



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



IN REPLY REFER TO:

NMNM138290

3105.2 (P0220)

JUN 25 2018 PM02:35

06/19/2018

Reference:

Communitization Agreement

Queen 23/24 W0OP Fed Com #1H

Queen 23/24 W2OP Fed Com #2H

Section 23: SE

Section 24: S2

T. 24 S., R. 28 E., N.M.P.M.

Eddy County, NM

Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138290 involving 40 acres of Federal land in lease NMNM 27919, 120 acres of Federal land in lease NMNM 107373, 40 acres of Federal land in lease NMNM 110829, and 280 acres of Fee land in Eddy County, New Mexico, which comprise a 480 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the SE, Sec. 23 and the S2, Sec. 24 T. 24 S., R. 28 E., NMPM, Eddy County, NM, and is effective June 1, 2017. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

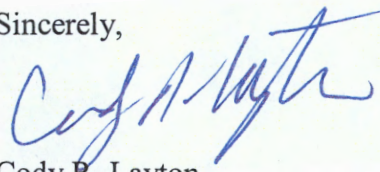
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234, Deborah Ham at (575) 234-5965 or Margie Dupre at (505) 954-2142.

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

Sincerely,



Cody R. Layton  
Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NM State Land Comm.

Determination - Approval - Certification

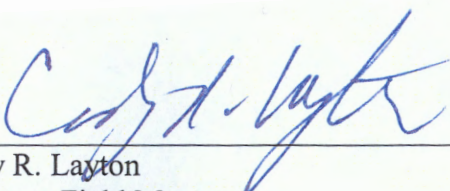
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
  
- B. Approve the attached Communitization Agreement covering the SE of sec. 23 and the S2 sec. 24, T. 24 S., R. 28 E., NMPM, as to all producible hydrocarbons from the Wolfcamp 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: 06/19/2018

  
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Cody R. Layton  
Assistant Field Manager  
Lands and Minerals

Effective: June 1, 2017

Contract No.: Com. Agr. NMNM138290





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene  
Carlsbad, New Mexico 88220-6292  
www.blm.gov



In Reply Refer to  
NM138290  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM138290

Date of Completion:	04/18/2018
Date of First Production:	04/18/2018
Field:	Purple Sage
Operator, Well Name & No, API Number:	Mewbourne Oil; Queen 23/24 W00P Fed Com 1H; 30-015-44250
Surface Location:	Sec. 23, SESW, T. 24 S., R. 28 E.
Bottom Location:	Sec. 24, SESE, T. 24 S., R. 28 E.
Total Depth:	17,680' MD; 9,755' TVD
Surface Elevation:	2,955 GL
Producing Formation:	Wolfcamp (10,370' – 17,640')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 772 BBL; Gas 2638 MCF; Water 2369 BBL
Current Status:	Producing Gas Well

Remarks: CA NMNM138290, effective 06/01/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 23: SE and sec. 24: S2, T. 24 S., R. 28 E., NMPM, and comprises 280 acres of Fee lands, 40 acres of Federal land in lease NMNM27919, 120 acres of Federal land in lease NMNM107373 and 40 acres of Federal land in lease NMNM110829 for a 480 acre well spacing unit. Leases NMNM27919 and NMNM110829 are held by allocated production, lease NMNM107373 held by actual production. Per penetration for production, surface location of well not within agreement boundary.

If you have any questions regarding this memorandum please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham

06/19/2018

cc:  
ONRR  
First Production File  
LLNM (P0220, File Room)