



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>

In Reply Refer To:

MAR 17 2021

NMNM141548
3105.2 (NM920)

Reference:

Communitization Agreement
Fuller 13 12 W1ED Fed Com 1H
Section 12: W2
Section 13: NW4
T. 26 S., R. 29 E., N.M.P.M.
Eddy County, NM

Mewbourne Oil Company
Fasken Center
500 West Texas, Suite 1020
Midland, Texas 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM141548 involving 160 acres of Federal land in lease NMNM 011039, 160 acres of Federal land in lease NMLC 071066, and 160 acres of Federal land in lease NMLC 061497, 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 W2 of Sec. 12 and the NW4 of Sec. 13, T. 26 S., R. 29 E., NMPM, Eddy County, NM, and is effective August 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.

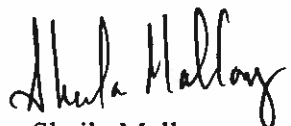
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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



Sheila Mallory
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)

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.

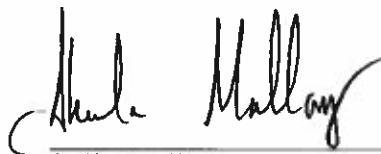
- B. Approve the attached Communitization Agreement covering the W2 of Sec. 12 and the NW4 of Sec. 13, T. 26 S., R. 29 E., NMPM, Eddy County, NM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (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:

MAR 17 2021



Sheila Mallory
Deputy State Director
Division of Minerals

Effective: August 1, 2019

Contract No.: Com. Agr. NMNM141548

BLM-NMSO
FEB: 3:2020 14:17:46
RECEIVED

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

**Bureau of Land Management
RECEIVED**

January 24, 2020

JAN 27 2020

Via: Overnight Mail

Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Carlsbad, New Mexico 88220-6292
Attention: Deborah Ham

**Carlsbad Field Office
Carlsbad, NM**

NMNM
141548

1H 3001544447
2H 3001543516

Re: **Communitization Agreement
Fuller 13/12 W1ED Fed Com #1H &
Fuller 13/12 W1ED Fed Com #2H**
W/2 of Section 12-T26S-R29E
NW/4 of Section 13-T26S-R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company, as Operator has drilled the above referenced Fuller 13/12 W1ED Fed Com #1H and Fuller 13/12 W1ED Fed Com #2H as a horizontal oil wells from the Wolfcamp formation in a 480.00 acre communitized unit comprised of the W/2 of the above captioned Section 12 and the NW/4 of the above captioned Section 13.

Enclosed for approval by the Bureau of Land Management are three (3) originals together with two (2) copies of the Communitization Agreement dated August 1, 2019 prepared by Mewbourne Oil Company, communitizing Federal Lease NMNM 011039 (NW/4 of Section 12 – 160.00 acres), Federal Lease NMLC 071066 (SW/4 of Section 12 – 160.00 acres), and Federal Lease NMLC 061497 (NW/4 of Section 13 – 160.00 acres) into a 480.00 acre communitized unit as to oil and associated liquid hydrocarbons producible from the Wolfcamp formation.

Enclosed are copies of the Application to Drill for each well.

Upon approval by the Bureau of Land Management, please furnish the approvals to my attention at the above address.

Should you have any questions regarding the above, please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,



Mitch Robb
Landman

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DISTRICT
1220 South St. Francis Dr.
Santa Fe, NM 87505
SEP 26 2017

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

AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-44447		2 Pool Code 99220		3 Surface PURPLE SHADE BRUSHY DRAW WOLFCAMP					
4 Property Code 319621		5 Property Name FULLER 13/12 B2ED FED COM			6 Well Number 1H				
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 2959'				
10 Surface Location									
UL or lot no. L	Section 13	Township 26S	Range 29E	Lot Idn	Feet from the 2620	North/South line SOUTH	Feet From the 500	East/West line WEST	County EDDY
11 Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 12	Township 26S	Range 29E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
12 Dedicated Acres 480	13 Joint or Infill	14 Consolidation Code	15 Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date 12-15-16</p> <p>Printed Name BRADLEY BISHOP</p> <p>E-mail Address BBISHOP@MEWBOURNE.COM</p>
	<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey 4-29-15</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>19680 Certificate Number</p>

RRC - Firm No.: TX 10193838 NM 4655451 - Job No.: LS1504119

NSP Required

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
1008 Rio Grande Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6178

District IV
1226 E. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-43516		2 Pool Code 98220		3 Pool Name Purple Sage Wolfcamp	
4 Property Code 317659		5 Property Name FULLER 13/12 WIED FED COM			6 Well Number 2H
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 2958'

10 Surface Location

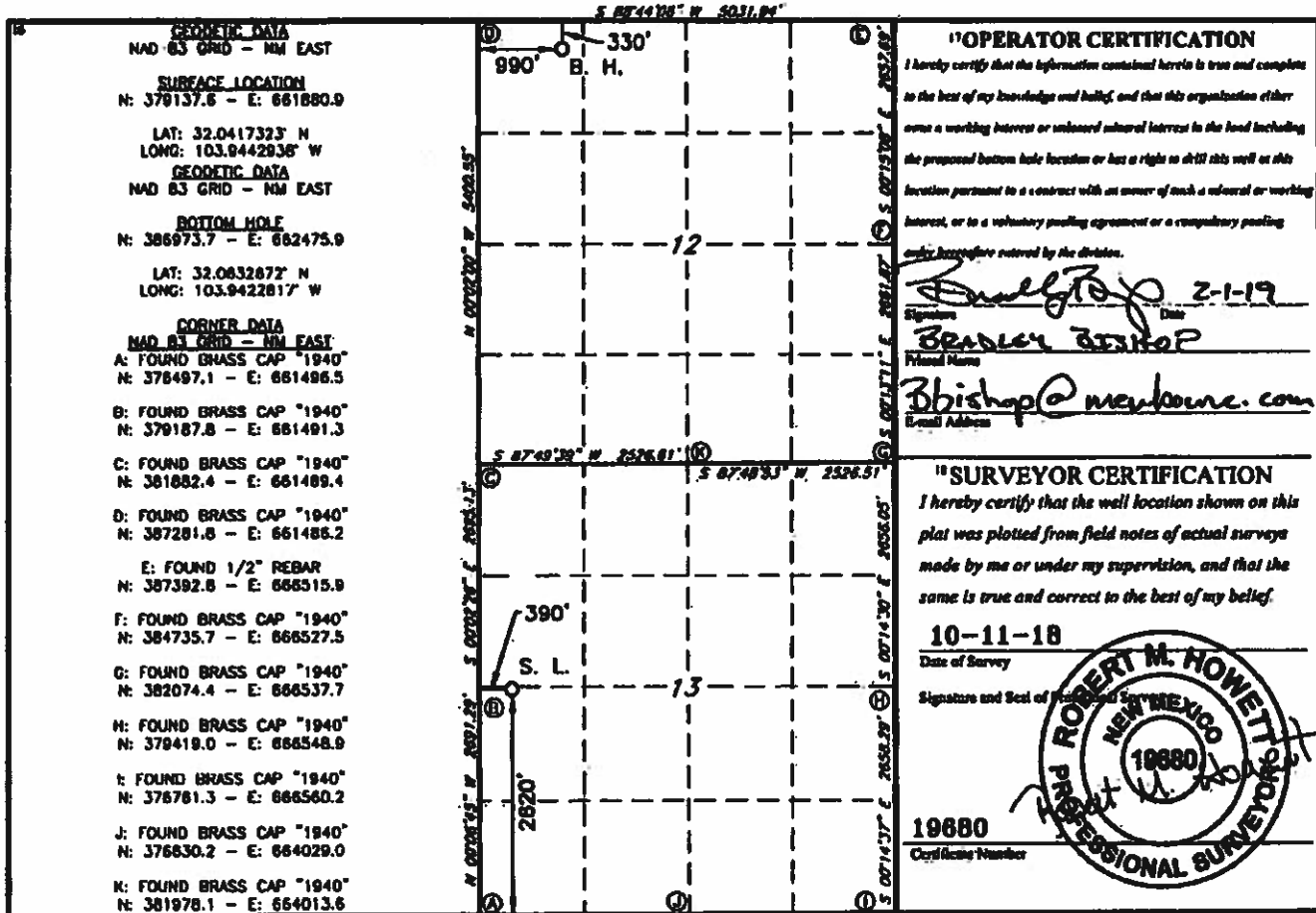
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	13	26S	29E		2620	SOUTH	390	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	12	26S	29E		330	NORTH	990	WEST	EDDY

12 Dedicated Acres 480	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



RWP 2-21-19. RHP,

Federal Communitization Agreement

Contract No. NMNM141548

THIS AGREEMENT entered into as of the 1st day of August, 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 26 South, Range 29 East, N.M.P.M.
Section 12: W/2
Section 13: NW/4
Eddy County, New Mexico

containing 480.00 acres, more or less, and this agreement shall include only the Wolfcamp formation underlying said lands and the natural gas and associated liquid hydrocarbons 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 "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 Mewbourne Oil Company, 500 W. Texas Ave, Suite 1020, 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 August 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 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 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

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Mewbourne Oil Company, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date

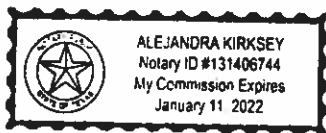
By: Corey Mitchell
Corey Mitchell, Attorney-in-Fact *CS*

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on January 24th, 2020 by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware Corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
My Commission Expires: January 11, 2022

EXHIBIT "A"

Plat of communitized area covering the
W/2 of Section 12, T26S, R29E, N.M.P.M., Eddy County, New Mexico &
NW/4 of Section 13, T26S, R29E, N.M.P.M., Eddy County, New Mexico

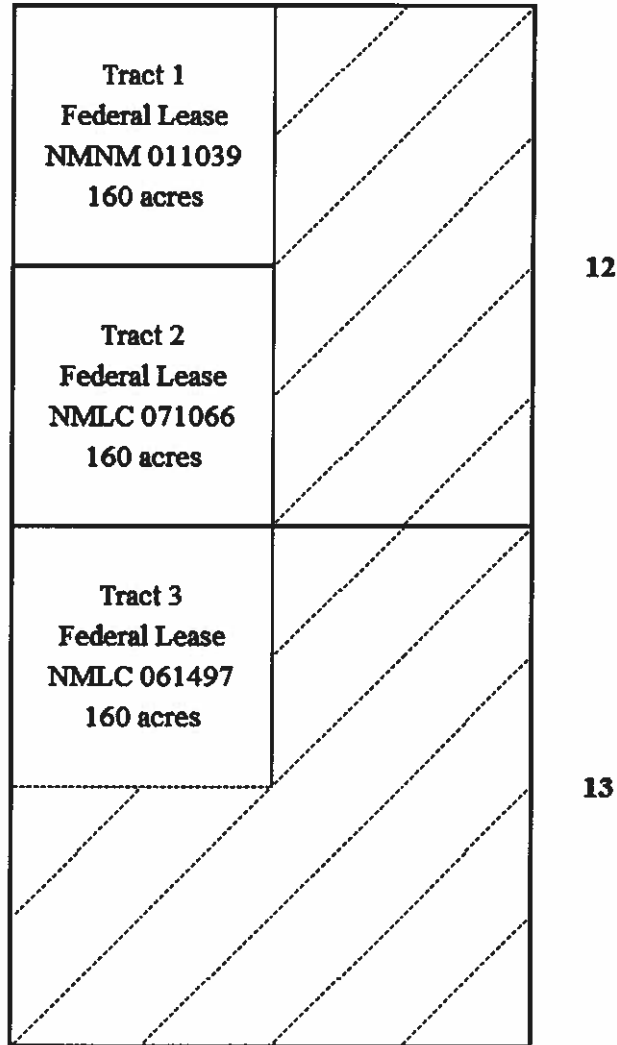


EXHIBIT "B"

To Communitization Agreement dated August 1, 2019 embracing:

Township 26 South, Range 29 East, N.M.P.M.

Section 12: W/2

Section 13: NW/4

Eddy County, New Mexico

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lease Serial No:	NMNM 011039
Lease Date:	August 1, 1952.
Recorded:	Unrecorded
Lease Term:	Ten years from date.
Original Lessor:	United States of America
Original Lessee:	George H. Runkel.
Present Lessee:	Carbon Techs Energy, Inc. Nu-Energy Oil & Gas, Inc. Marathon Oil Permian LLC John F. Green Exco Resources, Inc. RKC, Inc. Chevron U.S.A. Inc.
Description of Land Committed:	<u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 12: NW/4
Number of Acres:	160.00.
Basic Royalty Rate:	1/8th.
Name and Percent ORRI Owners:	WPX Energy Permian, et al 12.5000000%
Name and Percent WI Owners:	Mewbourne Oil Company 51.112800%
	Chevron U.S.A. Inc. 16.471657%
	Kasier-Francis Oil Company 15.606488%
	Marathon Oil Permian LLC 14.959319%
	WPX Energy Permian, LLC 1.506850%
	Three Forks Resources, LLC 0.342886%
	TOTAL 100.000000%

TRACT NO. 2

Lease Serial No: NMLC 071066
Lease Date: August 1, 1952.
Recorded: Unrecorded
Lease Term: Ten years from date.
Original Lessor: United States of America
Original Lessee: George H. Runkel.
Present Lessee: Carbon Techs Energy, Inc.
Nu-Energy Oil & Gas, Inc.
Rapada 1981-A Limited Partnership
Mewbourne Oil Company
Vivian M. Kral
Exco Resources, Inc.
Chevron U.S.A. Inc.

Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
Section 12: SW/4

Number of Acres: 160.00.
Basic Royalty Rate: 1/8th.

Name and Percent ORRI Owners:	RKC Inc., et al	12.5000000%
Name and Percent WI Owners:	Mewbourne Oil Company	51.112800%
	Chevron U.S.A. Inc.	16.471657%
	Kasier-Francis Oil Company	15.606488%
	Marathon Oil Permian LLC	14.959319%
	WPX Energy Permian, LLC	1.506850%
	Three Forks Resources, LLC	0.342886%
	TOTAL	100.000000%

TRACT NO. 3

Lease Serial No: NMLC 061497.
Lease Date: May 1, 1949.
Recorded: Book 33, page 452, Oil and Gas Records.
Lease Term: Five years from date.
Original Lessor: United State of America.
Original Lessee: Elsie G. Gorman
Present Lessee: Chevron U.S.A. Inc.

Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
Section 13: NW/4

Number of Acres: 160.00
Basic Royalty Rate: 1/8th.

Name and Percent ORRI Owners:	Paul Slayton, et al	12.500000%
Name and Percent WI Owners:	Mewbourne Oil Company	51.112800%
	Chevron U.S.A. Inc.	16.471657%
	Kasier-Francis Oil Company	15.606488%
	Marathon Oil Permian LLC	14.959319%
	WPX Energy Permian, LLC	1.506850%
	Three Forks Resources, LLC	0.342886%
	TOTAL	100.000000%

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	33.333334%
2	160.00	33.333333%
3	160.00	33.333333%
TOTAL	480.00	100.000000%

Federal Communitization Agreement

Contract No. 2019-1415-48

THIS AGREEMENT entered into as of the 1st day of August, 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 26 South, Range 29 East, N.M.P.M.
Section 12: W/2
Section 13: NW/4
Eddy County, New Mexico

containing 480.00 acres, more or less, and this agreement shall include only the Wolfcamp formation underlying said lands and the natural gas and associated liquid hydrocarbons 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 "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 Mewbourne Oil Company, 500 W. Texas Ave, Suite 1020, 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 August 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 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 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

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Mewbourne Oil Company, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date

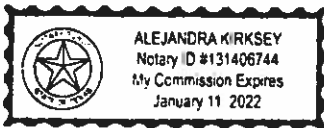
By: Corey Mitchell
Corey Mitchell, Attorney-in-Fact *mc*
CS

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on January 24th, 2020 by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware Corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
My Commission Expires January 11, 2022

EXHIBIT "A"

Plat of communitized area covering the
W/2 of Section 12, T26S, R29E, N.M.P.M., Eddy County, New Mexico &
NW/4 of Section 13, T26S, R29E, N.M.P.M., Eddy County, New Mexico

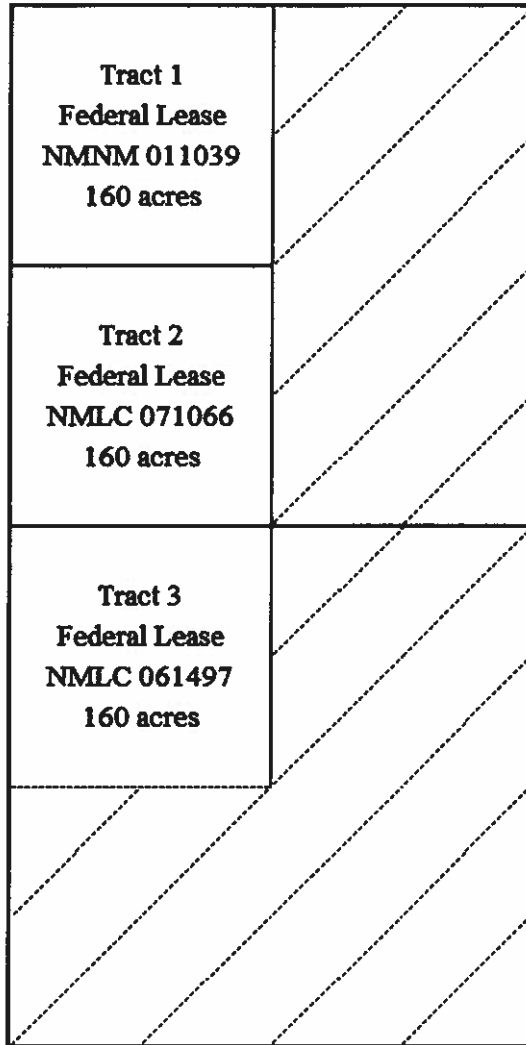


EXHIBIT "B"

To Communitization Agreement dated August 1, 2019 embracing:

Township 26 South, Range 29 East, N.M.P.M.
Section 12: W/2
Section 13: NW/4
Eddy County, New Mexico

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lease Serial No:	NMNM 011039
Lease Date:	August 1, 1952.
Recorded:	Unrecorded
Lease Term:	Ten years from date.
Original Lessor:	United States of America
Original Lessee:	George H. Runkel.
Present Lessee:	Carbon Techs Energy, Inc. Nu-Energy Oil & Gas, Inc. Marathon Oil Permian LLC John F. Green Exco Resources, Inc. RKC, Inc. Chevron U.S.A. Inc.
Description of Land Committed:	<u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 12: NW/4
Number of Acres:	160.00.
Basic Royalty Rate:	1/8th.
Name and Percent ORRI Owners:	WPX Energy Permian, et al 12.5000000%
Name and Percent WI Owners:	Mewbourne Oil Company 51.112800%
	Chevron U.S.A. Inc. 16.471657%
	Kasier-Francis Oil Company 15.606488%
	Marathon Oil Permian LLC 14.959319%
	WPX Energy Permian, LLC 1.506850%
	Three Forks Resources, LLC 0.342886%
	TOTAL 100.000000%

TRACT NO. 2

Lease Serial No: NMLC 071066
Lease Date: August 1, 1952.
Recorded: Unrecorded
Lease Term: Ten years from date.
Original Lessor: United States of America
Original Lessee: George H. Runkel.
Present Lessee: Carbon Techs Energy, Inc.
Nu-Energy Oil & Gas, Inc.
Rapada 1981-A Limited Partnership
Mewbourne Oil Company
Vivian M. Kral
Exco Resources, Inc.
Chevron U.S.A. Inc.

Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
Section 12: SW/4

Number of Acres: 160.00.
Basic Royalty Rate: 1/8th.

Name and Percent ORRI Owners:	RKC Inc., et al	12.5000000%
Name and Percent WI Owners:	Mewbourne Oil Company	51.112800%
	Chevron U.S.A. Inc.	16.471657%
	Kasier-Francis Oil Company	15.606488%
	Marathon Oil Permian LLC	14.959319%
	WPX Energy Permian, LLC	1.506850%
	Three Forks Resources, LLC	0.342886%
	TOTAL	100.000000%

TRACT NO. 3

Lease Serial No: NMLC 061497.
Lease Date: May 1, 1949.
Recorded: Book 33, page 452, Oil and Gas Records.
Lease Term: Five years from date.
Original Lessor: United State of America.
Original Lessee: Elsie G. Gorman
Present Lessee: Chevron U.S.A. Inc.

Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
Section 13: NW/4

Number of Acres: 160.00
Basic Royalty Rate: 1/8th.

Name and Percent ORRI Owners:	Paul Slayton, et al	12.500000%
Name and Percent WI Owners:	Mewbourne Oil Company	51.112800%
	Chevron U.S.A. Inc.	16.471657%
	Kasier-Francis Oil Company	15.606488%
	Marathon Oil Permian LLC	14.959319%
	WPX Energy Permian, LLC	1.506850%
	Three Forks Resources, LLC	0.342886%
	TOTAL	100.000000%

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	33.333334%
2	160.00	33.333333%
3	160.00	33.333333%
TOTAL	480.00	100.000000%

Federal Communitization Agreement

Contract No. NMNM14/548

THIS AGREEMENT entered into as of the 1st day of August, 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 26 South, Range 29 East, N.M.P.M.
Section 12: W/2
Section 13: NW/4
Eddy County, New Mexico

containing 480.00 acres, more or less, and this agreement shall include only the Wolfcamp formation underlying said lands and the natural gas and associated liquid hydrocarbons 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 "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 Mewbourne Oil Company, 500 W. Texas Ave, Suite 1020, 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 August 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 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 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

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Mewbourne Oil Company, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date

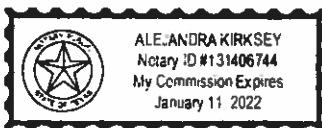
By: Corey Mitchell
Corey Mitchell, Attorney-in-Fact *me*
CS

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on January 24th, 2020 by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware Corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
My Commission Expires: January 11, 2022

EXHIBIT "A"

Plat of communitized area covering the
W/2 of Section 12, T26S, R29E, N.M.P.M., Eddy County, New Mexico &
NW/4 of Section 13, T26S, R29E, N.M.P.M., Eddy County, New Mexico

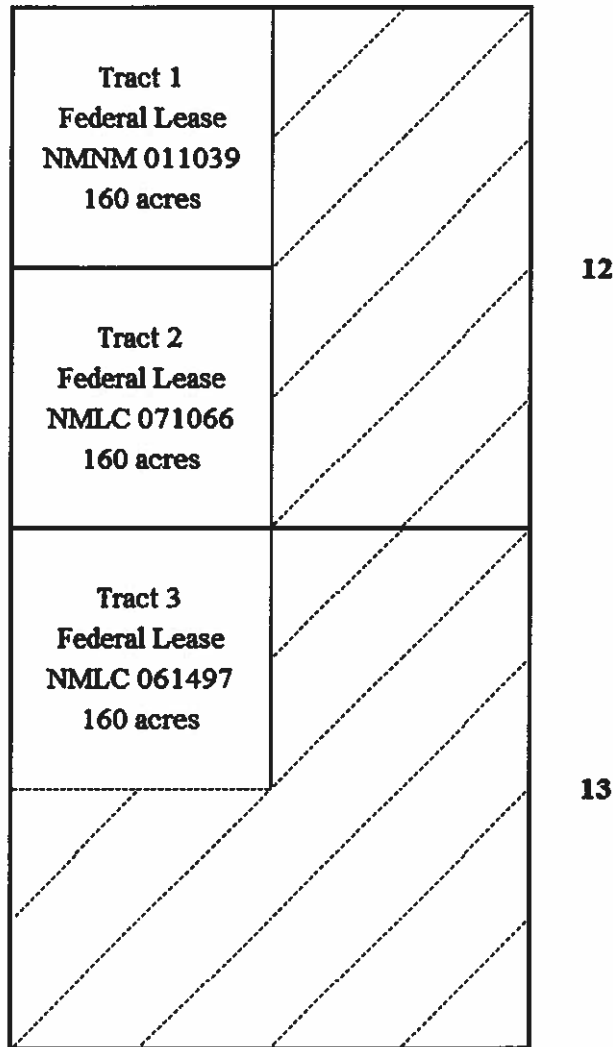


EXHIBIT "B"

To Communitization Agreement dated August 1, 2019 embracing:

Township 26 South, Range 29 East, N.M.P.M.

Section 12: W/2

Section 13: NW/4

Eddy County, New Mexico

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lease Serial No:	NMNM 011039
Lease Date:	August 1, 1952.
Recorded:	Unrecorded
Lease Term:	Ten years from date.
Original Lessor:	United States of America
Original Lessee:	George H. Runkel.
Present Lessee:	Carbon Techs Energy, Inc. Nu-Energy Oil & Gas, Inc. Marathon Oil Permian LLC John F. Green Exco Resources, Inc. RKC, Inc. Chevron U.S.A. Inc.
Description of Land Committed:	<u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 12: NW/4
Number of Acres:	160.00.
Basic Royalty Rate:	1/8th.
Name and Percent ORRI Owners:	WPX Energy Permian, et al 12.5000000%
Name and Percent WI Owners:	Mewbourne Oil Company 51.112800%
	Chevron U.S.A. Inc. 16.471657%
	Kasier-Francis Oil Company 15.606488%
	Marathon Oil Permian LLC 14.959319%
	WPX Energy Permian, LLC 1.506850%
	Three Forks Resources, LLC 0.342886%
	TOTAL 100.000000%

TRACT NO. 2

Lease Serial No: NMLC 071066
Lease Date: August 1, 1952.
Recorded: Unrecorded
Lease Term: Ten years from date.
Original Lessor: United States of America
Original Lessee: George H. Runkel.
Present Lessee: Carbon Techs Energy, Inc.
Nu-Energy Oil & Gas, Inc.
Rapada 1981-A Limited Partnership
Mewbourne Oil Company
Vivian M. Kral
Exco Resources, Inc.
Chevron U.S.A. Inc.

Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
Section 12: SW/4

Number of Acres: 160.00.
Basic Royalty Rate: 1/8th.

Name and Percent ORRI Owners:	RKC Inc., et al	12.5000000%
Name and Percent WI Owners:	Mewbourne Oil Company	51.112800%
	Chevron U.S.A. Inc.	16.471657%
	Kasier-Francis Oil Company	15.606488%
	Marathon Oil Permian LLC	14.959319%
	WPX Energy Permian, LLC	1.506850%
	Three Forks Resources, LLC	0.342886%
	TOTAL	100.000000%

TRACT NO. 3

Lease Serial No: NMLC 061497.
Lease Date: May 1, 1949.
Recorded: Book 33, page 452, Oil and Gas Records.
Lease Term: Five years from date.
Original Lessor: United State of America.
Original Lessee: Elsie G. Gorman
Present Lessee: Chevron U.S.A. Inc.

Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
Section 13: NW/4

Number of Acres: 160.00
Basic Royalty Rate: 1/8th.

Name and Percent ORRI Owners:	Paul Slayton, et al	12.500000%
Name and Percent WI Owners:	Mewbourne Oil Company	51.112800%
	Chevron U.S.A. Inc.	16.471657%
	Kasier-Francis Oil Company	15.606488%
	Marathon Oil Permian LLC	14.959319%
	WPX Energy Permian, LLC	1.506850%
	Three Forks Resources, LLC	0.342886%
	TOTAL	100.000000%

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	33.333334%
2	160.00	33.333333%
3	160.00	33.333333%
TOTAL	480.00	100.000000%