

Determination - Approval - Certification

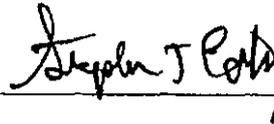
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 N2, E2SW, & SE of sec. 15, T. 18 S., R. 30 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 (e) are not met.

- 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:



Authorized Officer
Stephen Caffey
Asst. Field Mgr.

Effective: 5/15/14

Contract No.: Com. Agr. NM134237

Oil Conservation Division
Case No. _____
Exhibit No. 8

COMMUNITIZATION AGREEMENT

CONTRACT NO. 134237

THIS agreement entered into as of May 15, 2014, 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 18 South, Range 30 East, N.M.P.M.
Section 15: N/2, E/2SW/4 and SE/4
Eddy County, New Mexico

containing 560.00 acres, more or less as shown on Exhibit "A" attached hereto, and this agreement shall include only the Bone Spring formation underlying said lands and the oil and associated casinghead gas (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of the 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 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 therefrom 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, State or fee land included within the CA area are to be placed in an interest earning escrow or 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 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 obligations 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 is such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is May 15, 2014 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 as to the Bone Spring formation for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities. Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2 year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest 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 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 occurs 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.

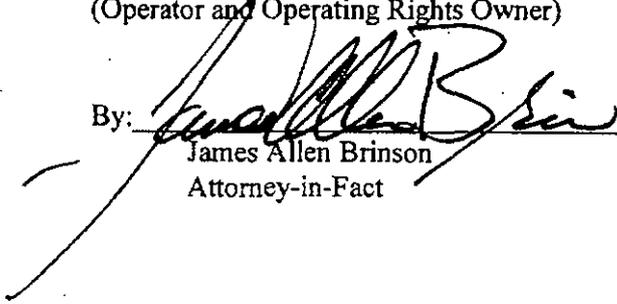
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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 of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.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.

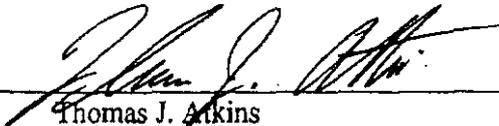
MEWBOURNE OIL COMPANY
(Operator and Operating Rights Owner)

By: 

James Allen Brinson
Attorney-in-Fact

CONOCOPHILLIPS COMPANY

(Record Title Owner and Overriding Royalty Interest Owner)

By: 
Thomas J. Atkins
Attorney-in-Fact

4/2
NTH

CHARMAR, LLC

(Operating Rights Owner and Overriding Royalty Interest Owner)

By: _____
Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED

(Record Title Owner)

By: _____
Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION

(Record Title Owner)

By: _____
Olen F. Featherstone, III
President

COG OPERATING LLC AND

CONCHO OIL & GAS LLC

(Operating Rights Owner)

By: _____
Mona D. Ables
Vice President of Land

CONOCOPHILLIPS COMPANY
(Record Title Owner and Overriding Royalty Interest Owner)

By: _____
Thomas J. Atkins
Attorney-in-Fact

CHARMAR, LLC
(Operating Rights Owner and Overriding Royalty Interest Owner)

By: *Vikki H. Smith*
Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED
(Record Title Owner)

By: _____
Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION
(Record Title Owner)

By: _____
Olen F. Featherstone, III
President

**COG OPERATING LLC AND
CONCHO OIL & GAS LLC**
(Operating Rights Owner)

By: _____
Mona D. Ables
Vice President of Land

CONOCOPHILLIPS COMPANY

(Record Title Owner and Overriding Royalty Interest Owner)

By: _____
Thomas J. Atkins
Attorney-in-Fact

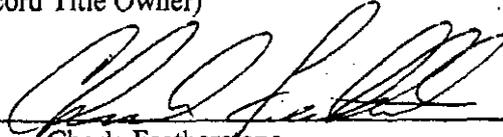
CHARMAR, LLC

(Operating Rights Owner and Overriding Royalty Interest Owner)

By: _____
Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED

(Record Title Owner)

By:  _____
Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION

(Record Title Owner)

By:  _____
Olen F. Featherstone, III
President

COG OPERATING LLC AND

CONCHO OIL & GAS LLC

(Operating Rights Owner)

By: _____
Mona D. Ables
Vice President of Land

CONOCOPHILLIPS COMPANY
(Record Title Owner and Overriding Royalty Interest Owner)

By: _____
Thomas J. Atkins
Attorney-in-Fact

CHARMAR, LLC
(Operating Rights Owner and Overriding Royalty Interest Owner)

By: _____
Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED
(Record Title Owner)

By: _____
Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION
(Record Title Owner)

By: _____
Olen F. Featherstone, III
President

**COG OPERATING LLC AND
CONCHO OIL & GAS LLC**
(Operating Rights Owner)

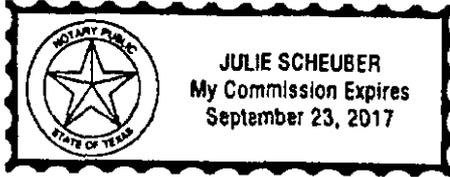
By: Mona D. Ables
Mona D. Ables
Vice President of Land

MA
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ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF SMITH

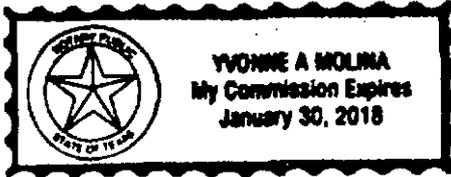
This instrument was acknowledged before me on May 28, 2014 by **James Allen Brinson, Attorney-in-Fact of Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Julie Scheuber
Notary Public
My Commission Expires: 9-23-2017

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on June 3, 2014 by **Thomas J. Atkins, as Attorney-in-Fact of ConocoPhillips Company**, a Delaware corporation on behalf of said corporation.



Yvonne Molina
Notary Public
My Commission Expires: 1-30-2018

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on _____, 2014 by **Vikki H. Smith, as Managing Member of Charmar, LLC**, a New Mexico limited liability company.

Notary Public
My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF CHAVES

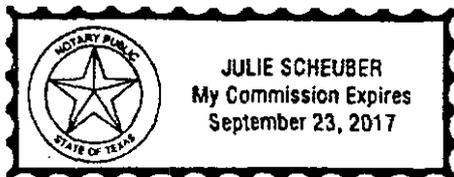
This instrument was acknowledged before me on _____, 2014 by **Olen F. Featherstone, III, as President of Featherstone Development Corporation**, a Colorado corporation on behalf of said corporation.

Notary Public
My Commission Expires: _____

ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF SMITH

This instrument was acknowledged before me on May 28, 2014 by **James Allen Brinson, Attorney-in-Fact of Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Julie Scheuber
Notary Public
My Commission Expires: 9-23-2017

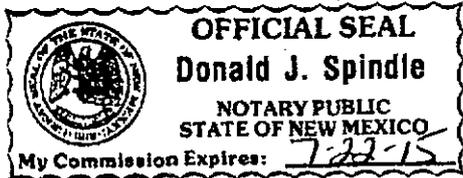
STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on _____, 2014 by **Thomas J. Atkins, as Attorney-in-Fact of ConocoPhillips Company**, a _____ corporation on behalf of said corporation.

Notary Public
My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on June 13, 2014 by **Vikki H. Smith, as Managing Member of Charmar, LLC**, a New Mexico limited liability company.



Donald J. Spindle
Notary Public
My Commission Expires: 7-22-15

STATE OF NEW MEXICO
COUNTY OF CHAVES

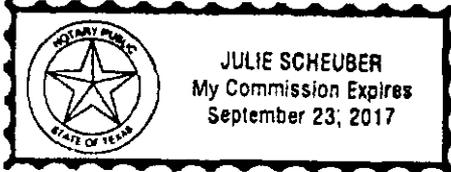
This instrument was acknowledged before me on _____, 2014 by **Olen F. Featherstone, III, as President of Featherstone Development Corporation**, a Colorado corporation on behalf of said corporation.

Notary Public
My Commission Expires: _____

ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF SMITH

This instrument was acknowledged before me on May 28, 2014 by **James Allen Brinson, Attorney-in-Fact of Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Julie Scheuber
Notary Public
My Commission Expires: 9-23-2017

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on _____, 2014 by **Thomas J. Atkins, as Attorney-in-Fact of ConocoPhillips Company**, a _____ corporation on behalf of said corporation.

Notary Public
My Commission Expires: _____

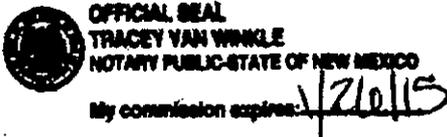
STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on _____, 2014 by **Vikki H. Smith, as Managing Member of Charmar, LLC**, a New Mexico limited liability company.

Notary Public
My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF CHAVES

This instrument was acknowledged before me on June 5th, 2014 by **Olen F. Featherstone, III, as President of Featherstone Development Corporation**, a Colorado corporation on behalf of said corporation.



Tracey Van Winkle
Notary Public
My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF CHAVES

This instrument was acknowledged before me on June 5th, 2014 by
Charla Featherstone, as Personal Representative of Olen F. Featherstone, II, Deceased.



OFFICIAL SEAL
TRACEY VAN WINKLE
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 1/26/15

Tracey Van Winkle
Notary Public
My Commission Expires: _____

STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me on _____, 2014 by
Mona D. Ables as Vice President of Land of COG Operating LLC and Concho Oil & Gas LLC, limited
liability companies on behalf of said limited liability companies.

Notary Public
My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF CHAVES

This instrument was acknowledged before me on _____,
2014 by **Charla Featherstone, as Personal Representative of Olen F. Featherstone, II, Deceased.**

Notary Public

STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me on July 29, 2014, by
Mona D. Ables as Vice President of Land of COG Operating LLC, a Delaware limited liability
company on behalf of said limited liability company and as **Vice President of Land of Concho Oil &
Gas LLC**, a Texas limited liability company on behalf of said limited liability company.



Melie M. Hulffe
Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering the N/2, E/2SW/4 and SE/4 of Section 15, T18S, R30E, N.M.P.M.,
Loco Hills East Bone Spring Pool (39513)
Eddy County, New Mexico

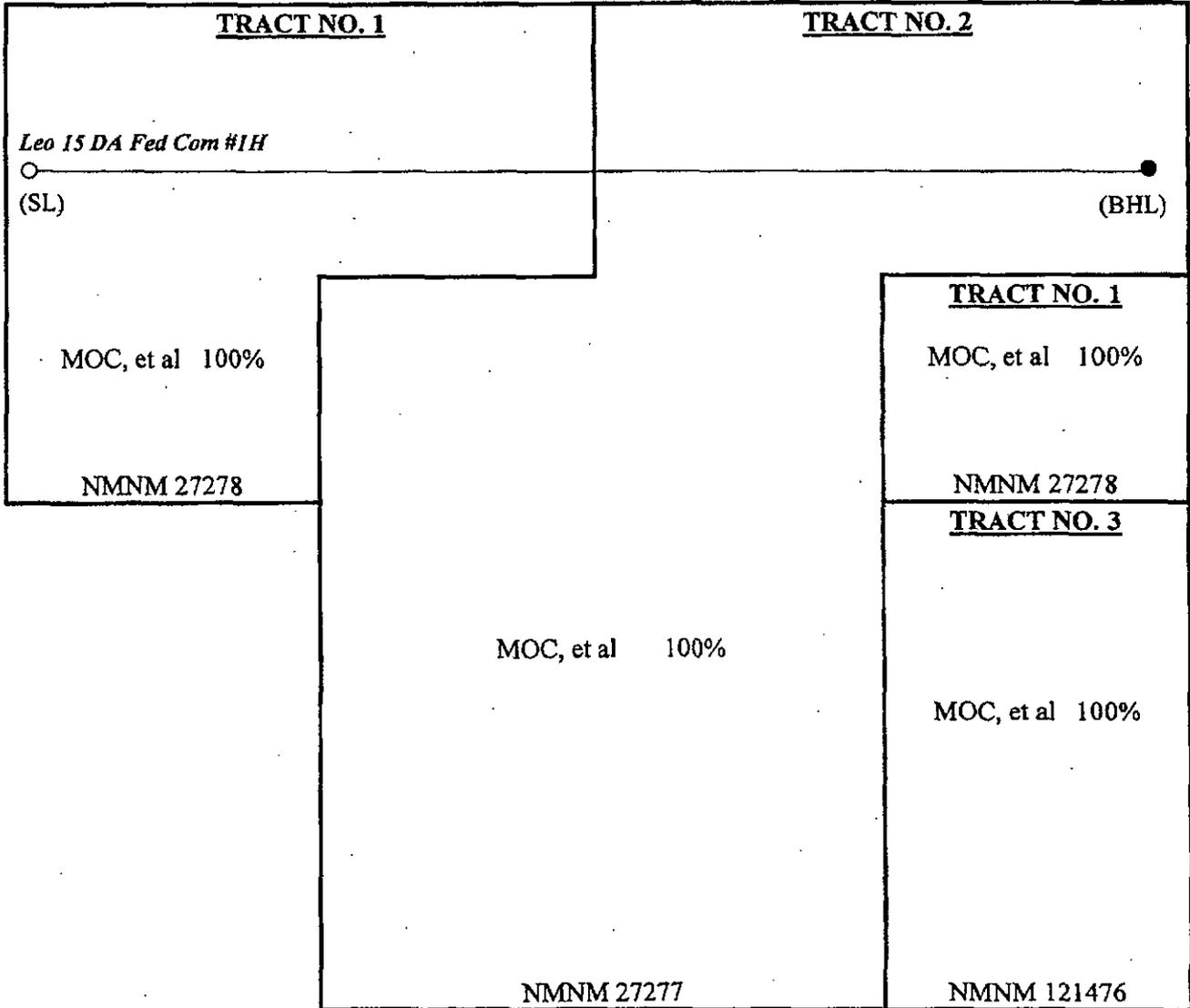


EXHIBIT "B"

Attached to Communitization Agreement
dated May 15, 2014 embracing:

Township 18 South, Range 30 East, N.M.P.M.
Section 15: N/2, E/2SW/4 and SE/4
Eddy County, New Mexico

Operator of Communitized Area: Mewbourne Oil Company

TRACT NO. 1

Lease Serial No.:	NMNM 27278 (Segregated out of NMLC 064226).
Lease Date:	March 1, 1951.
Recorded:	Unrecorded in Eddy County.
Lease Term:	Five years from date and so long thereafter as oil and gas are produced in paying quantities.
Lessor:	United States of America.
Original Lessee:	Roland McLean.
Present Lessee:	Mewbourne Oil Company.
Description of Land Committed:	<u>Township 18 South, Range 30 East, N.M.P.M.</u> Section 15: N/2NW/4, SW/4NW/4 and SE/4NE/4
Number of Acres:	160.00.
Basic Royalty Rate:	12.50%.
Name and Percent ORRI Owners:	Undetermined owners 11.75000%

Name and Percent WI Ownership
by virtue of Operating Agreement
dated February 15, 2014 by and
between Mewbourne Oil Company
as Operator and COG Operating
LCC, et al, as Non-Operators
covering all of Section 15, Save and
Except the W/2SW/4, T18S, R30E,
Eddy County, New Mexico:

Mewbourne Oil Company	85.2142900%
COG Operating LLC	13.5714245%
Concho Oil & Gas LLC	0.7142855%
Charmar, LLC	<u>0.5000000%</u>
	100.0000000%

TRACT NO. 2

Lease Serial No.: NMNM 27277 (Segregated out of NMLC 058650).
 Lease Date: December 1, 1938.
 Recorded: Book 12, page 257, Oil and Gas Records of Eddy County.
 Lease Term: Five years from date and so long thereafter as oil and gas are produced in paying quantities.
 Lessor: United States of America.
 Original Lessee: Sanford D. Gates.
 Present Lessee: ConocoPhillips Company.
 Description of Land Committed: Township 18 South, Range 30 East, N.M.P.M.
 Section 15: N/2NE/4, SE/4NW/4, SW/4NE/4, E/2SW/4 and W/2SE/4.
 Number of Acres: 320.00.
 Basic Royalty Rate: 12.50%.
 Name and Percent ORRI Owners: Undetermined owners 12.50%
 Name and Percent WI Ownership: Same as Tract No. 1.

Also subject to Joint Development Agreement and Operating Agreement dated November 1, 2013 by and between Mewbourne Oil Company as Operator and ConocoPhillips Company as Non-Operator:

Mewbourne Oil Company	70.00%
ConocoPhillips Company	30.00%

TRACT NO. 3

Lease Serial No.: NMNM 121476.
 Lease Date: January 1, 2009.
 Recorded: Unrecorded in Eddy County.
 Lease Term: Ten years from date and so long thereafter as oil and gas are produced in paying quantities.
 Lessor: United States of America.
 Original Lessee: Marbob Energy Corporation.
 Present Lessees: COG Operating LLC (95%) and Concho Oil & Gas LLC (5%).
 Description of Land Committed: Township 18 South, Range 30 East, N.M.P.M.
 Section 15: E/2SE/4.
 Number of Acres: 80.00.
 Basic Royalty Rate: 12.50%.
 Name and Percent ORRI Owner: Nestegg Energy Corporation 0.50%
 Name and Percent WI Ownership: Same as Tract No. 1.

RECAPITULATION

<u>Tract Number</u>	<u>Number of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	28.57143%
2	320.00	57.14286%
3	<u>80.00</u>	<u>14.28571%</u>
	560.00	100.00000%

RECEPTION NO: 1503063 STATE OF
 NEW MEXICO, COUNTY OF EDDY
 RECORDED 03/23/2015 8:06 AM
 BOOK 1014 PAGE 0849 *Robyn*
 ROBIN VANNATTA, COUNTY CLERK

