679
Iso-Pentane	1.292	3.159	0.475
n-Pentane	1.207	2.952	0.440
i-Hexanes	0.283	0.803	0.113
n-Hexane	0.146	0.435	0.061
Benzene	0.086	0.229	0.024
Cyclohexane	0.138	0.393	0.047
i-Heptanes	0.191	0.595	0.076
n-Heptane	0.040	0.134	0.018
Toluene	0.047	0.146	0.016
i-Octanes	0.128	0.444	0.056
n-Octane	0.009	0.033	0.005
Ethylbenzene	0.004	0.014	0.002
Xylenes	0.008	0.031	0.003
i-Nonanes	0.018	0.072	0.009
n-Nonane	0.003	0.012	0.002
Decanes Plus	0.003	0.027	0.002
	100.000	100.000	14.646



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Station Name: Sapphire Sapphire 11/12 B2NW Battery VRU
Station Number: N/A
Station Location: Mewbourne
Sample Point: VRU
Analyzed: 10/29/2021 15:46:26 by EJRSampled By: Chad Whitt
Sample Of: Gas Spot
Sample Date: 10/25/2021
Sample Conditions: 81.8 psig, @ 195 °F
Method: GPA 2286
Cylinder No: 1111-002244

Calculated Physical Properties	Total	C10+
Calculated Molecular Weight	29.50	156.31
GPA 2172 Calculation:		
Calculated Gross BTU per ft³ @ 14.696 psia & 60°F		
Real Gas Dry BTU	1726.2	8554.3
Water Sat. Gas Base BTU	1696.0	8341.1
Relative Density Real Gas	1.0260	5.3970
Compressibility Factor	0.9924	
Ideal, Gross HV - Wet	1683.1	
Ideal, Gross HV - Dry at 14.696 psia	1713.0	
Net BTU Dry Gas - real gas	1578	
Net BTU Wet Gas - real gas	1551	

Comments: H2S Field Content 0 ppm

Data reviewed by: Krystle Fitzwater, Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

**THIS AGREEMENT CONTAINS INDEMNITY, DEFENSE,
AND RELEASE PROVISIONS**

MASTER SERVICE AGREEMENT

This Master Service Agreement (the "Agreement") is made effective and entered this _____ day of _____, 20____, by Mewbourne Oil Company ("Company") and _____, on behalf of itself and its affiliates (collectively, "Contractor"). All notices and written correspondence required by this Agreement may be sent to the following addresses:

Company: Mewbourne Oil Company
P.O. Box 7698
Tyler, TX 75711
(903) 561-2900
(903) 561-1870 (Fax)

Contractor: _____

1. Agreement

- A. This Agreement contains all terms and conditions agreed upon by the Company and the Contractor (singularly a "Party"; collectively the "Parties") and supersedes any and all previous oral or written agreements between the Parties.
- B. This Agreement may only be modified or supplemented in writing, specifically referencing an express intent to modify or supplement this Agreement, signed by duly authorized representatives of both Parties.
- C. If any conflict exists between this Agreement and any other terms provided in Contractor's purchase orders, field tickets, work tickets, invoices, statements, or any other document used in Contractor's course of business, the provisions of this Agreement shall govern.
- D. It is contemplated that from time to time that Contractor will be requested by Company, or Company's present or future affiliated entities, to perform certain work and services (the "Work"). The execution of this Agreement shall not (i) obligate Company to order Work from Contractor, nor (ii) obligate Contractor to accept Work from Company.

- E. A request for Work (a “Work Order”) may be oral or submitted to Contractor in writing. Should either Party deem it necessary to receive clarification of an oral Work Order, that Party shall make such request to the other Party and a written confirmation of the oral Work Order shall be provided. Each such request for Work shall be deemed a two-party agreement between Company and Contractor and shall be deemed to incorporate and shall be subject to the terms and conditions of this Agreement. When issued, such Work Orders are non-binding, negotiable offers and are subject to their express terms. Such offers become a binding Work Order only after Company and Contractor have mutually agreed to all material terms and conditions concerning the requested Work. If a conflict arises between this Agreement and a Work Order, this Agreement shall control.
- F. Contractor shall receive the compensation specified in the Work Order agreed to by Company and Contractor when the Work Order is accepted by Company. Such payment by Company shall be without prejudice to Company’s subsequent rights to challenge the correctness of the compensation specified in the Work Order. Pursuant to this Agreement, Contractor specifically authorizes Company to offset, by way of setoff or any other manner, any disputed amounts against amounts owed for other invoices. This right exists for Company regardless of whether the disputed amounts arise out of the same transaction or relate to the same property.
- G. Invoices shall be submitted in such form and accompanied by such certification and documentation as Company may reasonably request. Invoices shall be paid in accordance with the mutual agreement of the parties, but in no event less than forty-five (45) days after receipt of the invoice and supporting documentation.
- H. Contractor shall maintain, and shall cause Contractor’s subcontractors to maintain, a true and correct set of records pertaining to all Work performed for Company for three (3) years following the completion of the Work. Company may, at its expense, audit Contractor’s or Contractor’s subcontractors’ records related to the Work.

2. Term of the Agreement; Termination of Agreement or Work Order(s)

This Agreement shall remain in force and effect until cancelled by either Party by giving the other Party thirty (30) days written notice at the previously provided address; however, neither Party shall be relieved of the obligations and liabilities arising from Work performed prior to the termination. In addition, this Agreement shall remain in effect to govern the performance of any pending Work Order(s) until completion or termination of such Work Order in accordance with this Agreement.

Company may terminate any Work Order, at any time, upon written notice, in Company’s sole discretion. If a Work Order is terminated by Company and there has been no default by Contractor, Contractor shall be paid for all Work performed prior to termination and Company shall have no further liability to Contractor as a result of such termination.

3. Independent Contractor Status

- A. It is expressly understood and agreed that Contractor is an independent contractor of Company and that neither Contractor, nor anyone employed by Contractor or on location at Contractor's request, shall be deemed for any purpose to be an employee, agent, partner, servant, or representative of Company.
- B. Further, in performing any Work by Contractor for Company, Contractor shall possess the sole authority and right to direct and control all of the operative details of the Work. Contractor's employees, agents, and/or representatives shall at all times be under the direct and sole control and supervision of the Contractor. It is expressly understood and agreed that Contractor, its employees, agents, representatives, and subcontractors have stop work authority and the right to refuse to perform any work believed, in good faith, to be unsafe.

4. Insurance

As a separate and independent obligation of this Agreement, Contractor shall secure, and maintain at all times while this Agreement is in force, at Contractor's sole cost and expense, insurance coverages of the nature, and with minimum limits equal to, or in excess of, the requirements set forth on Exhibit A, attached hereto and incorporated herein. If the insurance policies secured and maintained by Contractor include limits in excess of those minimum limits required by this Agreement, Company Group shall be an additional insured to the full extent of the limits provided by such insurance. Additionally, nothing contained in this Agreement is intended to limit the scope of insurance coverage available to Company Group as an additional insured. The satisfaction of any deductibles or self-insured retentions attendant to said coverages shall be the sole responsibility of Contractor. Terms used in Exhibit A shall have the meaning ascribed by this Agreement. Contractor agrees that all its insurance policies, whether or not required by this Agreement, will:

- A. Except for Worker's Compensation coverage and Employer's Liability Insurance, name Company Group as Additional Insureds on a broad form basis so that said insurance be made to extend to and protect Company Group to the same extent Contractor is covered relative to the transactions governed by this Agreement with such coverage including coverage for the sole or concurrent negligence of the Additional Insureds and not being restricted to (i) "ongoing operations," (ii) coverage for vicarious liability, or (iii) circumstances in which the Named Insured is partially negligent;
- B. Be primary and non-contributory to any insurance available to Company or any member of Company Group; and
- C. Waive subrogation against Company Group.

Prior to commencement of Work, upon renewal, and at any time upon written request by Company, Contractor shall provide Company with a Certificate of Insurance

evidencing Contractor's compliance with the insurance requirements of this Agreement. Any failure of Contractor to secure, maintain or furnish Company with current documentation evidencing compliance with the requirements of this Article 4 shall constitute a material breach of this Agreement and, notwithstanding Article 14, Company may immediately terminate this Agreement by providing written notice to Contractor. Any failure of Company to insist upon strict adherence to the requirements of this Article 4, and/or to police adherence to the requirements hereof, as to Contractor or other contractors as to whom similar requirements have been imposed, shall in no event be construed as a waiver of said requirements, nor may the requirements hereof be waived other than in writing by a duly authorized officer of Company in compliance with Article 1 hereof. The insurance required hereby shall, however, in no way be construed to limit Contractor's liabilities and obligations pursuant to this Agreement, except and unless such a limitation is expressly provided for in this Agreement, or required by applicable law, in order for an underlying obligation to be enforceable, in which event the Contractor's relevant obligation shall be so limited.

5. LIABILITIES, RELEASES, AND INDEMNIFICATION

A. For this Agreement, the following definitions apply:

- 1) "Claims" means all claims, demands, causes of action, liabilities, damages, judgments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees, expert fees, and costs of litigation) of any kind or character arising out of, or related to, the performance this Agreement, the subject matter of this Agreement, or the Work performed under this Agreement.
- 2) "Contractor Group" means: (i) Contractor, its parent, subsidiary and affiliated or related companies, (ii) Contractor's subcontractors of any tier and Contractor's subcontractors' parent, subsidiary and affiliated or related companies, and (iii) the officers, directors, employees, agents, consultants, and invitees of any and all of the foregoing.
- 3) "Company Group" means: (i) Company, its parent, subsidiary and affiliated or related companies, (ii) its and their working interest owners, co-lessees, co-owners, members, partners, joint operators, and joint venturers, if any, and their respective parent, subsidiary and affiliated or related companies, (iii) Company's other contractors and subcontractors of any tier and their parent, subsidiary and affiliated or related companies, and (iv) the officers, directors, managers, employees, agents, and consultants of any and all of the foregoing, specifically excluding any member of Contractor Group.

B. CONTRACTOR SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD COMPANY GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR

BODILY INJURY, ILLNESS, SICKNESS, DISEASE, OR DEATH OF ANY MEMBER OF CONTRACTOR GROUP, AND (II) LOSS, DAMAGE, OR DESTRUCTION OF REAL OR PERSONAL PROPERTY (WHETHER OWNED OR LEASED) OF ANY MEMBER OF CONTRACTOR GROUP.

- C. COMPANY SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD CONTRACTOR GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR BODILY INJURY, ILLNESS, SICKNESS, DISEASE, OR DEATH OF ANY MEMBER OF COMPANY GROUP, AND (II) LOSS, DAMAGE, OR DESTRUCTION OF REAL OR PERSONAL PROPERTY (WHETHER OWNED OR LEASED) OF ANY MEMBER OF COMPANY GROUP.**
- D. THE ASSUMPTIONS OF LIABILITY, RELEASES, AND INDEMNITIES SET FORTH IN THIS ARTICLE 5 SHALL APPLY TO ANY CLAIMS WITHOUT REGARD TO THE CAUSES THEREOF INCLUDING, WITHOUT LIMITATION, PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE OF ANY PERSON OR PARTY, INCLUDING THE INDEMNIFIED PARTY AND ITS GROUP, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT AND/OR CONCURRENT, ACTIVE OR PASSIVE, OR ANY OTHER THEORY OF LEGAL LIABILITY (EXCLUDING ONLY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PERSON OR ENTITY SEEKING RELEASE, DEFENSE, OR INDEMNITY).**
- E. BOTH PARTIES ACKNOWLEDGE THESE STATEMENTS, CONTAINED IN SECTIONS 5. A. TO 5. D., ARE CONSPICUOUS AND AFFORD FAIR AND ADEQUATE NOTICE.**
- F. If this Agreement is subject to the indemnity limitations in Chapter 127 of the Texas Civil Practice and Remedies Code (or any successor statute), and so long as such limitations are in force, each Party covenants and agrees to support the mutual indemnity obligations in Sections 5.B. and 5.C., by carrying insurance of the types and in the amounts not less than those specified in Article 4 and Exhibit A of this Agreement, for the benefit of the other Party. To the extent applicable law mandates that any indemnity is limited to the amount of the insurance required to be carried, then the amount of insurance required to be carried by the Parties to support their indemnity obligations will be the greater of: (i) the total amount of liability insurance (or qualified self-insurance) actually carried by the Contractor, or the total amount of liability insurance (or qualified self-insurance) actually carried by the Company, whichever is less or (ii) the minimum limits of insurance required by this Agreement.**

6. Standard of Performance

- A. Contractor warrants (i) that all Work performed pursuant to this Agreement shall be performed in compliance with all applicable laws, rules, and regulations (including, without limitation, all safety codes, statutes, regulations, precautions, and procedures) and utilizing all necessary or desirable protective equipment and devices, whether suggested or required by safety associations, government agencies, municipalities or otherwise; (ii) that all Work performed pursuant to this Agreement shall be done with skill, care, and diligence, in a good and workmanlike manner, in accordance with the terms of this Agreement, and the industry standards of performance; (iii) that all materials, goods, and tools, machinery, and equipment shall be of sufficient quality for their purposes, be free from defect, meet all engineering standards and specifications provided by Company, and have been prepared, tested, and shipped in accordance with the provisions hereof and in all applicable orders; and (iv) that Contractor and its employees, agents, subcontractors, and representatives are suitably trained to perform the Work pursuant to this Agreement.
- B. Any portion of the materials or Work performed by Contractor found defective or unsuitable will be removed, replaced, or corrected by Contractor with no additional cost to Company.
- C. Within ten (10) days of written request from Company, Contractor will provide evidence of all permits and licenses required for the Work to be performed to Company.

7. Intellectual Property

- A. License. To the extent legally permissible, Contractor grants Company a non-exclusive, royalty-free, irrevocable license under all U.S. patents now or hereafter owned or controlled by Contractor insofar as may be necessary or convenient to construct, operate, modify, repair, or replace all or any part of the Work performed by Contractor for Company.
- B. **PATENT INDEMNIFICATION. CONTRACTOR REPRESENTS AND WARRANTS THAT IT HOLDS ALL NECESSARY LEGAL AND/OR BENEFICIAL RIGHTS TO ALL MATERIALS, MACHINERY, PRODUCTS, EQUIPMENT, AND PROCESSES REQUIRED FOR THE WORK TO BE COMPLETED BY CONTRACTOR FOR COMPANY. CONTRACTOR GROUP SHALL DEFEND, INDEMNIFY, AND HOLD THE COMPANY GROUP HARMLESS FROM AND AGAINST ANY CLAIMS THAT ARISE IN CONNECTION WITH ANY INFRINGEMENT OR ALLEGED INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, OR OTHER PROTECTED RIGHT RELATED TO CONTRACTOR'S PERFORMANCE OF WORK FOR COMPANY.**

- C. Improvements. Contractor agrees that any and all intellectual property developed by Contractor and/or Contractor Group jointly with Company and/or Company Group based on or as a result from the Work provided by Contractor for Company shall be the exclusive property of the Company. Contractor agrees to assign and hereby assigns the patent and other intellectual property rights to the Company. Contractor agrees to disclose any such developed intellectual property, and Contractor agrees to cooperate with Company in patenting or otherwise protecting the intellectual property.

8. Liens

Contractor shall make timely payments to all vendors, suppliers, workers, materialmen, and subcontractors, and take all other action necessary to keep Company's and Company Group's property and the site of the Work free of liens. Company may withhold payment of amounts due to Contractor, including, but not limited to, amounts permitted or required to be withheld by applicable statute, until Company has been furnished with proof satisfactory to it that either all amounts have been paid or Contractor has provided for satisfactory payment. If a lien attaches to Company's and/or Company Group's property or to the site of the Work, Company shall give notice to Contractor of the lien, and allow a reasonable time for Contractor to cure, satisfy or have the lien removed, but after such reasonable time Company may make any payment to discharge the lien, and it may offset the amount of the payment, together with damages and costs, including court costs and reasonable attorney's fees, that it incurs because of the lien or its discharge, against any payment owing or to be owed to Contractor. Contractor shall furnish, on written request by Company, receipts and releases that show all costs and expenses of the work have been paid, and that no claims, liens, or rights to liens exist against the Company Group or its property. **CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE COMPANY GROUP HARMLESS FROM AND AGAINST ANY LIENS, ENCUMBRANCES, OR OTHER CLAIMS ARISING OUT OF OR CONNECTED WITH THE WORK PERFORMED BY CONTRACTOR FOR COMPANY, INCLUDING COURT COSTS AND REASONABLE ATTORNEY'S FEES INCURRED AS A RESULT OF SUCH LIENS OR CLAIMS.** Nothing in this Section shall prevent Contractor from filing a lien in the event of non-payment by Company of amounts due Contractor for Work performed under this Contract.

9. Taxes

Contractor shall pay or withhold and remit (i) any occupation or similar taxes and all sales, use, or consumer taxes, and all gross proceeds taxes arising out of this Agreement required by law, (ii) all taxes, licenses and fees levied or assessed by any governmental authority upon Contractor in connection with or incident to performing this Agreement and all unemployment compensation insurance, Medicare taxes, social security or any other taxes upon the wages and benefits of Contractor, its agents, employees or representatives and (iii) all taxes due for all labor and materials furnished to Contractor for the Work and the charges of all Subcontractors. All taxes which Company is responsible to pay must be included

in the invoice provided to Company for the goods or services provided by Contractor. Should Contractor fail to include any taxes in the invoice upon which Company remits payment to Contractor, Company shall have no liability for payment of said taxes or reimbursement to Contractor for the same.

10. Confidentiality

All information provided by Company to Contractor during the course of operations (including, without limitation, information regarding Company's operations, wells, plans, infrastructure, and geological or geophysical information) shall be deemed "Confidential" and recognized as proprietary to the Company. Contractor shall not divulge such information and shall take all reasonable steps to ensure that neither Contractor nor any member of Contractor Group will divulge such information. Further, Contractor agrees to not use Company's confidential information for pursuing commercial ventures or commercial gain with any third-party.

11. Applicable Law, Jurisdiction, and Venue

All disputes, controversies, or claims arising out of or relating to this Agreement, including the validity, construction, enforcement, or interpretation of this Agreement, shall be governed and controlled by the substantive laws of the State of Texas, and no conflict of law or choice of law principles of Texas or any other jurisdiction shall be applicable. Any suit or proceeding hereunder must be brought exclusively in the state or federal courts of the State of Texas, and each Party hereby consents to the personal jurisdiction of said state and federal courts. Each Party further agrees that any such suit or proceeding shall be filed exclusively in the state or federal courts in Tyler, Smith County, Texas, and the Parties expressly waive any objection to such courts as an inconvenient forum.

12. Attorney's Fees

If the Parties become involved in litigation or other dispute resolution arising out of or related to this Agreement in which the services of an attorney and/or other expert are reasonably required, the prevailing Party shall be fully compensated for the cost of its participation in such proceedings, including court costs, costs incurred for attorney's fees, and costs incurred for expert fees.

13. Waiver of Breach

The waiver by either Party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

14. Severability

If any provision (or portion thereof) of this Agreement shall be declared invalid or unlawful, the remaining provisions shall not be affected, and this Agreement shall be construed as if such invalid or unlawful provision (or portion thereof) had never been contained herein.

15. Counterparts

This Agreement may be executed in multiple original counterparts, each of which shall be deemed an original instrument, but all of which shall constitute but one and the same instrument.

WITNESS THE SIGNATURES of the Parties to this Master Service Agreement as follows:

“Company”

“Contractor”

Mewbourne Oil Company

By: Monty L. Whetstone

By: _____

Name: Monty L. Whetstone

Name: _____

Title: Vice-President – Operations

Title: _____

Exhibit A
Insurance Requirements

A. During the term of this Agreement, unless otherwise prohibited by law, each Party shall, at each Party's sole expense, carry with solvent and reputable insurance carriers, insurance of the types and in the minimum amounts set forth below:

- 1) **Commercial (or Comprehensive) General Liability Insurance**, including contractual liability, products liability, and completed operations coverages, insuring the indemnity, release, defense, and hold harmless obligations assumed in this Agreement, affording minimum protection of not less than U.S. \$1,000,000.00 per occurrence combined single limit bodily injury, sickness, or death and loss of or damage to property, subject to a U.S. \$2,000,000.00 general aggregate limit, and a U. S. \$2,000,000.00 products/completed operations aggregate limit.
- 2) **Workers' Compensation Insurance**, including occupational disease, which fully complies with the statutory requirements of all applicable state laws and federal laws. All Workers' Compensation Insurance further must include Borrowed Servant/Alternate Employer Endorsements.
- 3) **Employers' Liability Insurance** affording minimum protection of not less than U.S. \$1,000,000.00 per occurrence covering death or injury to any employee of the primary insured. All Employers' Liability Insurance further must include Borrowed Servant/Alternate Employer Endorsements.
- 4) **Automobile Liability Insurance** covering owned, non-owned, or hired vehicles affording protection of not less than U.S. \$1,000,000.00 per occurrence combined single limit bodily injury or death and loss of or damage to property. The Automobile Liability Insurance must include pollution liability if Contractor handles or transports any (i) "hazardous substance" as defined by Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, or any successor law, (ii) petroleum product including crude oil, (iii) natural gas or natural gas liquids, (iv) salt water, or (v) any chemical, substance or waste listed, regulated, or designated as toxic, hazardous, or polluting (or words of similar meaning and regulatory effect), or regarding which remedial or removal obligations may be imposed, under federal, state, or local environmental law, rule or regulation or any such law that may be in effect in the future (collectively items (i) – (v) are referred to as "Hazardous Substances").

- 5) **Pollution Insurance** covering clean-up obligations mandated by local, state, and federal law, orders, rules, and regulations and covering liability for damages to persons or property, for clean-up of, or for spills, contamination or pollution, by or from, any Hazardous Substances, resulting from, caused by, or related to the performance of Work by Contractor, in an amount not less than U.S. \$1,000,000.00 combined single limit per occurrence and a U.S. \$2,000,000.00 general aggregate limit. This insurance coverage may be obtained by way of an endorsement to the appropriate insurance above, or by separate insurance.
 - 6) **Excess (or Umbrella) Liability Insurance** over that required in Sections A.1), A.3), A.4), and A.5) with minimum limits of at least U.S. \$10,000,000.00, following form to the primary coverage (or at least as broad as underlying), and specifically including contractual liability.
- B. For the risks and liabilities expressly assumed by each Party hereunder, each Party agrees that all such insurance policies carried by the indemnifying Party will meet these requirements:
- 1) The indemnifying Party's insurance shall be primary and non-contributory to any insurance available to the other Party or any member of such other Party's Group;
 - 2) The indemnifying Party's insurance shall, except for Workers' Compensation coverage, name the other Party and its Group as Additional Insureds.
 - 3) The indemnifying Party's insurance shall be endorsed to waive subrogation against the other Party and its Group.
- C. On written request, each Party shall furnish an insurance certificate on a form reasonably satisfactory to the other Party, evidencing that the above coverages are in place. Further, the types and amounts of insurance required shall in no way limit either Party's indemnity obligations as stated elsewhere in this Agreement (unless otherwise limited under applicable law). The limits of coverage provided are minimums and do not alter the indemnities and allocation of responsibilities in the Agreement.
- D. All insurance shall be maintained in full force and effect during the term of this Agreement. Contractor will provide written notice to Company at least thirty (30) days prior to cancellation or material change in the coverages referenced. Company may, at any time upon thirty (30) days prior written notice, require Contractor to increase the limits set forth to such amounts as inflation, industry practice, or other factors indicate are reasonable.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

DEFINITIONS

Action 194048

DEFINITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 194048
	Action Type: [C-129] Venting and/or Flaring (C-129)

DEFINITIONS

For the sake of brevity and completeness, please allow for the following in all groups of questions and for the rest of this application: <ul style="list-style-type: none">• this application's operator, hereinafter "this operator";• venting and/or flaring, hereinafter "vent or flare";• any notification or report(s) of the C-129 form family, hereinafter "any C-129 forms";• the statements in (and/or attached to) this, hereinafter "the statements in this";• and the past tense will be used in lieu of mixed past/present tense questions and statements.
--

District I
1625 N. French Dr., Hobbs, NM 88240
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District III
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District IV
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 194048

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 194048
	Action Type: [C-129] Venting and/or Flaring (C-129)

QUESTIONS

Prerequisites Any messages presented in this section, will prevent submission of this application. Please resolve these issues before continuing with the rest of the questions.	
Incident Well	Unavailable.
Incident Facility	[fAPP2125251818] SAPPHIRE 11/12 B3DC ST COM 2H BATTERY

Determination of Reporting Requirements Answer all questions that apply. The Reason(s) statements are calculated based on your answers and may provide additional guidance.	
Was this vent or flare caused by an emergency or malfunction	Yes
Did this vent or flare last eight hours or more cumulatively within any 24-hour period from a single event	Yes
Is this considered a submission for a vent or flare event	Yes, minor venting and/or flaring of natural gas.
An operator shall file a form C-141 instead of a form C-129 for a release that, includes liquid during venting and/or flaring that is or may be a major or minor release under 19.15.29.7 NMAC.	
Was there at least 50 MCF of natural gas vented and/or flared during this event	Yes
Did this vent or flare result in the release of ANY liquids (not fully and/or completely flared) that reached (or has a chance of reaching) the ground, a surface, a watercourse, or otherwise, with reasonable probability, endanger public health, the environment or fresh water	No
Was the vent or flare within an incorporated municipal boundary or withing 300 feet from an occupied permanent residence, school, hospital, institution or church in existence	No

Equipment Involved	
Primary Equipment Involved	Other (Specify)
Additional details for Equipment Involved. Please specify	VRU

Representative Compositional Analysis of Vented or Flared Natural Gas Please provide the mole percent for the percentage questions in this group.	
Methane (CH4) percentage	48
Nitrogen (N2) percentage, if greater than one percent	1
Hydrogen Sulfide (H2S) PPM, rounded up	0
Carbon Dioxide (C02) percentage, if greater than one percent	0
Oxygen (02) percentage, if greater than one percent	0
If you are venting and/or flaring because of Pipeline Specification, please provide the required specifications for each gas.	
Methane (CH4) percentage quality requirement	Not answered.
Nitrogen (N2) percentage quality requirement	Not answered.
Hydrogen Sufide (H2S) PPM quality requirement	Not answered.
Carbon Dioxide (C02) percentage quality requirement	Not answered.
Oxygen (02) percentage quality requirement	Not answered.

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QUESTIONS, Page 2

Action 194048

QUESTIONS (continued)

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	Action Number: 194048
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QUESTIONS

Date(s) and Time(s)	
Date vent or flare was discovered or commenced	02/27/2023
Time vent or flare was discovered or commenced	12:00 AM
Time vent or flare was terminated	04:00 PM
Cumulative hours during this event	16

Measured or Estimated Volume of Vented or Flared Natural Gas	
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Cause: High Line Pressure Other (Specify) Natural Gas Flared Released: 213 Mcf Recovered: 0 Mcf Lost: 213 Mcf.
Other Released Details	Not answered.
Additional details for Measured or Estimated Volume(s). Please specify	Volume calculated
Is this a gas only submission (i.e. only significant Mcf values reported)	Yes, according to supplied volumes this appears to be a "gas only" report.

Venting or Flaring Resulting from Downstream Activity	
Was this vent or flare a result of downstream activity	No
Was notification of downstream activity received by this operator	Not answered.
Downstream OGRID that should have notified this operator	Not answered.
Date notified of downstream activity requiring this vent or flare	Not answered.
Time notified of downstream activity requiring this vent or flare	Not answered.

Steps and Actions to Prevent Waste	
For this event, this operator could not have reasonably anticipated the current event and it was beyond this operator's control.	True
Please explain reason for why this event was beyond this operator's control	Sales line pressure exceeds VRU maximum discharge pressure capabilities.
Steps taken to limit the duration and magnitude of vent or flare	Monitored line pressure until it dropped back to acceptable levels and started VRU.
Corrective actions taken to eliminate the cause and reoccurrence of vent or flare	Continued routine preventive maintenance and daily operational inspections

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ACKNOWLEDGMENTS

Action 194048

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	Action Number: 194048
	Action Type: [C-129] Venting and/or Flaring (C-129)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I acknowledge that I am authorized to submit a <i>Venting and/or Flaring</i> (C-129) report on behalf of this operator and understand that this report can be a complete C-129 submission per 19.15.27.8 and 19.15.28.8 NMAC.
<input checked="" type="checkbox"/>	I acknowledge that upon submitting this application, I will be creating a new incident file (assigned to this operator) to track any C-129 forms, pursuant to 19.15.27.7 and 19.15.28.8 NMAC and understand that this submission meets the notification requirements of Paragraph (1) of Subsection G and F respectively.
<input checked="" type="checkbox"/>	I hereby certify the statements in this report are true and correct to the best of my knowledge and acknowledge that any false statement may be subject to civil and criminal penalties under the Oil and Gas Act.
<input checked="" type="checkbox"/>	I acknowledge that the acceptance of any C-129 forms by the OCD does not relieve this operator of liability should their operations have failed to adequately investigate, report, and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment.
<input checked="" type="checkbox"/>	I acknowledge that OCD acceptance of any C-129 forms does not relieve this operator of responsibility for compliance with any other applicable federal, state, or local laws and/or regulations.

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CONDITIONS

Action 194048

CONDITIONS

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	Action Number: 194048
	Action Type: [C-129] Venting and/or Flaring (C-129)

CONDITIONS

Created By	Condition	Condition Date
zlaount	If the information provided in this report requires an amendment, submit a [C-129] Amend Venting and/or Flaring Incident (C-129A), utilizing your incident number from this event.	3/8/2023