



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:

NM136284

3105.2 (P0220)

Reference:

09/16/2016

Communitization Agreement

Crazy Wolf ½ B2CD Federal Com 1H

Section 1: NW

Section 2: N2

T. 19 S., R. 32 E.

Lea County, NM

Mewbourne Oil Company

P.O. Box 7698

Tyler, TX 75711

RECEIVED
2016 DEC 27 PM 2:07

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136284 involving 80 acres of Federal land in lease NMNM12568A, 80 acres of Federal land in lease NMNM81599 and 320 acres of State land, Lea County, New Mexico, which comprise a 480 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the NW quarter of Sec. 1, the N2 of Sec. 2, T. 19 S., R. 32 E., NMPM, Lea County, NM, and is effective 11/01/2015. 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.

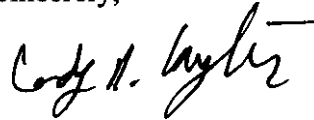
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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 at (575) 234-2234 or Deborah Ham at (575) 234-5965.

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:

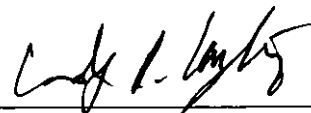
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement 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 W2E2 of sec. 28, T. 18 S., R. 32 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: 09/16/2016



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 11/01/2015

Contract No.: Com. Agr. NM136284



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



In Reply Refer to
NM136284
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM136284

| | |
|--|--|
| Date of Completion: | 01/29/2016 |
| Date of First Production: | 01/29/2016 |
| Field: | Lusk |
| Operator, Well Name & No, API Number: | Mewbourne Oil; Crazy Wolf ½ B2CD Fed Com 1H; 30-025-42793 |
| Surface Location: | Sec. 1, NWNW, T. 19 S., R. 32 E. |
| Bottom Location: | Sec. 2, NWNW, T. 19 S., R. 32 E. |
| Total Depth: | 16,928 MD; 9,533 TVD |
| Surface Elevation: | 3,694 GL |
| Producing Formation: | Bone Spring (7,328 – 16,928) |
| Well Capable of Production in Paying Quantities: | Yes |
| Initial Daily Production: | Oil 441 BBL; Gas 247 MCF; Water 2616 BBL |
| Current Status: | Producing Oil Well |

Remarks: CA NMNM136284, effective 11/01/2015, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 1: NW qtr, and beneath sec. 2, N2, T. 19 S., R. 32 E., NMPM, and comprises 80 acres of Federal land in lease NMNM12586A, 80 acres of Federal land in lease NMNM81599 and 320 acres of State land for a 480 acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum please email Deborah Ham at dham@blm.gov.

/S/ Deborah Ham

09/16/2016

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