

District I

1625 N. French Drive, Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised August 1, 2011

OIL CONSERVATION DIVISION1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Mewbourne Oil Company

OPERATOR ADDRESS: 4801 Business Park BLVD PO Box 5270 Hobbs NM 88240

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: ☐ Fee ☐ State ☒ FederalIs this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingle Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☒ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.(4) Measurement type: ☒ Metering ☐ Other (Specify)(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Grama Ridge; Bone Spring [28430]

(2) Is all production from same source of supply? ☒ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No(4) Measurement type: ☒ Metering ☐ Other (Specify)**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☒ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: _____ TITLE: Regulatory Specialist DATE: 1/18/2021

TYPE OR PRINT NAME Chad Cole TELEPHONE NO.: 575-393-5905

E-MAIL ADDRESS: ccole@mewbourne.com

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
Black Sheep 4/33 B30B Fed Com #001H	1500	48	\$40	~3000	~1250	\$1.28
Black Sheep 4/33 B3PA Fed Com #002H	1500	48	\$40	~3000	~1250	\$1.28
CTB Combined	3000	48	\$40	~6000	1250	\$1.28

MEWBOURNE OIL COMPANY
4801 Business Park Blvd
Hobbs, NM 88240
575-393-5905

January 18, 2021

Engineering Bureau
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Application for Lease Commingle, CTB

To: Whom It May Concern

Mewbourne Oil Company ("Mewbourne") is requesting permission to surface commingle production from 2 wells and all future wells located on Federal Leases NMNM0033312A & NMNM0058678, which comprise portions of Section 4, T22S, R34E, Lea County, New Mexico. All oil production from these wells is to be stored in a Central Tank Battery, located in the SWSE of Section 4 and the gas production from these wells will flow to a 3 Bear Energy Master Meter #NA located on edge of central tank battery pad. Information detailing each well is attached.

Please find the following enclosed:

Cover Letter
Commingle Summary Page
Form C102 of wells & battery
Detailed Maps: lease boundaries & facility locations
Facility Diagram
Serial Register Page
Application Checklist
Form C-107B
Copy of letter sent certified to all involved parties
List of all involved parties

Signed: Chad Cole

Printed Name: Chad Cole
Title: Regulatory Specialist
Date: 1/18/2021

APPLICATION FOR LEASE COMMINGLING, CENTRAL TANK BATTERY (CTB)**Commingling procedure for Black Sheep leases:**

Mewbourne Oil Company is requesting approval for lease commingling production from wells located on Fed leases below in a Central Tank Battery "CTB":

Well Name	Location	API #	Pool #	MCFPD	Dry BTU @ 14.73 PSI
Black Sheep 4/33 B30B Fed Com #001H	222' FSL & 1980' FEL, Sec 4, T22S, R34E	30-025-44939	[28430] Grama Ridge; Bone Spring	~3000	~1250
Black Sheep 4/33 B3PA Fed Com #002H	222' FSL & 2078' FEL, Sec 4, T22S, R34E	30-025-45601	[28430] Grama Ridge; Bone Spring	~3000	~1250

Oil, Water, & Gas metering

The central tank battery is located on the Black Sheep 4/33 B30B Federal Com #001H well pad located in the SWSE of Section 4, T22S, R34E, Lea County, New Mexico. The production for all wells will come to its own separator. From the separator production will be allocated as follows:

Oil Metering:

Oil volumes from each well producing to the battery will be determined by using an allocation meter at the facility for each well. Oil from each separator will be metered and then sent to a heater treater (HT). Oil from the HT will then flow to a vapor recovery tower (VRT) and then to the 750 BBL oil tanks (OT). Oil production will be allocated on a daily basis based from the oil allocation meter downstream of the separator. This meter will be proven based on API, NMOCD and BLM specifications by tank testing. This process is performed by isolating a well to specific oil tanks and calibrating the meter based on the production numbers. The oil production from these wells listed above will be measured, commingled and then sold via truck haul or LACT.

Water Metering:

Water volumes from each well producing to the battery will be determined by using an allocation meter at the facility for each well. Water from each separator will be metered and sent to the 1000 BBL gun barrel (GB). From the GB the water will be sent to the 750 BBL water tanks (WT). Water production will be allocated on a daily basis based from the water allocation meter downstream of the separator. The water production from these wells listed above will be measured, commingled and disposed of via truck haul or pipelined to disposal.

Gas Metering:

Gas volumes from each well producing to these batteries will be determined by using an allocation gas meter after the separator at the facility for each well. The gas production from the wells listed above will be measured, commingled, and then sold off lease using the 24 hr. well test method. A 3 Bear Energy common gas sales meter (MM #NA) will be located on edge of the battery pad. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Signed: Chad Cole

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 1/18/2021

Economic Justification

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
Black Sheep 4/33 B30B Fed Com #001H	1500	48	\$40	~3000	~1250	\$1.28
Black Sheep 4/33 B3PA Fed Com #002H	1500	48	\$40	~3000	~1250	\$1.28
CTB Combined	3000	48	\$40	~6000	1250	\$1.28

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram and map which shows lease boundaries, wells, battery, & MM location. The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production.

Working, royalty, & overriding interest owners have been notified of the proposal via certified mail (see attached).

Signed: _____



Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 1/18/2021

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 DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

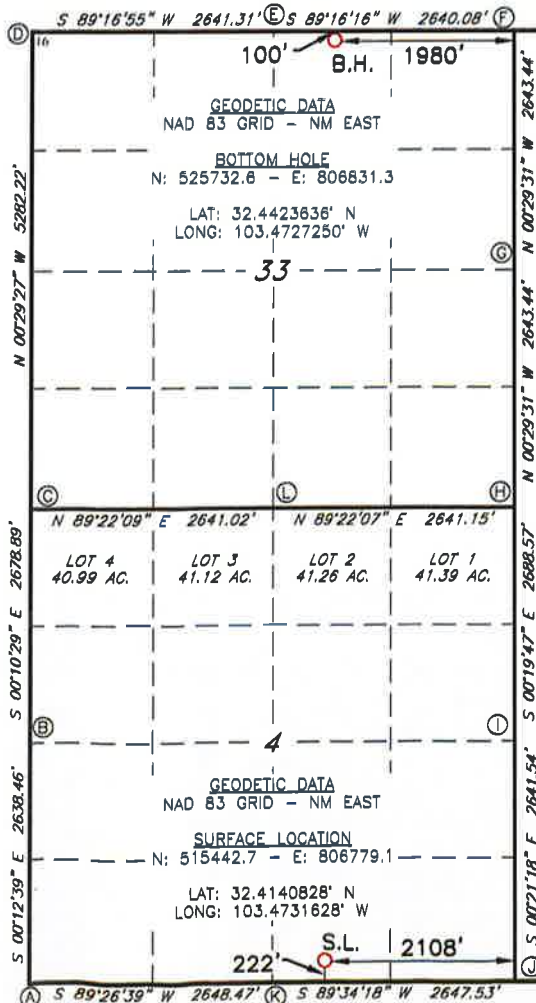
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name BLACK SHEEP 4/33 B30B FED COM						6 Well Number 1H	
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3599'	
10 Surface Location									
UL or lot no. 0	Section 4	Township 22S	Range 34E	Lot 1dn	Feet from the 222	North/South line SOUTH	Feet from the 2108	East/West line EAST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 33	Township 21S	Range 34E	Lot 1dn	Feet from the 100	North/South line NORTH	Feet from the 1980	East/West line EAST	County LEA
12 Dedicated Acres		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.



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.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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.

3-25-2019

Date of Survey

Signature and Seal of Professional Surveyor

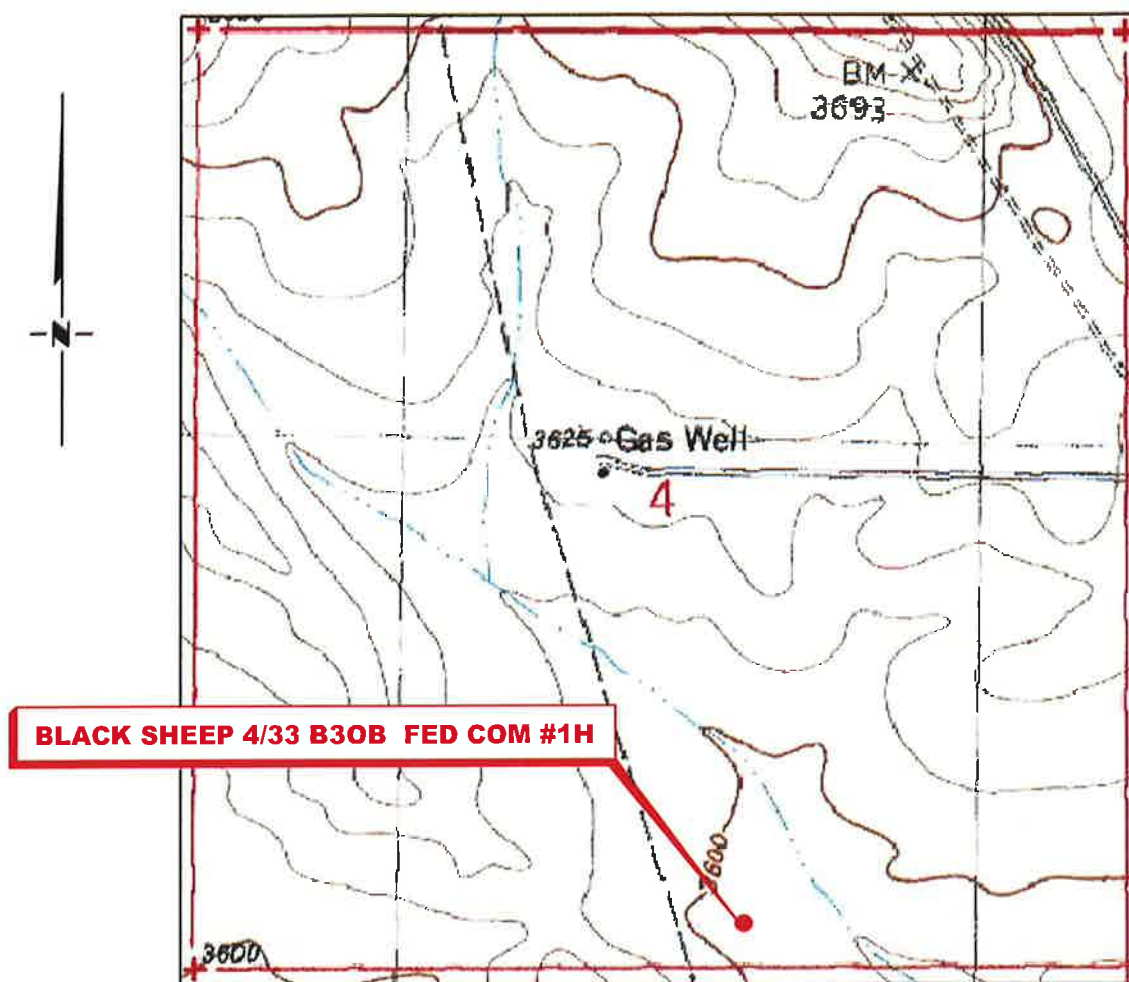
19680

Certificate Number

REV:10-25-19 NAME/BHL

LS1807939R

LOCATION VERIFICATION MAP



**SECTION 4, TWP. 22 SOUTH, RGE. 34 EAST,
N. M. P. M., LEA CO., NEW MEXICO**

OPERATOR: Mewbourne Oil Company
 LEASE: Black Sheep 4/33 B30B Fed Com
 WELL NO.: 1H
 ELEVATION: 3599'

LOCATION: 222' FSL & 2108' FEL
 CONTOUR INTERVAL: 10'
 USGS TOPO. SOURCE MAP:
San Simon Ranch, NM (1984)

Copyright 2016 - All Rights Reserved

1	NAME/BHL	10/19
NO.	REVISION	DATE
JOB NO.: LS1807939R		
DWG. NO.: 1807939LVM		



701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 2-08-17
SURVEYED BY: JM/JF
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1

VICINITY MAP

NOT TO SCALE



SECTION 4, TWP. 22 SOUTH, RGE. 34 EAST,
N. M. P. M., LEA CO., NEW MEXICO

OPERATOR: Mewbourne Oil CompanyLOCATION: 222 FSL & 2108' FELLEASE: Black Sheep 4/33 B30B Fed ComELEVATION: 3599'WELL NO.: 1H

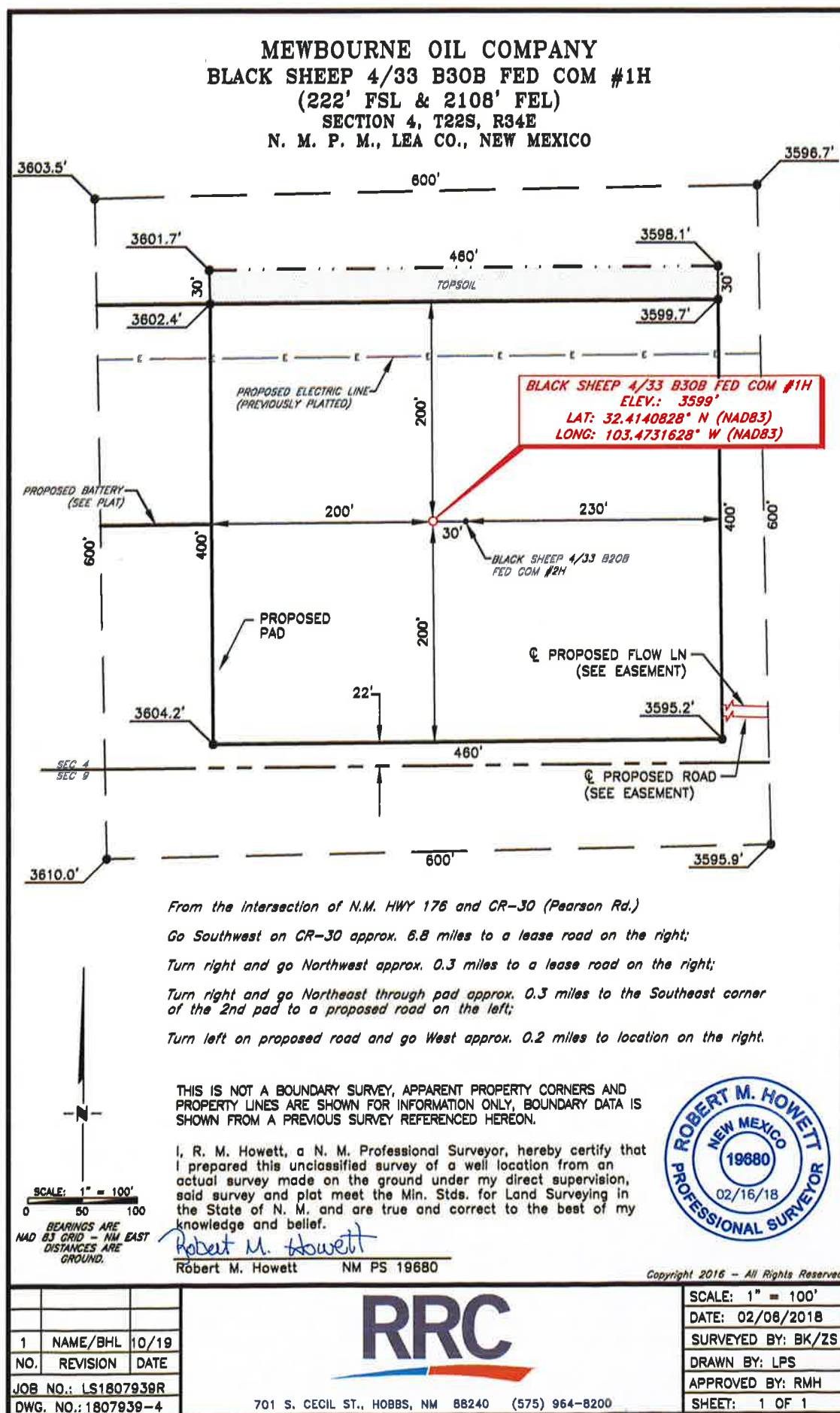
Copyright 2016 - All Rights Reserved

1	NAME/BHL	10/19
NO.	REVISION	DATE
JOB NO.: LS1807939R		
DWG. NO.: 1807939VM		



701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: N. T. S.
DATE: 2-08-17
SURVEYED BY: JM/JF
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1



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 DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

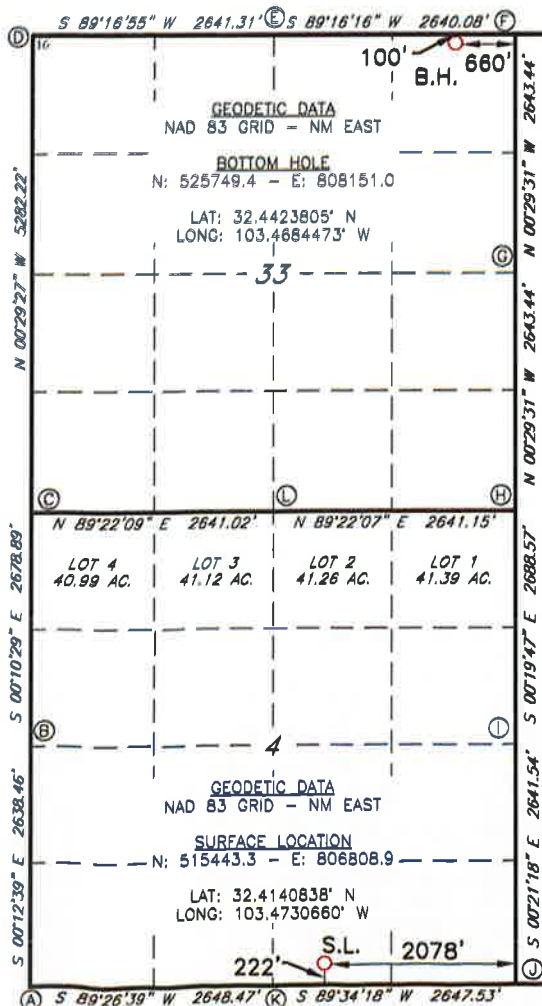
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name BLACK SHEEP 4/33 B3PA FED COM						6 Well Number 2H	
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3597'	
10 Surface Location									
UL or lot no. 0	Section 4	Township 22S	Range 34E	Lot Idn	Feet from the 222	North/South line SOUTH	Feet from the 2078	East/West line EAST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 33	Township 21S	Range 34E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 660	East/West line EAST	County LEA
12 Dedicated Acres		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.



CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913"
N: 515193.7 - E: 803593.0
B: FOUND BRASS CAP "1913"
N: 517831.6 - E: 803583.3
C: FOUND BRASS CAP "1913"
N: 520510.0 - E: 803575.1
D: FOUND BRASS CAP "1913"
N: 525791.1 - E: 803529.9
E: FOUND BRASS CAP "1913"
N: 525824.2 - E: 806170.5
F: FOUND BRASS CAP "1913"
N: 525857.8 - E: 808809.9
G: FOUND BRASS "1918"
N: 523214.9 - E: 808832.6
H: FOUND BRASS CAP "1913"
N: 520568.2 - E: 808856.0
I: FOUND BRASS CAP "1913"
N: 517880.2 - E: 808871.5
J: FOUND BRASS CAP "1913"
N: 515239.1 - E: 808867.9
K: FOUND BRASS CAP "1913"
N: 515219.3 - E: 806240.9
L: FOUND BRASS CAP "1913"
N: 520539.1 - E: 806215.5

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.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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.

3-25-2019

Date of Survey

Signature and Seal of Professional Surveyor

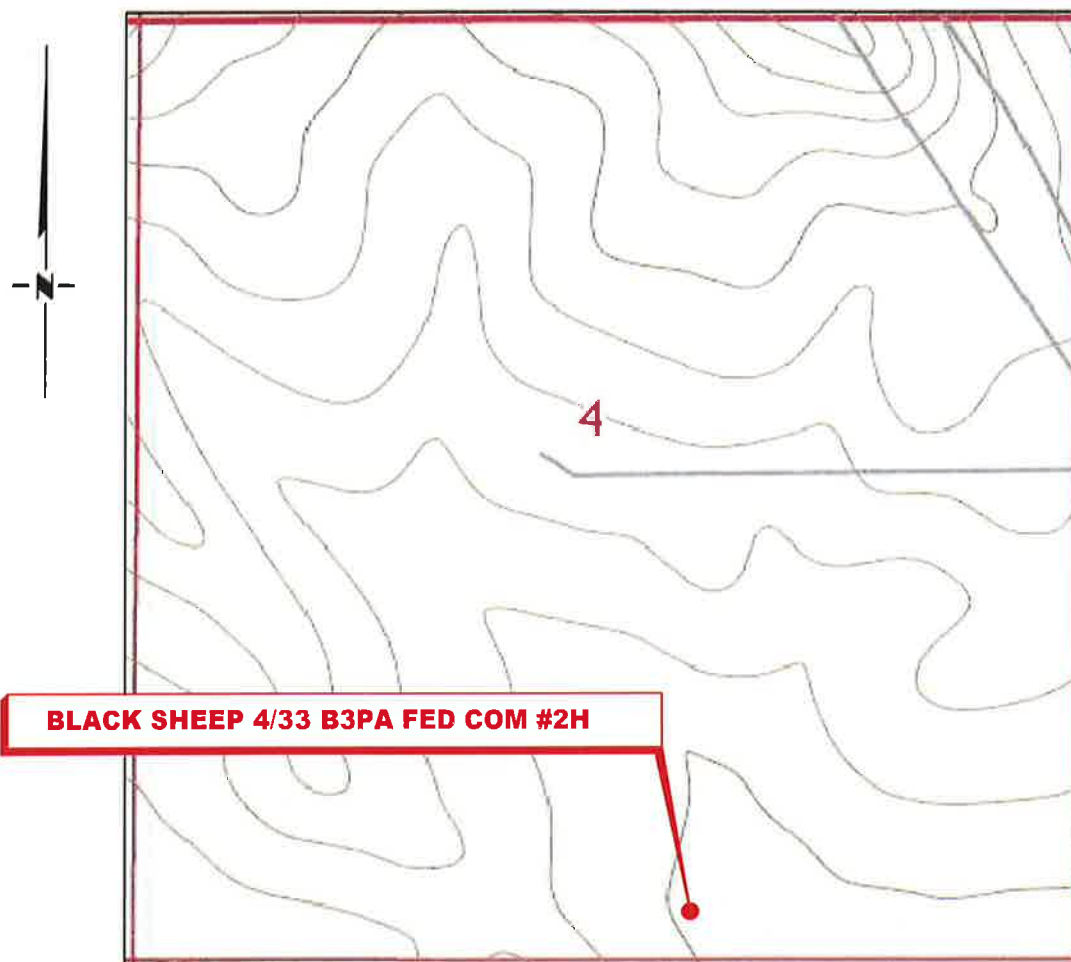
19680

Certificate Number

REV:3-30-20 NAME/BHL

LS1802134R1

LOCATION VERIFICATION MAP



**SECTION 4, TWP. 22 SOUTH, RGE. 34 EAST,
N. M. P. M., LEA CO., NEW MEXICO**

OPERATOR: Mewbourne Oil Company
LEASE: Black Sheep 4/33 B3PA Fed Com
WELL NO.: 2H
ELEVATION: 3597'

LOCATION: 222' FSL & 2078' FEL
CONTOUR INTERVAL: 10'
USGS TOPO. SOURCE MAP:
San Simon Ranch, NM (2017)

Copyright 2016 - All Rights Reserved

2	NAME/BHL	3/20
1	NAME/BHL	10/19
NO.	REVISION	DATE
JOB NO.: LS1802134R1		
DWG. NO.: 1802134-2		

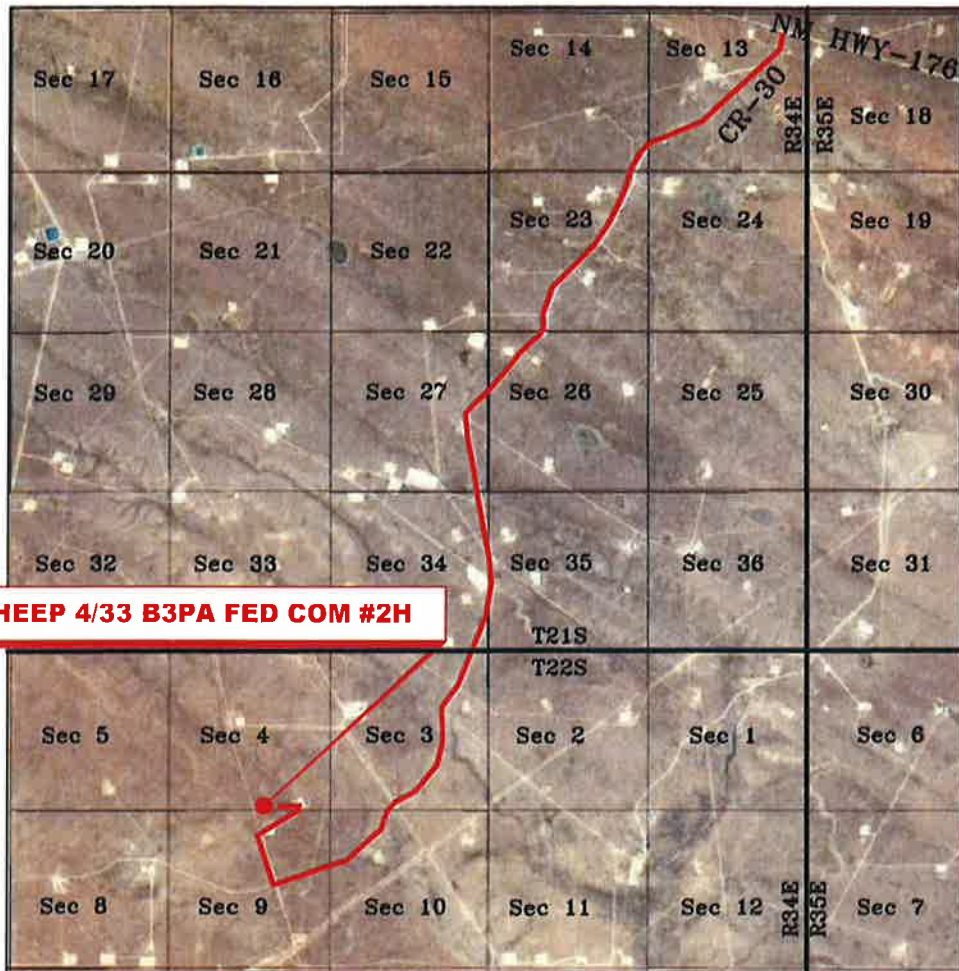


701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 02/06/2018
SURVEYED BY: BK/ZS
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1

VICINITY MAP

NOT TO SCALE



SECTION 4, TWP. 22 SOUTH, RGE. 34 EAST,
N. M. P. M., LEA CO., NEW MEXICO

OPERATOR: Mewbourne Oil Company
LEASE: Black Sheep 4/33 B3PA Fed Com
WELL NO.: 2H

LOCATION: 222' FSL & 2078' FEL
ELEVATION: 3597'

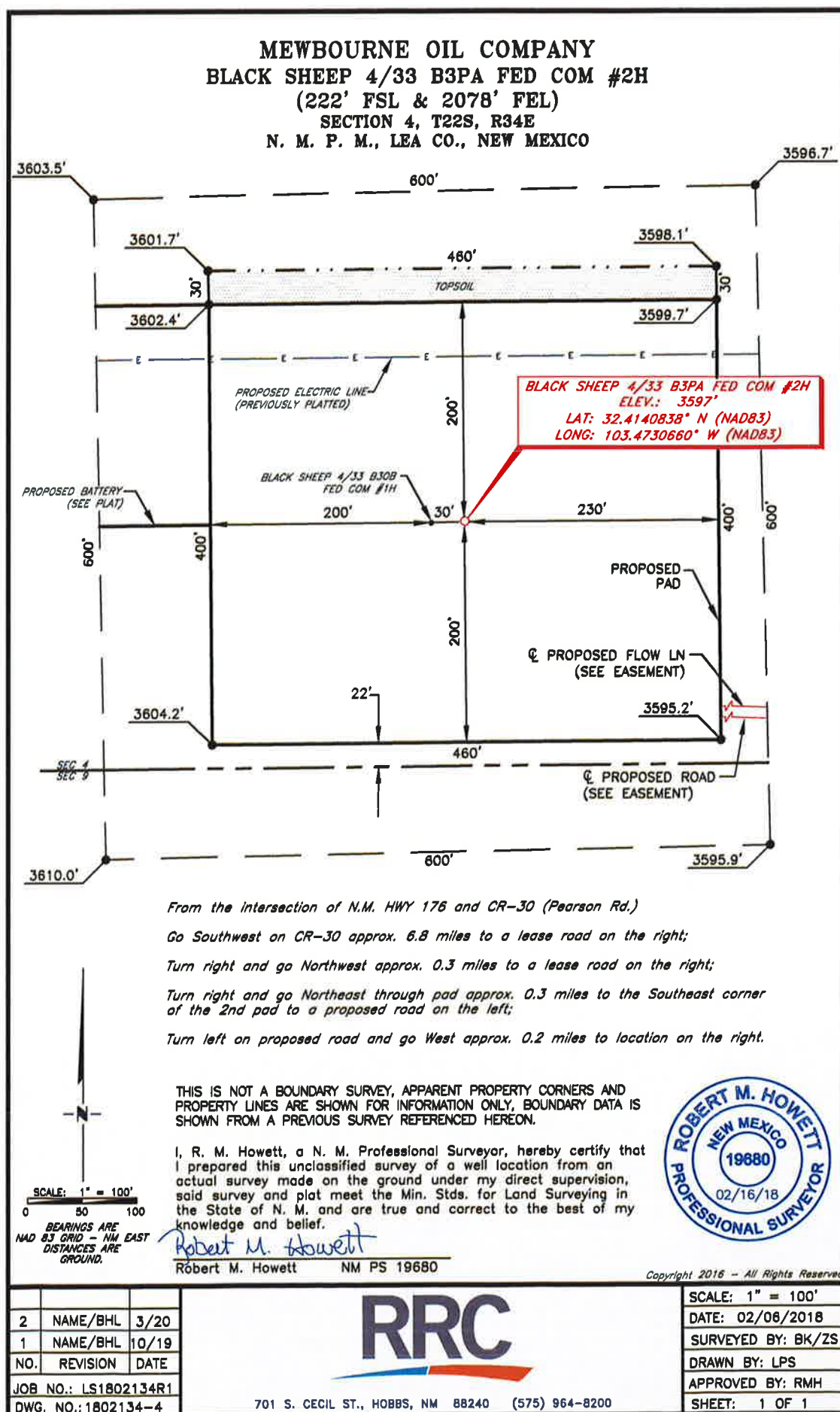
Copyright 2016 - All Rights Reserved

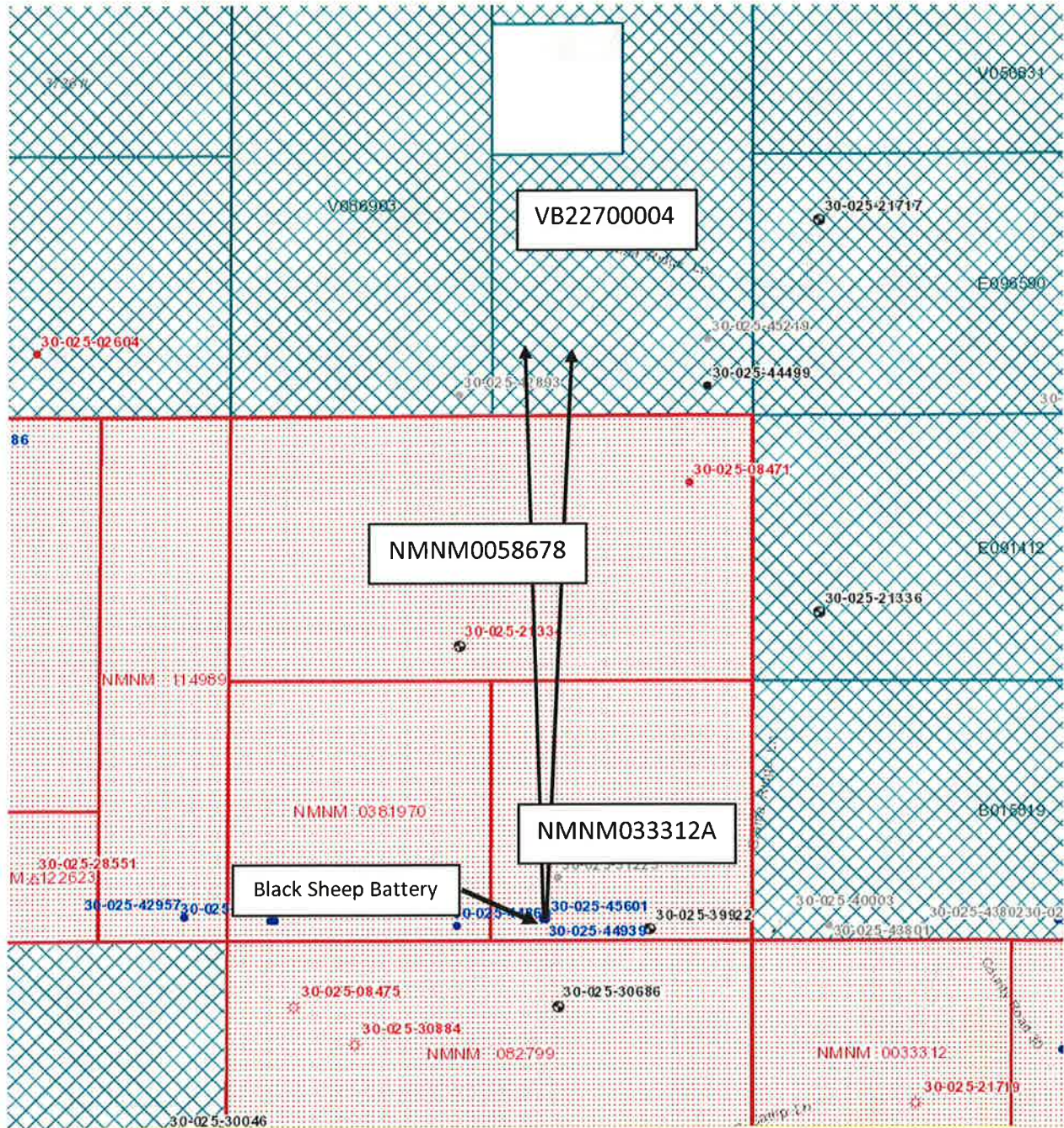
2	NAME/BHL	3/20
1	NAME/BHL	10/19
NO.	REVISION	DATE
JOB NO.: LS1802134R1		
DWG. NO.: 1802134-3		



701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

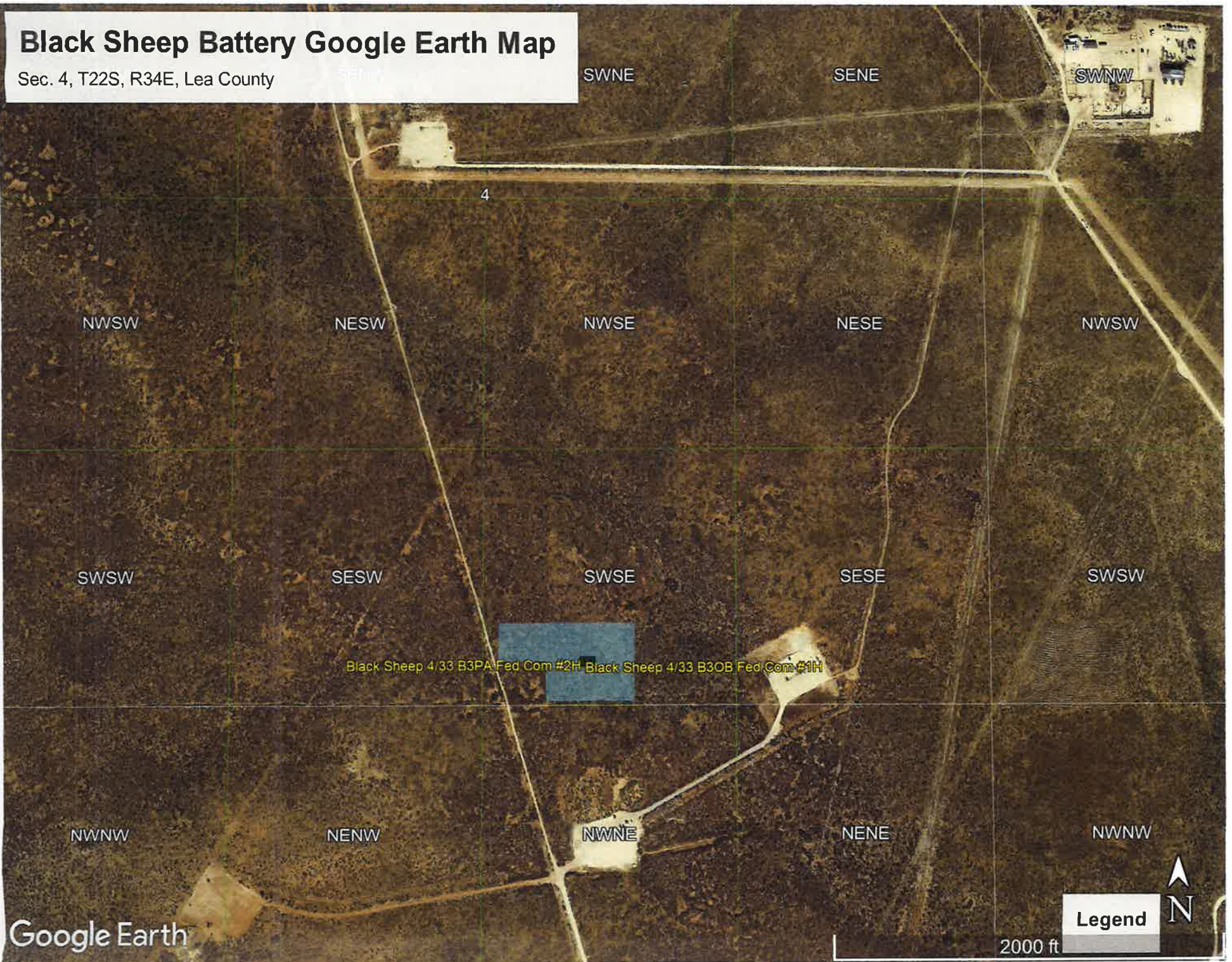
SCALE: N. T. S.
DATE: 02/06/2018
SURVEYED BY: BK/ZS
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1

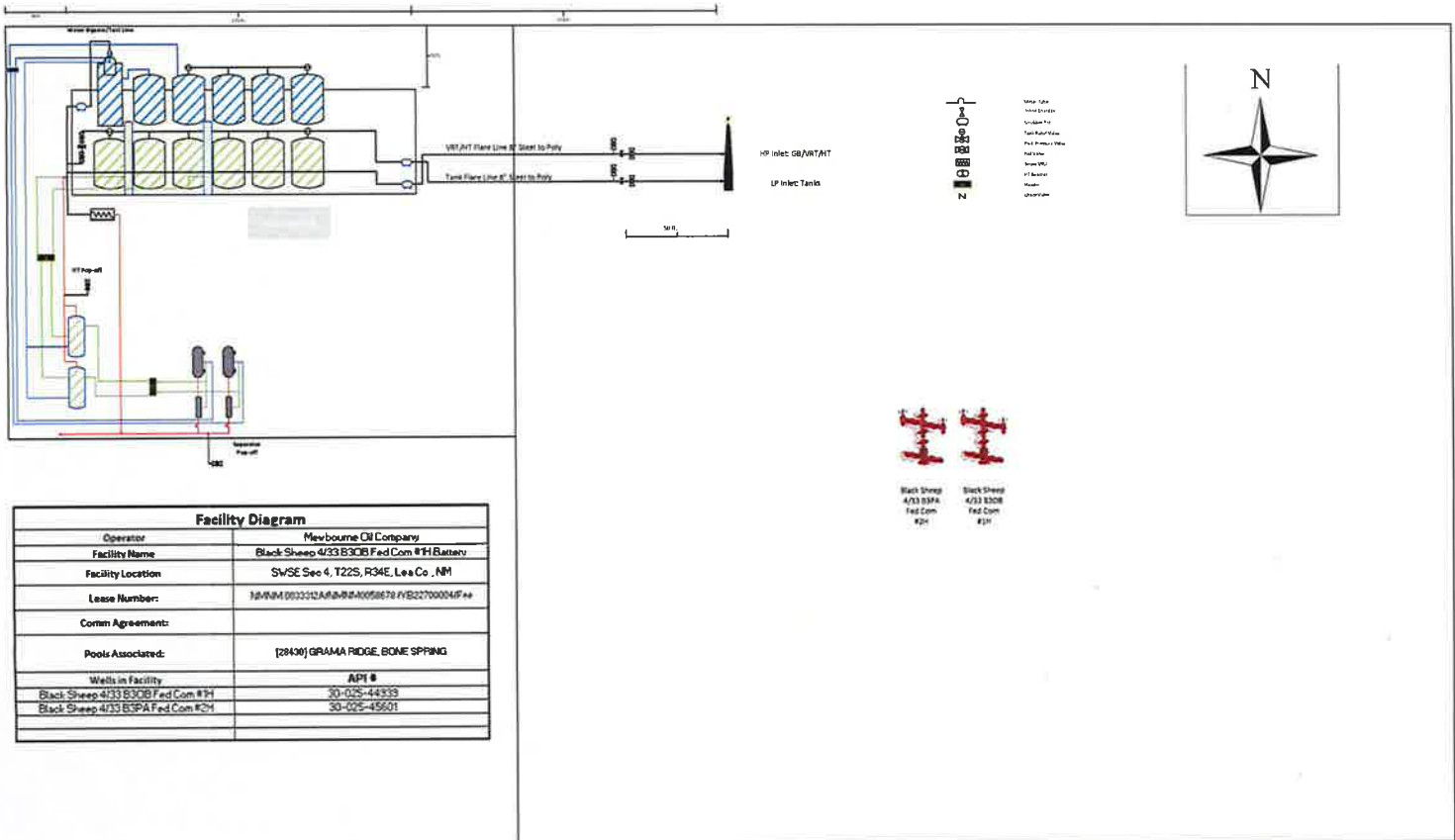




Black Sheep Battery Google Earth Map

Sec. 4, T22S, R34E, Lea County





DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:06 AM

Page 1 Of 3

01 02-25-1920;041STAT0437;30USC226

Total Acres:

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

160.000

NMNM 0033312A

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- 0 033312A

Name & Address						Int Rel	% Interest
BTA OIL PRODUCERS LLC	104 S PECOS	MIDLAND	TX	79701		OPERATING RIGHTS	0.000000000
MEWBOURNE OIL CO	500 W TEXAS ST #1020	MIDLAND	TX	79701		OPERATING RIGHTS	0.000000000
LG&E NATURAL PIPELINE LLC	921 W SANGER	HOBBS	NM	88240		OPERATING RIGHTS	0.000000000
MEWBOURNE OIL CO	500 W TEXAS ST #1020	MIDLAND	TX	79701		LESSEE	100.000000000

Serial Number: NMNM-- 0 033312A

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0220S	0340E	004	ALIQ				SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 033312A

23	0220S	0340E	709	FF				ALL ASGN;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
----	-------	-------	-----	----	--	--	--	-----------	-----------------------	-----	---------------------

Serial Number: NMNM-- 0 033312A

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
03/31/1958	387	CASE ESTABLISHED		
04/01/1958	496	FUND CODE	05;145003	
04/01/1958	530	RLTY RATE - 12 1/2%		
04/01/1958	868	EFFECTIVE DATE		
07/01/1961	553	CASE CREATED BY ASGN	OUT OF NMNM033312;	
06/01/1965	651	HELD BY PROD - ALLOCATED	SW-339	
07/02/1965	315	RENTAL RATE DET/ADJ	\$2.00;	
07/02/1965	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
07/02/1965	510	KMA CLASSIFIED		
01/01/1966	246	LEASE COMMITTED TO CA	SW-339	
03/31/1966	235	EXTENDED	THRU 03/31/68;	
06/17/1966	102	NOTICE SENT-PROD STATUS		
11/01/1975	232	LEASE COMMITTED TO UNIT	NMNM70953X;GRAMMARIDG	
11/01/1975	245	LEASE COMMITTED TO GSA	GRAMA RIDGE GSU	
11/02/1975	522	CA TERMINATED	SW-339	
08/17/1987	140	ASGN FILED	LLANO INC/HADSON PETR	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Date/Time: 1/15/2021 11:06 AM

Page 2 Of 3

Serial Number: NMNM-- 0 033312A

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
08/17/1987	932	TRF OPER RGTS FILED		
08/25/1987	963	CASE MICROFILMED/SCANNED	CNUM 562,527	
11/16/1987	139	ASGN APPROVED	EFF 09/01/87;	
11/16/1987	933	TRF OPER RGTS APPROVED	EFF 09/01/87;	
11/16/1987	974	AUTOMATED RECORD VERIF	HKG/JR	
01/09/1989	140	ASGN FILED	HADSON PETRO/SUN OPER	
02/02/1989	570	CASE SEGREGATED BY ASGN	INTO NMNM82799;	
02/02/1989	974	AUTOMATED RECORD VERIF	GLC/MT	
09/28/1989	600	RECORDS NOTED		
03/26/1991	575	APD FILED	LLANO INC. CE	
04/15/1991	576	APD APPROVED	GRAMA RIDGE UT NO 6	
06/12/1992	974	AUTOMATED RECORD VERIF	RAYO/LR	
08/20/1992	899	TRF OF ORR FILED		
08/17/1993	817	MERGER RECOGNIZED	HADSON PETRO/ENE	
08/17/1993	940	NAME CHANGE RECOGNIZED	HADSON PETRO/ENE	
08/17/1993	974	AUTOMATED RECORD VERIF	CM/JLV	
02/20/1998	084	RENTAL RECEIVED BY ONRR	\$160.00;21/0000000320	
10/14/1998	940	NAME CHANGE RECOGNIZED	HADSON/APACHE ENE RES	
10/15/1998	817	MERGER RECOGNIZED	APACHE EN/APACHE CORP	
02/22/2000	084	RENTAL RECEIVED BY ONRR	\$160.00;21/901007	
11/29/2000	932	TRF OPER RGTS FILED	LG&E/LG&E NATURAL	
12/19/2000	933	TRF OPER RGTS APPROVED	EFF 12/01/2000	
12/19/2000	974	AUTOMATED RECORD VERIF	ANN	
03/29/2001	084	RENTAL RECEIVED BY ONRR	\$160.00;21/11675	
05/06/2005	932	TRF OPER RGTS FILED	RAPTOR NA/GRAMA RID;1	
08/26/2005	933	TRF OPER RGTS APPROVED	EFF 06/01/05;	
08/26/2005	974	AUTOMATED RECORD VERIF	LR	
01/14/2016	899	TRF OF ORR FILED	1	
08/03/2017	140	ASGN FILED	APACHE/MEWBOURNE OI;1	
09/21/2017	139	ASGN APPROVED	EFF 09/01/17;	
09/21/2017	974	AUTOMATED RECORD VERIF	MJD	
11/22/2017	932	TRF OPER RGTS FILED	ENSTOR GR/MEWBOURNE;1	
01/16/2018	933	TRF OPER RGTS APPROVED	EFF 12/01/17;	
01/16/2018	974	AUTOMATED RECORD VERIF	HLJ	
03/06/2019	932	TRF OPER RGTS FILED	MEWBOURNE/BTA OIL P;1	
06/28/2019	933	TRF OPER RGTS APPROVED	EFF 04/01/19;	
06/28/2019	974	AUTOMATED RECORD VERIF	AMV	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:06 AM

Page 3 Of 3

Line Number	Remark Text	Serial Number: NMNM-- 0 033312A
0002	LEASE COMMITTED TO GRAMA RIDGE GAS STORAGE AGREE-	
0003	MENT. AGMT IS EFF 11/01/975 SUBJECT TO RENEGOTI-	
0004	ATION 11/01/1995 AND SUCCESSIVE 10 YEAR PERIODS	
0005	THEREAFTER. NMNM 70953X IS AGMT #.	
0006	1/16/18 - BONDED LESSEE/OPERATOR MEWBOURNE NM1693 NW	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:11 AM

Page 1 Of 3

01 02-25-1920;041STAT0437;30USC226

Total Acres:

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

324.760

NMNM 0058678

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- 0 058678

Name & Address						Int Rel	% Interest
BTA OIL PRODUCERS LLC	104 S PECOS	MIDLAND	TX	79701	OPERATING RIGHTS		0.000000000
MEWBOURNE OIL CO	500 W TEXAS ST #1020	MIDLAND	TX	79701	OPERATING RIGHTS		0.000000000
LG&E NATURAL PIPELINE LLC	921 W SANGER	HOBBS	NM	88240	OPERATING RIGHTS		0.000000000
MEWBOURNE OIL CO	500 W TEXAS ST #1020	MIDLAND	TX	79701	LESSEE		100.000000000

Serial Number: NMNM-- 0 058678

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0220S	0340E	004	LOTS			1,2,3,4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S	0340E	004	ALIQ			S2N2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 058678

				Serial Number: NMNM-- 0 058678	
Act Date	Act Code	Action Txt	Action Remarks	Pending Off	
02/03/1959	124	APLN RECD			
11/05/1959	125	APLN REJ/DENIED			
11/27/1959	120	APPEAL FILED			
02/10/1961	366	DEC REVRSD & REMANDED			
08/09/1961	237	LEASE ISSUED			
09/01/1961	496	FUND CODE	05;145003		
09/01/1961	530	RLTY RATE - 12 1/2%			
09/01/1961	868	EFFECTIVE DATE			
06/01/1965	500	GEOGRAPHIC NAME	UNDEFINED FLD;		
06/01/1965	510	KMA CLASSIFIED			
06/01/1965	650	HELD BY PROD - ACTUAL	/1/		
06/01/1965	658	MEMO OF 1ST PROD-ACTUAL	/1/#04 GRM UNIT;		
06/14/1965	643	PRODUCTION DETERMINATION	/1/		
07/02/1965	315	RENTAL RATE DET/ADJ	\$2.00;		
07/16/1965	102	NOTICE SENT-PROD STATUS			
01/01/1966	246	LEASE COMMITTED TO CA	SW-339		

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:11 AM

Page 2 Of 3

Serial Number: NMNM-- 0 058678

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
11/01/1975	232	LEASE COMMITTED TO UNIT	NMNM70953X;GRAMMARIDG	
11/02/1975	522	CA TERMINATED	SW-339	
03/10/1978	932	TRF OPER RGTS FILED		
03/17/1983	933	TRF OPER RGTS APPROVED	EFF 04/01/78;	
08/17/1987	140	ASGN FILED	LLANO INC/HADSON PETR	
08/25/1987	963	CASE MICROFILMED/SCANNED	CNUM 103,662	
11/16/1987	139	ASGN APPROVED	EFF 09/01/87;	
11/16/1987	974	AUTOMATED RECORD VERIF	HKG/JR	
08/17/1993	817	MERGER RECOGNIZED	HADSON PET/HADSON ENE	
08/17/1993	940	NAME CHANGE RECOGNIZED	HADSON PET/HADSON ENE	
08/17/1993	974	AUTOMATED RECORD VERIF	CM/JLV	
10/14/1998	940	NAME CHANGE RECOGNIZED	HADSON/APACHE ENE RES	
10/15/1998	817	MERGER RECOGNIZED	APACHE EN/APACHE CORP	
11/29/2000	932	TRF OPER RGTS FILED	LG&E/LG&E NATURAL	
12/19/2000	933	TRF OPER RGTS APPROVED	EFF 12/01/2000	
12/19/2000	974	AUTOMATED RECORD VERIF	ANN	
06/28/2001	974	AUTOMATED RECORD VERIF	AMV	
05/06/2005	932	TRF OPER RGTS FILED	RAPTOR NA/GRAMA RID;1	
08/26/2005	933	TRF OPER RGTS APPROVED	EFF 06/01/05;	
08/26/2005	974	AUTOMATED RECORD VERIF	LR	
06/22/2015	899	TRF OF ORR FILED	1	
08/03/2017	140	ASGN FILED	APACHE/MEWBOURNE OI;1	
09/21/2017	139	ASGN APPROVED	EFF 09/01/17;	
09/21/2017	974	AUTOMATED RECORD VERIF	MJD	
11/22/2017	932	TRF OPER RGTS FILED	ENSTOR GR/MEWBOURNE;1	
01/16/2018	933	TRF OPER RGTS APPROVED	EFF 12/01/17;	
01/16/2018	974	AUTOMATED RECORD VERIF	HLJ	
03/06/2019	932	TRF OPER RGTS FILED	MEWBOURNE/BTA OIL P;1	
06/28/2019	933	TRF OPER RGTS APPROVED	EFF 04/01/19;	
06/28/2019	974	AUTOMATED RECORD VERIF	AMV	
07/26/2019	899	TRF OF ORR FILED	1	
08/02/2019	899	TRF OF ORR FILED	1	
08/30/2019	899	TRF OF ORR FILED	1	
10/21/2019	899	TRF OF ORR FILED	1	
10/24/2019	899	TRF OF ORR FILED	1	

Line Number	Remark Text	Serial Number: NMNM-- 0 058678
0002	LEASE COMMITTED TO GRAMMA RIDGE GAS STORAGE AGREE- NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM	

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:11 AM

Page 3 Of 3

Line Number	Remark Text	Serial Number: NMNM-- 0 058678
0003	MENT. AGMT IS EFF 11/01/975 SUBJECT TO RENEGOTI-	
0004	ATION 11/01/1995 AND SUCCESSIVE 10 YEAR PERIODS	
0005	THEREAFTER. NMNM 70953X IS AGMT #.	
0006	BONDED TRANSFEREE - PER ABSS	
0007	8/26/05-GRAMA RIDGE S&T LLC-NMB000304-COLLECTIV UNIT	
0008	01/16/18 - LESSEE MEWBOURNE BOND NM1693 - NW	
0009	06/28/2019 - MEWBOURNE OIL CO. - NMB000919 - SW/NM	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Chad Cole

Print or Type Name

Signature

Regulatory Specialist

Title

1/18/2021

Date

ccole@mewbourne.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Mewbourne Oil Company

OPERATOR ADDRESS: 4801 Business Park BLVD PO Box 5270 Hobbs NM 88240

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code. Grama Ridge; Bone Spring [28430]
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☒ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Chad Cole TITLE: Regulatory Specialist DATE: 1/18/2021

TYPE OR PRINT NAME Chad Cole TELEPHONE NO.: 575-393-5905

E-MAIL ADDRESS: ccole@mewbourne.com

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
Black Sheep 4/33 B30B Fed Com #001H	1500	48	\$40	~3000	~1250	\$1.28
Black Sheep 4/33 B3PA Fed Com #002H	1500	48	\$40	~3000	~1250	\$1.28
CTB Combined	3000	48	\$40	~6000	1250	\$1.28

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

January 22, 2021

Via Certified Mail

All Interest Owners

Re: Application for Surface Commingling – Oil and Gas
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (“Mewbourne”) has filed an application with the New Mexico Oil Conservation Division (“Division”) seeking authorization to surface commingle oil and gas production from the wells listed and described on the attached Well Listing, all located in Lea County, New Mexico. The oil production from these wells will be stored at a central tank battery located in the SW/4SE/4 of Section 4, Township 22 South, Range 34 East, Lea County, New Mexico. The gas production from these wells will flow to a 3 Bear Energy Master Meter #NA located on the edge of the central tank battery pad. If you object to this application, you must notify the Division, in writing, no later than 20 days from the date of this letter (the Division’s address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Should you have any questions regarding the above, please email Chad Cole at ccole@mewbourne.com or call at (575) 393-5905.

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly
Landman

Attachment

Released to Imaging: 12/27/2022 7:43:00 AM

Owner	Address	Certified Number
Bureau of Land Management	620 East Greene Street, Carlsbad, NM 88220	9414 8368 9784 6573540872
State of New Mexico	P.O. Box 1148, Santa Fe, NM 87504-1148	9414 8368 9784 6573374170
OXY USA Inc.	5 Greenway Plaza, #110, Houston, TX 77046-0521	9414 8368 9784 6573403016
BTA Oil Producers, LLC	104 S. Pecos, Midland, Texas 79701	9414 8368 9784 6573407861
Ray and Karen Westall	P.O. Box 4, Loco Hills, NM 88255	9414 8368 9784 6573413107
Enstor Grama Ridge Storage and Transportation LLC	10375 Richmond Ave, Suite 1900, Houston, Texas 77042	9414 8368 9784 6573419192
Philip L. White	P.O. Box 25968, Albuquerque, NM 87125	9414 8368 9784 6573426909
Thomas E. Jennings	P.O. Box 1797, Roswell, NM 88202	9414 8368 9784 6573432122
Barbara Talento	3785 Mauna Loa St., Brea, CA 92823	9414 8368 9784 6573437394
Erin E. Brady Living Trust	4629 Clybourn Ave., Toluca Lake, CA 91602	9414 8368 9784 6573453790
Daniel Brady Living Turst	518 Pier Ave., #7, Santa Monica, CA 90405	9414 8368 9784 6573461122
Patrick Brady and Kimberly Brady Living Trust	330 Cherry Hill Ct., Thousand Oaks, CA 91320	9414 8368 9784 6573466943
Mary Spencer	4700 South 900 East #30-167, Salt Lake City, Utah 84117	9414 8368 9784 6573472562
Nancy Seaton Widener Living Trust	1834 East Cinnabar, Phoenix, Arizona 85020	9414 8368 9784 6573478748
Virinia W. Hess	1739 West Myrtle Avenue, Apt. 212, Phoenix, Aizaona	9414 8368 9784 6573485517
Wills Royalty, Inc.	P.O. Box 1658, Carlsbad, NM 88221	9414 8368 9784 6573491518
The Merchant Livestock Company	P.O. Box 1105, Eunice, NM 88231	9414 8368 9784 6573497688
Randall and Teresa Harris	439 West James Funk Rd, Lake Arthur, NM 88253	9414 8368 9784 6573502665
John E. Bosserman	P.O. Box 56, Oakley, Kansas 67748	9414 8368 9784 6573507356
Centennial Resources Production, LLC	1001 17th Street, Suite 1800, Denver, Colotado 802002	9414 8368 9784 6573513562
EOG Resources Inc	5509 Champins Drive, Midland, Texas 79706	9414 8368 9784 6573518024
GMT New Mexico Royalty Company, LLC	P.O Box 4358, Houston, TX 77210-4358	9414 8368 9784 6573528061

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
November 16, 2022
and ending with the issue dated
November 16, 2022.

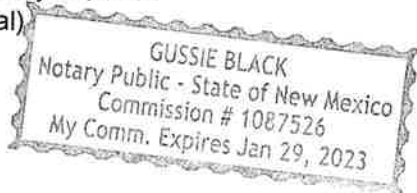

Publisher

Sworn and subscribed to before me this
16th day of November 2022.


Business Manager

My commission expires
January 29, 2023

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE November 16, 2022

To: All affected parties, including: Bureau of Land Management; State of New Mexico; OXY USA Inc.; BTA Oil Producers, LLC; Ray and Karen Westall, their heirs and devisees; Enstor Grama Ridge Storage and Transportation LLC; Philip L. White, his heirs and devisees; Thomas E. Jennings, his heirs and devisees; Barbara Talento, her heirs and devisees; Erin E. Brady Living Trust; Daniel Brady Living Trust; Patrick Brady and Kimberly Brady Living Trust; Mary Spencer, her heirs and devisees; Nancy Seaton Widener Living Trust; Virginia W. Hess, her heirs and devisees; Wills Royalty, Inc.; The Merchant Livestock Company; Randall and Teresa Harris, their heirs and devisees; John E. Bosserman, his heirs and devisees; Centennial Resources Production, LLC; EOG Resources Inc; and GMT New Mexico Royalty Company, LLC.

Application of Mewbourne Oil Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of the W/2 E/2 of Section 33, Township 21 South, Range 34 East, and the W/2 E/2 of Section 4, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico (the "Lands"). Mewbourne Oil Company (OGRID No. 14744), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the **Black Sheep 4/33 B3OB Fee Com #1H Tank Battery** insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 320-acre spacing unit comprised of the W/2 E/2 of Section 33, Township 21 South, Range 34 East, and the W/2 E/2 of Section 4, Township 22, Range 34 East, in the Grama Ridge; Bone Spring [28430] - currently dedicated to the **Black Sheep 4/33 B3OB Fed Com** (API No. 30-25-44939), **Black Sheep 4/33 B3PA Fed Com #2H** (API No. 30-25-45601); and

(b) Pursuant to 19.15.12.10.C(4)(g), future Grama Ridge; Bone Spring [28430] spacing units connected to the **Black Sheep 4/33 B3OB Fee Com #1H Tank Battery** with notice provided only to the owners of interests to be added.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Chad Cole, Mewbourne Oil Company, (575) 393-5905 or ccole@mewbourne.com.
#00273165

67100754

00273165

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Chad Cole](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-1001
Date: Tuesday, December 27, 2022 7:28:34 AM
Attachments: [CTB1001 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1001 which authorizes Mewbourne Oil Company (14744) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-44939	Black Sheep 4 33 B3OB Federal Com #1H	W/2 E/2	33-21S-34E	28430
		W/2 E/2	4-22S-34E	
30-025-45601	Black Sheep 4 33 B3PA Federal Com #2H	E/2 E/2	33-21S-34E	28430
		E/2 E/2	4-22S-34E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: [Chad Cole](#)
To: [McClure, Dean, EMNRD](#); [Tyler Jolly](#)
Subject: RE: [EXTERNAL] RE: [EXT] RE: surface commingling application CTB-1001
Date: Friday, December 16, 2022 10:29:20 AM
Attachments: [image001.png](#)
[image002.png](#)

Dean,

Yes this acreage is covered by a fee lease.

Thanks

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, December 16, 2022 10:17 AM
To: Tyler Jolly <tjolly@mewbourne.com>; Chad Cole <ccole@mewbourne.com>
Subject: RE: [EXTERNAL] RE: [EXT] RE: surface commingling application CTB-1001

Gentlemen,

Regarding the lease within the SW/4 of the NE/4 of section 33 in Township 21 South and Range 34 East; I believe that Chad may have told me this is a fee lease but I am not finding record of that communication in my email. I'm wondering if this may have come up over a phone call or perhaps I am just missing it somewhere in the emails.

Please confirm for me whether this acreage is covered by a fee lease and if not which lease does cover it.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Tyler Jolly <tjolly@mewbourne.com>
Sent: Thursday, November 10, 2022 12:23 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>; Chad Cole <ccole@mewbourne.com>
Subject: RE: [EXTERNAL] RE: [EXT] RE: surface commingling application CTB-1001

Thanks Dean. Will public notice cure these issues?

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Thursday, November 10, 2022 11:34 AM
To: Tyler Jolly <tjolly@mewbourne.com>; Chad Cole <ccole@mewbourne.com>
Subject: RE: [EXTERNAL] RE: [EXT] RE: surface commingling application CTB-1001

Tyler,

That appears to be correct. However, it also appears that several of the notices may have been returned and notification of this application will need to be cured.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Tyler Jolly <tjolly@mewbourne.com>

Sent: Thursday, November 10, 2022 10:24 AM

To: Chad Cole <ccole@mewbourne.com>; McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Subject: RE: [EXTERNAL] RE: [EXT] RE: surface commingling application CTB-1001

Hey Dean,

I think the initial numbers are 9414 8368 9784.

Let me know if you need anything else.

Tyler Jolly

Mewbourne Oil Company

500 W. Texas, Suite 1020

Midland, TX 79701

Ph: (432) 682-3715

From: Chad Cole <ccole@mewbourne.com>

Sent: Thursday, November 10, 2022 10:29 AM

To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Cc: Tyler Jolly <tjolly@mewbourne.com>

Subject: RE: [EXTERNAL] RE: [EXT] RE: surface commingling application CTB-1001

Tyler,

Please read Dean's email below regarding the notice for the Black Sheep Commingle App. The notice list I sent has a 10 digit certified number.

Sorry I didn't read the map correctly the first time, but that portion of the section is Private.

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Sent: Thursday, November 10, 2022 9:17 AM

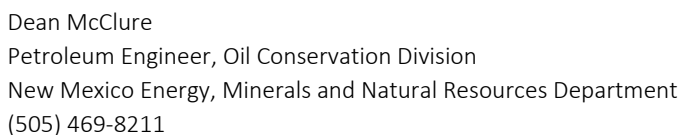
To: Chad Cole <ccole@mewbourne.com>

Subject: RE: [EXTERNAL] RE: [EXT] RE: surface commingling application CTB-1001

Chad,

It appears that the tracking list included is missing its initial set of numbers. I will need to have the complete number for each. There will need to be a record of direct notice being sent prior to public notice being sufficient. If the record does not exist, then new notice via certified mail will be required.

Please note that the lease I am asking about is in the SW/4 of the NE/4 of Section 33 in Township 21 South and Range 34 East. If you have the CA packet for NMNM 143740, that should contain this information.



CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

The common gas meter is located on federal lease NMNM 0033312A and each well is allocated individually with an allocation meter continuously measuring the sales before being commingled. This was not worded correctly in the application.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

Released to Imaging: 12/27/2022 7:43:00 AM

To: Chad Cole <ccole@mewbourne.com>

Subject: surface commingling application CTB-1001

Mr. Cole,

I am reviewing surface commingling application CTB-1001 which involves a commingling project that includes the Black Sheep Battery and is operated by Mewbourne Oil Company (14744).

Please provide the certified tracking number associated with each notification of this application provided. Additionally, unless Mewbourne has a report of the status of each from the USPS or other indication that each notification was sent to the correct address then new notice may be necessary and may be done via public notice at Mewbourne's discretion.

What lease covers the SW/4 NE/4 of Section 33 of Township 21 South and Range 34 East?

What is meant by "sold off lease using the 24 hr. well test method"? If there is a 3 Bear Energy common gas sales meter located on the edge of the battery, then isn't it the sales meter and is continuously measuring the sales?

Gas Metering:

Gas volumes from each well producing to these batteries will be determined by using an allocation gas meter after the separator at the facility for each well. The gas production from the wells listed above will be measured, commingled, and then sold off lease using the 24 hr. well test method. A 3 Bear Energy common gas sales meter (MM #NA) will be located on edge of the battery pad. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Please note that failure to take steps to address each of the topics addressed in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once the topics have been fully addressed.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

Application for Lease Commingle, Central Tank Battery (CTB)

Mewbourne Oil Company is applying for a CAA under section 43 CFR 3173.14 (a)(1)(iii).

REQUIREMENTS:

1. A statement that the CAA will not negatively affect the royalty revenue of the federal government
2. A list of all Federal or Indian lease, unit PA, or CA numbers in the proposed Commingling and Allocation Approval (CAA). This list should include:
 - a. The specific type of production (oil, gas, or both)
 - b. The royalty rates of the individual leases, unit PAs, or CAs
 - i. Please include a printout of the MASS Serial Register Page
3. A proposed allocation agreement (including allocation of produced water) that includes:
 - a. An allocation methodology
 - b. An example of how the methodology is applied (multiple examples may be included to ensure clarity)
 - i. Include a step-by-step explanation for all data and calculations used in the applied methodology example (this can be a part of 3(a))
 - c. A statement that any allocation meters (non-FMPs) will meet either FMP regulations or API measurement standards
 - i. Please include relevant regulation or standard numbers
 - ii.
 - d. A copy of the agreement signed by each operator of each of the leases, unit PAs, or CAs from which production would be included in the CAA (if more than one operator is involved)
4. A topographic map of appropriate scale (multiple maps may be included to ensure clarity) that includes:
 - a. The boundaries of all the leases, unit PAs, or CAs that are proposed for the CAA
 - b. The location of all existing or planned facilities
 - c. The location of all wells (including API numbers) that are in the proposed CAA
 - d. Any piping that will be included in the CAA
 - e. The location of all existing or proposed FMPs
5. A statement that all leases, unit PAs, or CAs in the proposed CAA are capable of production in paying quantities and documentation to prove the statement.
 - a. "Production in paying quantities" is defined as 1bbl/day of oil or 10 Mcf/day of gas
 - i. A three consecutive day well test can be used to prove production in paying quantities
6. Gas analysis (not required if the operator is applying for a CAA under 3173.14(a)(1)) that includes:
 - a. Btu content
 - b. All oil gravities
7. A statement on whether the location of the FMP is on lease or off lease. If the FMP is off lease, the operator must submit:
 - a. A justification for off lease measurement (OLM)
8. A statement on whether any new surface disturbance is included as part of the proposed CAA (proposed FMP, associated facilities, etc.). If new surface disturbance is part of the proposal, a surface disturbance sundry must be submitted with a surface use plan of operations
9. Any additional documentation that would be required under 3173.15 (f—i) relating to surface use or right of way grant applications

1. The CAA will not negatively affect the royalty revenue of the federal government.

2.

Well Name	Location	API #	Lease #, Royalty Rate	Production Type
Black Sheep 4/33 B30B Fed Com #001H	222' FSL & 1980' FEL, Sec 4, T22S, R34E	30-025-44939	NMNM0033312A, 12 ½% NMNM0058678, 12 ½% VB22700004	Oil & Gas
Black Sheep 4/33 B3PA Fed Com #002H	222' FSL & 2078' FEL, Sec 4, T22S, R34E	30-025-45601	NMNM0033312A, 12 ½% NMNM0058678, 12 ½% VB22700004	Oil & Gas

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:06 AM

Page 1 Of 3

01 02-25-1920;041STAT0437;30USC226
Case Type 311111: O&G LSE NONCOMP PUB LAND
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres:
160.000 NMNM 0033312A

Case File Juris:

Serial Number: NMNM-- 0 033312A

Name & Address	Int Rel	% Interest
BTA OIL PRODUCERS LLC 104 S PECOS MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
MEWBOURNE OIL CO 500 W TEXAS ST #1020 MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
LG&E NATURAL PIPELINE LLC 921 W SANGER HOBBS NM 88240	OPERATING RIGHTS	0.000000000
MEWBOURNE OIL CO 500 W TEXAS ST #1020 MIDLAND TX 79701	LESSEE	100.000000000

Serial Number: NMNM-- 0 033312A

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0220S	0340E	004	ALIQ			SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 033312A

23	0220S	0340E	709	FF			ALL ASGN;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
----	-------	-------	-----	----	--	--	-----------	-----------------------	-----	---------------------

Serial Number: NMNM-- 0 033312A

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
03/31/1958	387	CASE ESTABLISHED		
04/01/1958	496	FUND CODE	05:145003	
04/01/1958	530	RLTY RATE - 12 1/2%		
04/01/1958	868	EFFECTIVE DATE		
07/01/1961	553	CASE CREATED BY ASGN	OUT OF NMNM033312;	
06/01/1965	651	HELD BY PROD - ALLOCATED	SW-339	
07/02/1965	315	RENTAL RATE DET/ADJ	\$2.00;	
07/02/1965	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
07/02/1965	510	KMA CLASSIFIED		
01/01/1966	246	LEASE COMMITTED TO CA	SW-339	
03/31/1966	235	EXTENDED	THRU 03/31/68;	
06/17/1966	102	NOTICE SENT-PROD STATUS		
11/01/1975	232	LEASE COMMITTED TO UNIT	NMNM70953X;GRAMMARIDG	
11/01/1975	245	LEASE COMMITTED TO GSA	GRAMA RIDGE GSU	
11/02/1975	522	CA TERMINATED	SW-339	
08/17/1987	140	ASGN FILED	LLANO INC/HADSON PETR	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:06 AM

Page 2 Of 3

Serial Number: NMNM-- 0 033312A

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
08/17/1987	932	TRF OPER RGTS FILED		
08/25/1987	963	CASE MICROFILMED/SCANNED	CNUM 562,527	
11/16/1987	139	ASGN APPROVED	EFF 09/01/87;	
11/16/1987	933	TRF OPER RGTS APPROVED	EFF 09/01/87;	
11/16/1987	974	AUTOMATED RECORD VERIF	HKG/JR	
01/09/1989	140	ASGN FILED	HADSON PETRO/SUN OPER	
02/02/1989	570	CASE SEGREGATED BY ASGN	INTO NMNM82799;	
02/02/1989	974	AUTOMATED RECORD VERIF	GLC/MT	
09/28/1989	600	RECORDS NOTED		
03/26/1991	575	APD FILED	LLANO INC. CE	
04/15/1991	576	APD APPROVED	GRAMA RIDGE UT NO 6	
06/12/1992	974	AUTOMATED RECORD VERIF	RAYO/LR	
08/20/1992	899	TRF OF ORR FILED		
08/17/1993	817	MERGER RECOGNIZED	HADSON PETRO/ENE	
08/17/1993	940	NAME CHANGE RECOGNIZED	HADSON PETRO/ENE	
08/17/1993	974	AUTOMATED RECORD VERIF	CM/JLV	
02/20/1998	084	RENTAL RECEIVED BY ONRR	\$160.00;21/0000000320	
10/14/1998	940	NAME CHANGE RECOGNIZED	HADSON/APACHE ENE RES	
10/15/1998	817	MERGER RECOGNIZED	APACHE EN/APACHE CORP	
02/22/2000	084	RENTAL RECEIVED BY ONRR	\$160.00;21/901007	
11/29/2000	932	TRF OPER RGTS FILED	LG&E/LG&E NATURAL	
12/19/2000	933	TRF OPER RGTS APPROVED	EFF 12/01/2000	
12/19/2000	974	AUTOMATED RECORD VERIF	ANN	
03/29/2001	084	RENTAL RECEIVED BY ONRR	\$160.00;21/11675	
05/06/2005	932	TRF OPER RGTS FILED	RAPTOR NA/GRAMA RID;1	
08/26/2005	933	TRF OPER RGTS APPROVED	EFF 06/01/05;	
08/26/2005	974	AUTOMATED RECORD VERIF	LR	
01/14/2016	899	TRF OF ORR FILED	1	
08/03/2017	140	ASGN FILED	APACHE/MEWBOURNE OI;1	
09/21/2017	139	ASGN APPROVED	EFF 09/01/17;	
09/21/2017	974	AUTOMATED RECORD VERIF	MJD	
11/22/2017	932	TRF OPER RGTS FILED	ENSTOR GR/MEWBOURNE;1	
01/16/2018	933	TRF OPER RGTS APPROVED	EFF 12/01/17;	
01/16/2018	974	AUTOMATED RECORD VERIF	HLJ	
03/06/2019	932	TRF OPER RGTS FILED	MEWBOURNE/BTA OIL P;1	
06/28/2019	933	TRF OPER RGTS APPROVED	EFF 04/01/19;	
06/28/2019	974	AUTOMATED RECORD VERIF	AMV	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:06 AM

Page 3 Of 3

Line Number	Remark Text	Serial Number: NMNM-- 0 033312A
0002	LEASE COMMITTED TO GRAMA RIDGE GAS STORAGE AGREE-	
0003	MENT. AGMT IS EFF 11/01/975 SUBJECT TO RENEGOTI-	
0004	ATION 11/01/1995 AND SUCCESSIVE 10 YEAR PERIODS	
0005	THEREAFTER. NMNM 70953X IS AGMT #.	
0006	1/16/18 - BONDED LESSEE/OPERATOR MEWBOURNE NM1693 NW	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:11 AM

Page 1 Of 3

01 02-25-1920;041STAT0437;30USC226
Case Type 311111: O&G LSE NONCOMP PUB LAND
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres: 324.760
Serial Number NMNM 0058678

Case File Juris:

Serial Number: NMNM-- 0 058678

Name & Address	Int Rel	% Interest
BTA OIL PRODUCERS LLC 104 S PECOS MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
MEWBOURNE OIL CO 500 W TEXAS ST #1020 MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
LG&E NATURAL PIPELINE LLC 921 W SANGER HOBBS NM 88240	OPERATING RIGHTS	0.000000000
MEWBOURNE OIL CO 500 W TEXAS ST #1020 MIDLAND TX 79701	LESSEE	100.000000000

Serial Number: NMNM-- 0 058678

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0220S	0340E	004	LOTS			1,2,3,4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S	0340E	004	ALIQ			S2N2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 058678

Serial Number: NMNM-- 0 058678

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
02/03/1959	124	APLN RECD		
11/05/1959	125	APLN REJ/DENIED		
11/27/1959	120	APPEAL FILED		
02/10/1961	366	DEC REVRSD & REMANDED		
08/09/1961	237	LEASE ISSUED		
09/01/1961	496	FUND CODE	05;145003	
09/01/1961	530	RLTY RATE - 12 1/2%		
09/01/1961	868	EFFECTIVE DATE		
06/01/1965	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
06/01/1965	510	KMA CLASSIFIED		
06/01/1965	650	HELD BY PROD - ACTUAL	/1/	
06/01/1965	658	MEMO OF 1ST PROD-ACTUAL	/1/#04 GRM UNIT;	
06/14/1965	643	PRODUCTION DETERMINATION	/1/	
07/02/1965	315	RENTAL RATE DET/ADJ	\$2.00;	
07/16/1965	102	NOTICE SENT-PROD STATUS		
01/01/1966	246	LEASE COMMITTED TO CA	SW-339	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:11 AM

Page 2 Of 3

Serial Number: NMNM-- 0 058678

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
11/01/1975	232	LEASE COMMITTED TO UNIT	NMNM70953X;GRAMMARIDG	
11/02/1975	522	CA TERMINATED	SW-339	
03/10/1978	932	TRF OPER RGTS FILED		
03/17/1983	933	TRF OPER RGTS APPROVED	EFF 04/01/78;	
08/17/1987	140	ASGN FILED	LLANO INC/HADSON PETR	
08/25/1987	983	CASE MICROFILMED/SCANNED	CNUM 103,862	
11/16/1987	139	ASGN APPROVED	EFF 09/01/87;	
11/16/1987	974	AUTOMATED RECORD VERIF	HKG/JR	
08/17/1993	817	MERGER RECOGNIZED	HADSON PET/HADSON ENE	
08/17/1993	940	NAME CHANGE RECOGNIZED	HADSON PET/HADSON ENE	
08/17/1993	974	AUTOMATED RECORD VERIF	CM/JLV	
10/14/1998	940	NAME CHANGE RECOGNIZED	HADSON/APACHE ENE RES	
10/15/1998	817	MERGER RECOGNIZED	APACHE EN/APACHE CORP	
11/29/2000	932	TRF OPER RGTS FILED	LG&E/LG&E NATURAL	
12/19/2000	933	TRF OPER RGTS APPROVED	EFF 12/01/2000	
12/19/2000	974	AUTOMATED RECORD VERIF	ANN	
06/28/2001	974	AUTOMATED RECORD VERIF	AMV	
05/08/2005	932	TRF OPER RGTS FILED	RAPTOR NA/GRAMA RID;1	
08/28/2005	933	TRF OPER RGTS APPROVED	EFF 08/01/05;	
08/28/2005	974	AUTOMATED RECORD VERIF	LR	
06/22/2015	899	TRF OF ORR FILED	1	
08/03/2017	140	ASGN FILED	APACHE/MEWBOURNE OI;1	
09/21/2017	139	ASGN APPROVED	EFF 09/01/17;	
09/21/2017	974	AUTOMATED RECORD VERIF	MJD	
11/22/2017	932	TRF OPER RGTS FILED	ENSTOR GR/MEWBOURNE;1	
01/18/2018	933	TRF OPER RGTS APPROVED	EFF 12/01/17;	
01/18/2018	974	AUTOMATED RECORD VERIF	HLJ	
03/08/2019	932	TRF OPER RGTS FILED	MEWBOURNE/BTA OIL P;1	
06/28/2019	933	TRF OPER RGTS APPROVED	EFF 04/01/19;	
06/28/2019	974	AUTOMATED RECORD VERIF	AMV	
07/26/2019	899	TRF OF ORR FILED	1	
08/02/2019	899	TRF OF ORR FILED	1	
08/30/2019	899	TRF OF ORR FILED	1	
10/21/2019	899	TRF OF ORR FILED	1	
10/24/2019	899	TRF OF ORR FILED	1	

Line Number	Remark Text	Serial Number: NMNM-- 0 058678
0002	LEASE COMMITTED TO GRAMMA RIDGE GAS STORAGE AGREE- NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM	

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date/Time: 1/15/2021 11:11 AM

Page 3 Of 3

Line Number	Remark Text	Serial Number: NMNM-- 0 058678
0003	MENT. AGMT IS EFF 11/01/975 SUBJECT TO RENEGOTI-	
0004	ATION 11/01/1995 AND SUCCESSIVE 10 YEAR PERIODS	
0005	THEREAFTER. NMNM 70953X IS AGMT #.	
0006	BONDED TRANSFEREE - PER ABSS	
0007	8/26/05-GRAMA RIDGE S&T LLC-NMB000304-COLLECTIV UNIT	
0008	01/16/18 - LESSEE MEWBOURNE BOND NM1693 - NW	
0009	06/28/2019 - MEWBOURNE OIL CO. - NMB000919 - SW/NM	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

3. Allocation Methodology

Gas Allocation

Each well has a Wellhead (WH) meter and a Buy Back (BB) meter. At the custody transfer point of this CTB there is a Master Meter (MM) & Master Buy Back Meter (MMBB). The MM is considered the FMP. The MMBB meter that measures off-lease gas coming on lease used for gas lift or facility use from the gathering line is considered an FMP.

1. Net Well Production is base amount of production not used for gas lift and is calculated by subtracting each BB volume from the wellhead (WH) meter reading.
2. Lease use is the volume of gas used by the equipment on the CTB allocated to the wells by Lease Use volume/total hours produced by all wells on CTB * each wells Hours On.
3. Theoretical % used for the allocation of production/sales is calculated by dividing the Net Well Production volume for each well into the sum of the Net Well Production.
4. CTB FC-INJ BB (Net CTB Gas) is volume of gas for royalty purposes, off lease gas is netted out of FMP meter volume. FC Meter – (INJ BB Meter – GL Compressor). This gives you the volume of gas for royalty purposes that was produced/sold from the CTB.
5. Theoretical % for each well is multiplied by the Net CTB Gas.
6. VRU measures the gas from the oil tanks, is allocated based on allocated oil production for each well. The VRU meter is in line with each wellhead meter before the MM. VRU measured volume * theoretical % of oil produced. Each well's oil measured volume/by sum of all oil measured volumes on CTB = theoretical oil volume.
7. Total Net FMP Volumes is total sold from the CTB to the gathering line and is calculated by Net CTB Gas + VRU.
8. Allocated Production is all gas produced by CTB and is calculated by adding Total Net FMP Volumes+ Lease Use.
9. Total Net FMP Volumes is total sold from the CTB to the gathering line and is calculated by Net CTB.

OIL ALLOCATION

Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Sales Volume (FMP) back to each well.

1. Allocated production is volume of oil produced by the CTB and is calculated by Ending Tank Inventory + Pipeline LACT (FMP) – Beginning Tank Inventory.
2. Available oil for sale is calculated by Pipeline Lact (FMP) – Beginning Tank Inventory.
3. Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
4. The Theoretical % for each well is multiplied by the Allocated Production and the Available Sales.

5. Total Sales Volume is the volume of oil sold through the FMP meter. It is calculated by adding available for sale to the beginning inventory for each well.
6. Beginning Inventory comes from previous accounting period's Ending Inventory for each well.
7. Ending Inventory for each well is calculated by adding Beginning Inventory + Allocated Production – Total Sales Volume.

WATER ALLOCATION

Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Transferred Volume back to each well.

1. Allocated production is volume of water produced by the CTB and is calculated by Ending Tank Inventory + Water Transfer – Beginning Tank Inventory.
2. Available Water to Transfer is calculated by Water Transfer – Beginning Tank Inventory.
3. Theoretical % is calculated by dividing each water meter volume into the sum of the water meters.
4. The Theoretical % for each well is multiplied by the Allocated Production and the Available Sales.
5. Total Transfer Volume is the volume of water transferred off the CTB. It is calculated by adding Available to Transfer to the beginning inventory for each well.
6. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
7. Ending Inventory for each well is calculated by adding beginning inventory + Allocated Production – Total Transfer Volume.

Applied Allocation Spreadsheet Examples

Gas:

WELLNAME	Lease # NMNM	Lease # NMNM	Lease # NMNM	Lease # NMNM	WH MTR ID	WH METER READINGS	BB MTR ID	BB METER READINGS	NET WELL PRODUCTION	HOURS ON	NET THEORETICAL %	OIL PRODUCTION	VRU METER ID 99	THEORETICAL VRU %	NET WELL PRODUCTION + VRU	THEORETICAL %	ALLOCATED PRODUCTION
Black Sheep PA	12345		74125		1	1500	5	600	900	24	0.214285714	350	70	0.233333333	970	0.215555556	1002.333333
Black Sheep OB	12345	56987			2	1800	6	500	1300	24	0.30952381	250	50	0.166666667	1350	0.3	1395
Black Sheep NC		56987		98765	3	1200	7	300	900	24	0.214285714	600	120	0.4	1020	0.226666667	1054
Black Sheep MD		56987			4	1600	8	500	1100	24	0.261904762	300	60	0.2	1160	0.257777778	1198.666667
TOTALS						6100		1900	4200		1	1500	300	1	4500	1	4650
	METER READINGS																
MM	4750																
BB	100																
NET VOLUME	4650																
Manually Entered Metered Volume																	
Allocated Total Volume																	
WELLNAME	Example well name for this scenario																
LEASE #	Example lease numbers associated with each well showing different interests																
WH MTR ID	Example meter IDs associated with each well																
WH MTR READINGS	Manually entered metered volume																
BB MTR ID	Example meter IDs associated with each well																
BB MTR READINGS	Manually entered metered volume																
NET WELL PRODUCTION	Production from just the WH & BB meters																
HOURS ON	24 hrs on. Only effects well tests since lease use should be registered through BB meter																
NET THEORETICAL %	% based off net well production																
OIL PRODUCTION	Each wells example oil production in order to allocate VRU meter																
VRU MTR ID 99	VRU has its own meter for all wells. Each wells production based of theoritcal VRU %																
THEORETICAL VRU %	% based off oil production																
NET WELL PRODUCTION + VRU	Total of net well production and allocated VRU volume																
THEORETICAL %	% of each well that should be used for allocated production																
ALLOCATED PRODUCTION	Correct allocated volume																

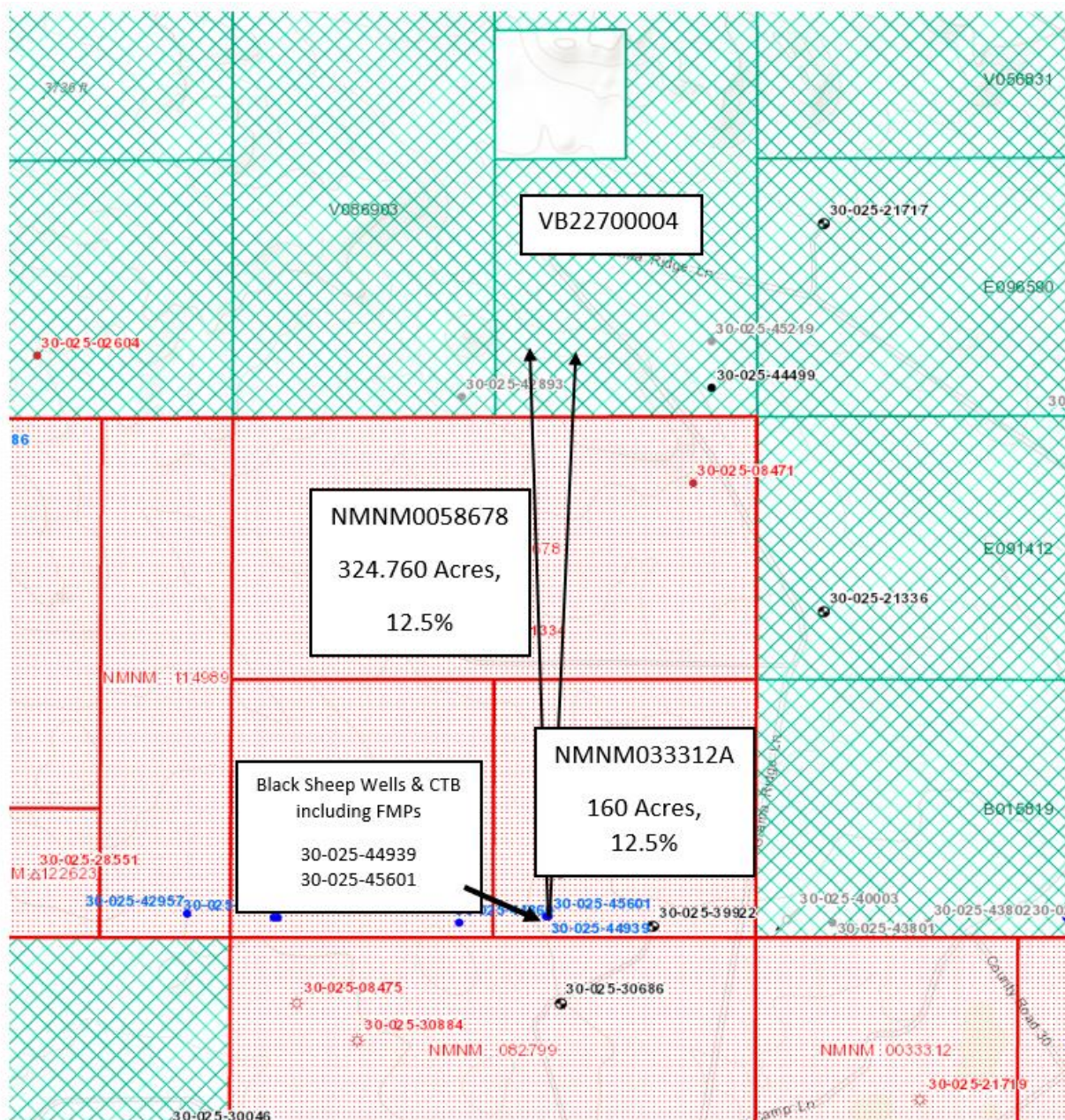
Oil:

Manually Entered Metered Volumes from meter statement and tank inventories from gauged tanks		ALLOCATION METHONOLGY USED TO DETERMINE ALLOCATED PRODUCTION AND SALES TO EACH WELL						
Allocated volumes for reporting on OGOR								
OIL METER		Measures volume of oil from the separator on each individual well used as basis for prorating CTB Allocated Production and Ending Tank Inventory to each well						
THEORETICAL % PRODUCTION		Theoretical % is calculated by dividing Oil Meter volume for each well into sum of oil meters from the CTB						
CTB ALLOCATED PRODUCTION		CTB Allocated Production is the theoretical production for the CTB, (Sales + ending inventory-beginning inventory)						
ALLOCATED WELL PRODUCTION		Volume of CTB Allocated Production to each well, Theoretical % * CTB Allocated Production						
CTB AVAILABLE FOR SALE		Formula to calculate total for sale on the CTB (CTB Allocated Production + Beginning Inventory)						
AVAILABLE FOR SALE		Volume of CTB Available for Sale oil allocated to each well, (CTB Allocated Production + Beginning Tank Inventory)						
THEORETICAL % AVAILABLE SALE		Allocation % of available sales for each well, Available Sales/CTB Available for Sale						
ALLOCATED SALES		Pipeline Lact (FMP) allocated to each well based on theoretical % of available for sale						
PIPELINE LACT (FMP)		Measures volume of oil sold through FMP to purchaser						
BEGINNING TANK INVENTORY		4 - 750 BBL TANK	Inventory from previous accounting period's calculate ending inventories. In the case of new CTBs during any accounting period, open inventory equals zero					
ENDING TANK INVENTORY		4 - 750 BBL TANK	Theoretical % of production multiplied by combined volume from the oil tanks at CTB for each well					
WELLNAME	OIL METER	THEORETICAL % OF PRODUCTION	ALLOCATED WELL PRODUCTION	AVAILABLE SALES	Theoretical % AVAILABLE FOR SALE	ALLOCATED SALES	BEG INV	END INV
	11	0.004232055	11.06	122.91	0.0264876	79	111.850	6.94
	110.4	0.042474444	110.97	257.62	0.0555196	167	146.650	69.67
	153.98	0.059241077	154.78	294.00	0.0633588	190	139.220	97.17
	160.71	0.061830325	161.54	292.73	0.0630861	189	131.190	101.41
	211.15	0.081236222	212.24	331.57	0.0714566	214	119.330	133.24
	196.11	0.075449848	197.12	294.62	0.0634941	190	97.500	123.75
	182.65	0.070271352	183.59	290.03	0.0625050	188	106.440	115.26
	105.5	0.040589256	106.04	216.19	0.0465921	140	110.150	66.57
	73.8	0.028393243	74.18	196.41	0.0423285	127	122.230	46.57
	134.8	0.051861912	135.50	235.20	0.0506870	152	99.700	85.06
	151.12	0.058140743	151.90	151.90	0.0327360	98	0.000	95.36
	183.12	0.070452176	184.07	228.36	0.0492129	148	44.290	115.55
	94.56	0.036380285	95.05	125.82	0.0271151	81	30.770	59.67
	98.21	0.037784558	98.72	165.19	0.0355994	107	66.470	61.97
	151.91	0.058444681	152.69	224.01	0.0482773	145	71.320	95.86
	170.25	0.065500671	171.13	244.59	0.0527113	158	73.480	107.43
	169.67	0.065277527	170.55	251.43	0.0541848	163	80.880	107.07
	92.6	0.03562621	93.08	248.22	0.0534934	160	155.140	58.43
	10	0.003847323	10.05	45.25	0.0097522	29	35.200	6.31
	85.08	0.032733023	85.52	261.46	0.0563470	169	175.940	53.69
	52.59	0.020233071	52.86	162.66	0.0350551	105	109.800	33.19
FACILITY TOTALS	2599	1	2613	4640	1	3000	2028	1640
CTB ALLOCATED PRODUCTION	2,613							
CTB AVAILABLE FOR SALE	4,640							
PIPELINE LACT (FMP)	3,000							
BEGINNING TANK INVENTORY	2,028							
ENDING TANK INVENTORY	1,640							

Water:

Manually Entered Metered Volumes from meter statement and tank inventories from gauged tanks		ALLOCATION METHONOLGY USED TO DETERMINE ALLOCATED WATER PRODUCTION AND WATER TRANSFERRED OFF THE CTB TO EACH WELL																
Allocated volumes for reporting on OGOR																		
WATER METER		Measures volume of water from the separator on each individual well used as basis for prorating CTB Allocated Production and Ending Tank Inventory to each well																
THEORETICAL % PRODUCTION		Theoretical % is calculated by dividing Water Meter volume for each well into sum of water meters from the CTB																
CTB ALLOCATED PRODUCTION		CTB Allocated Production is the theoretical production for the CTB, (Water Transfer + ending inventory-beginning inventory)																
ALLOCATED WELL PRODUCTION		Volume of CTB Allocated Production to each well, Theoretical % * CTB Allocated Production																
CTB AVAILABLE FOR TRANSFER		Formula to calculate total for transfer on the CTB (CTB Allocated Production + Beginning Inventory)																
AVAILABLE FOR TRANSFER		Volume of CTB Available for Transfer, water allocated to each well, (CTB Allocated Production + Beginning Tank Inventory)																
THEORETICAL % AVAILABLE FOR TRANSFER		Allocation % of available transfer for each well, Available for Transfer/CTB Available for Transfer																
ALLOCATED WTR TRANSFERRED		Water Transfer Meter allocated to each well based on theoretical % of available for transfer																
WATER TRANSFER METER		Measures volume of water transferred off the CTB to disposal																
BEGINNING TANK INVENTORY		2 - 750 BBL TANKS	Inventory from previous accounting period's calculate ending inventories. In the case of new CTBs during any accounting period, open inventory equals zero															
ENDING TANK INVENTORY		2 - 750 BBL TANKS	Theoretical % of production multiplied by combined volume from the water tanks at CTB for each well															
WELLNAME	WATER METER	THEORETICAL % OF PRODUCTION	ALLOCATED WELL PRODUCTION	AVAILABLE TO TRANSFER	Theoretical % AVAILABLE FOR SALE	ALLOCATED WATER TRANSFERRED	BEG INV	END INV										
	22	0.011778815	23.44	49.10	0.0166779	16	25.660	11.12										
	100.4	0.05375423	106.97	143.62	0.0487843	46	36.650	50.74										
	123.51	0.06612734	131.59	174.09	0.0591350	56	42.500	62.42										
	125.71	0.067305221	133.94	196.13	0.0666194	63	62.190	63.54										
	188.15	0.100735641	200.46	259.79	0.0882452	83	59.330	95.09										
	176.2	0.094337602	187.73	255.23	0.0866956	82	67.500	89.05										
	152.6	0.081702146	162.59	219.03	0.0743978	70	56.440	77.13										
	95.5	0.051130766	101.75	144.25	0.0489980	46	42.500	48.27										
	53.5	0.028643937	57.00	109.20	0.0370929	35	52.200	27.04										
	120.2	0.064355163	128.07	201.49	0.0684398	65	73.420	60.75										
	142	0.076026899	151.29	181.49	0.0616486	58	30.200	71.77										
	123.12	0.065918533	131.18	155.47	0.0528084	50	24.290	62.23										
	34.56	0.018503448	36.82	52.59	0.0178641	17	15.770	17.47										
	48.21	0.025811667	51.37	84.84	0.0288163	27	33.470	24.37										
	51.91	0.02779265	55.31	106.63	0.0362185	34	51.320	26.24										
	70.25	0.037611899	74.85	128.31	0.0435828	41	53.460	35.51										
	69.67	0.037301366	74.23	115.11	0.0390998	37	40.880	35.21										
	72.6	0.03887009	77.35	122.49	0.0416072	39	45.140	36.69										
	10	0.005354007	10.65	35.85	0.0121788	11	25.200	5.05										
	55.08	0.02948987	58.68	94.56	0.0321212	30	35.880	27.84										
	32.59	0.017448709	34.72	114.22	0.0387985	37	79.500	16.47										
FACILITY TOTALS	1,868		1990	2944		944	954	944										
CTB ALLOCATED PRODUCTION		1,990																
CTB AVAILABLE FOR TRANSFER		2,944																
WATER TRANSFER METER		2,000																
BEGINNING TANK INVENTORY		954																
ENDING TANK INVENTORY		944																

4.



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 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		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name BLACK SHEEP 4/33 B30B FED COM			
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			
		9 Well Number 1H			
		9 Elevation 3599'			
10 Surface Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
0	4	22S	34E		222
		North/South line		Feet From the	
		SOUTH		2108	
		East/West line		County	
		EAST		LEA	
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
B	33	21S	34E		100
		North/South line		Feet from the	
		NORTH		1980	
		East/West line		County	
		EAST		LEA	
12 Dedicated Acres		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 _____</p> <p>Printed Name _____</p> <p>Email Address _____</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>3-25-2019 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>19680 Certificate Number</p> <p>REV:10-25-19 NAME/BHL</p>

LS1807939R

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 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

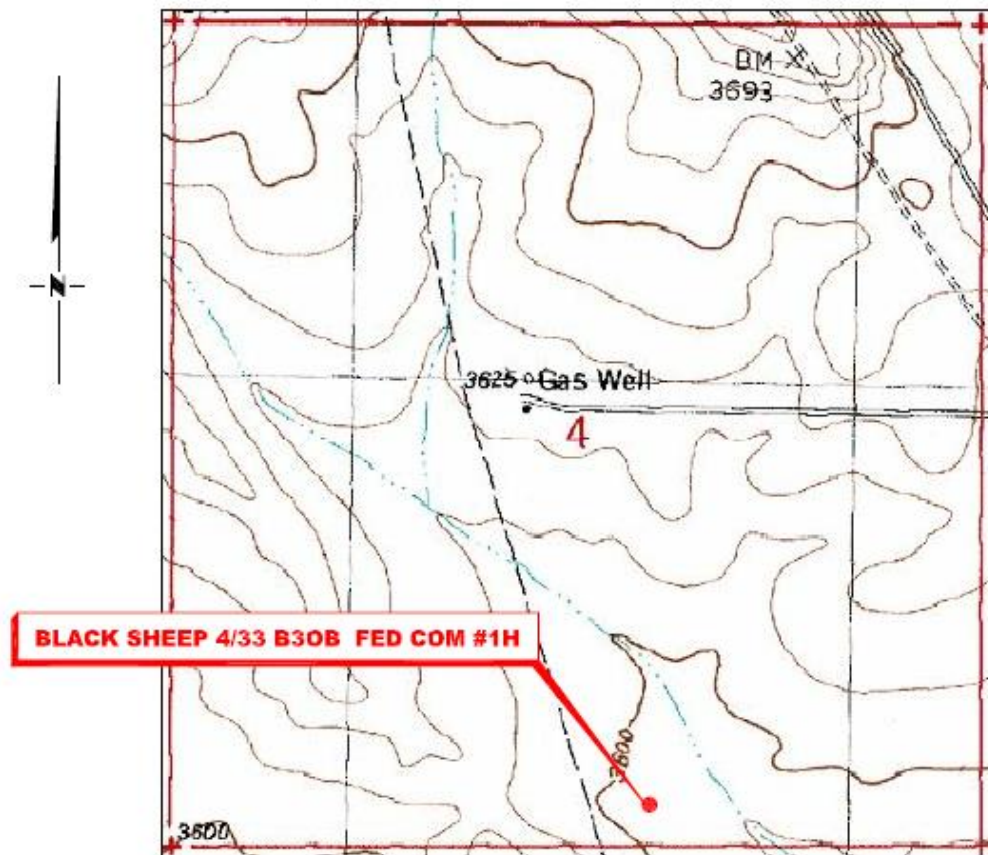
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name BLACK SHEEP 4/33 B3PA FED COM						6 Well Number 2H	
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3597'	
10 Surface Location									
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
0	4	22S	34E		222	SOUTH	2078	EAST	LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
B	33	21S	34E		100	NORTH	660	EAST	LEA
12 Dedicated Acres		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>16</p> <p>S 89°16'55" W 2641.31' (D) S 89°16'16" W 2640.08' (F)</p> <p>100'</p> <p>B.H. 660'</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>BOTTOM HOLE N: 525749.4 - E: 808151.0 LAT: 32.4423805° N LONG: 103.4684473° W</p> <p>33</p> <p>LOT 4 40.99 AC.</p> <p>LOT 3 41.12 AC.</p> <p>LOT 2 41.26 AC.</p> <p>LOT 1 41.39 AC.</p> <p>17</p> <p>N 89°22'09" E 2641.02' N 89°22'07" E 2641.15'</p> <p>18</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION N: 515443.3 - E: 806808.9 LAT: 32.4140838° N LONG: 103.4730660° W</p> <p>222'</p> <p>S.L. 2078'</p> <p>19</p> <p>S 89°26'39" W 2648.47' S 89°34'18" W 2647.53'</p>		<p>20 CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1913" N: 515193.7 - E: 803593.0</p> <p>B: FOUND BRASS CAP "1913" N: 517831.6 - E: 803583.3</p> <p>C: FOUND BRASS CAP "1913" N: 520510.0 - E: 803575.1</p> <p>D: FOUND BRASS CAP "1913" N: 525791.1 - E: 803529.9</p> <p>E: FOUND BRASS CAP "1913" N: 525824.2 - E: 806170.5</p> <p>F: FOUND BRASS CAP "1913" N: 525857.6 - E: 808809.9</p> <p>G: FOUND BRASS "1918" N: 523214.9 - E: 808832.6</p> <p>H: FOUND BRASS CAP "1913" N: 520568.2 - E: 808856.0</p> <p>I: FOUND BRASS CAP "1913" N: 517880.2 - E: 806871.5</p> <p>J: FOUND BRASS CAP "1913" N: 515239.1 - E: 808887.9</p> <p>K: FOUND BRASS CAP "1913" N: 515219.3 - E: 806240.9</p> <p>L: FOUND BRASS CAP "1913" N: 520539.1 - E: 806215.5</p>	<p>21 OPERATOR CERTIFICATION</p> <p>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 _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>22 SURVEYOR CERTIFICATION</p> <p>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>3-25-2019 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p> <p>REV:3-30-20 NAME/BHL</p> <p>LS1802134R1</p>
--	--	---	---

LOCATION VERIFICATION MAP



SECTION 4, TWP. 22 SOUTH, RGE. 34 EAST,
N. M. P. M., LEA CO., NEW MEXICO

OPERATOR: Mewbourne Oil Company
LEASE: Black Sheep 4/33 B3OB Fed Com
WELL NO.: 1H
ELEVATION: 3599'

LOCATION: 222' FSL & 2108' FEL
CONTOUR INTERVAL: 10'
USGS TOPO. SOURCE MAP:
San Simon Ranch, NM (1984)

Copyright 2016 - All Rights Reserved

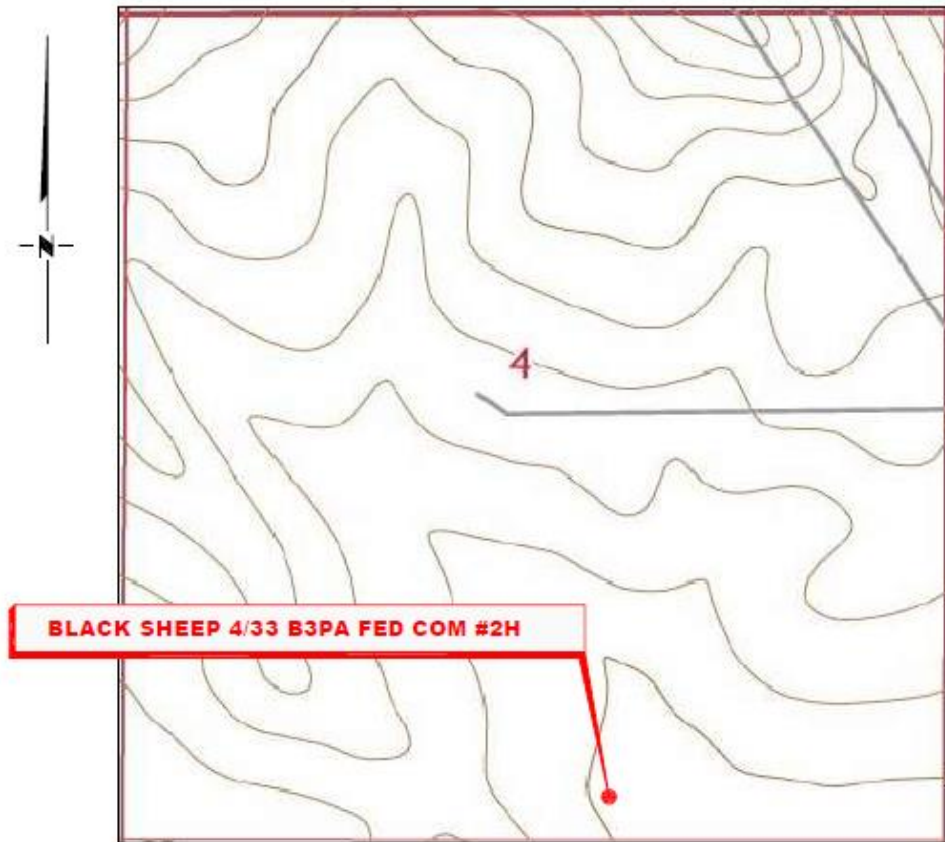
1	NAME/BHL	10/19
NO.	REVISION	DATE
JOB NO.: LS1807939R		
DWG. NO.: 1807939LVM		

RRC

701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 2-08-17
SURVEYED BY: JM/JF
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1

LOCATION VERIFICATION MAP



SECTION 4, TWP. 22 SOUTH, RGE. 34 EAST,
N. M. P. M., LEA CO., NEW MEXICO

OPERATOR: Mewbourne Oil Company
LEASE: Black Sheep 4/33 B3PA Fed Com
WELL NO.: 2H
ELEVATION: 3597'

LOCATION: 222' FSL & 2078' FEL
CONTOUR INTERVAL: 10'
USGS TOPO. SOURCE MAP:
San Simon Ranch, NM (2017)

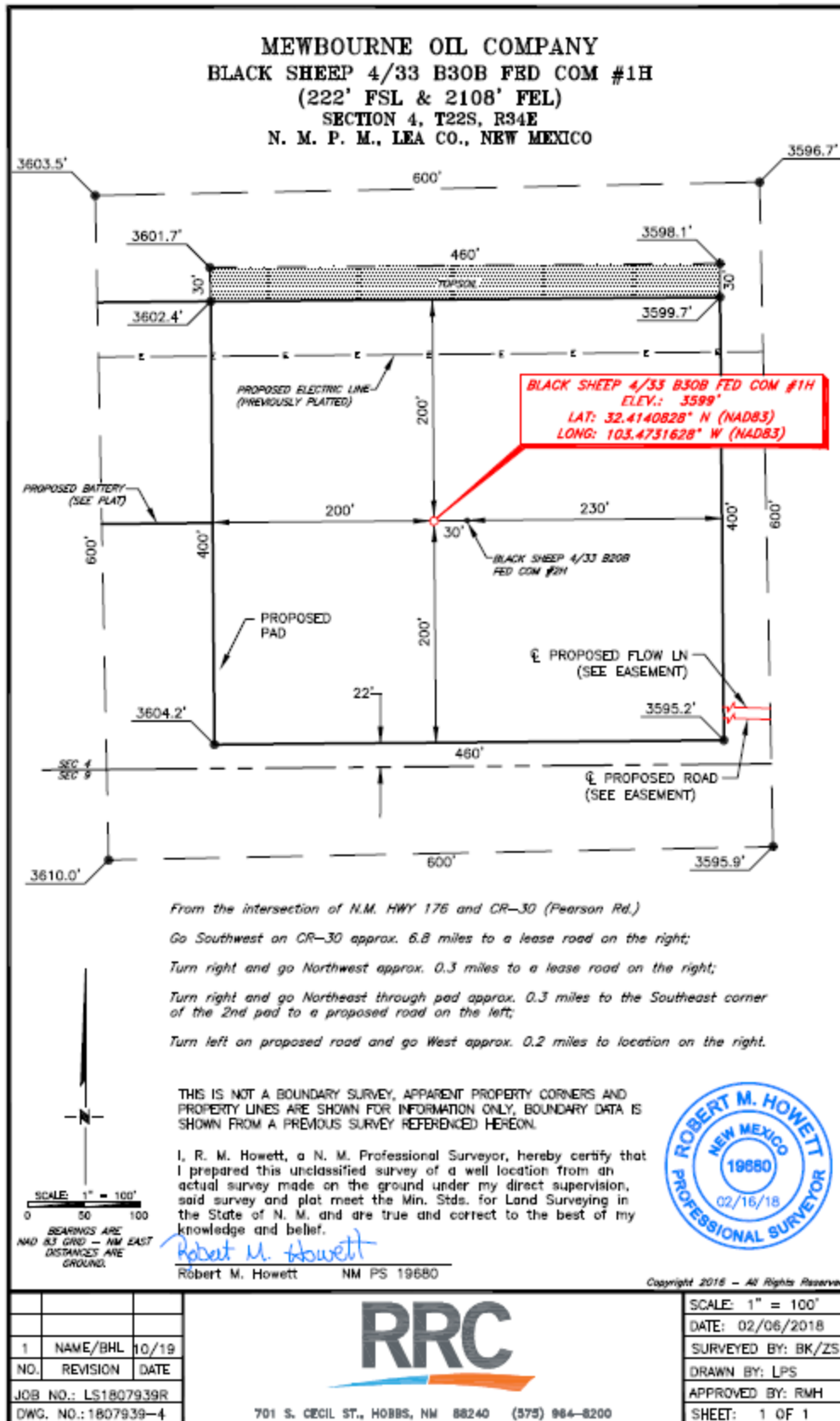
Copyright 2016 - All Rights Reserved

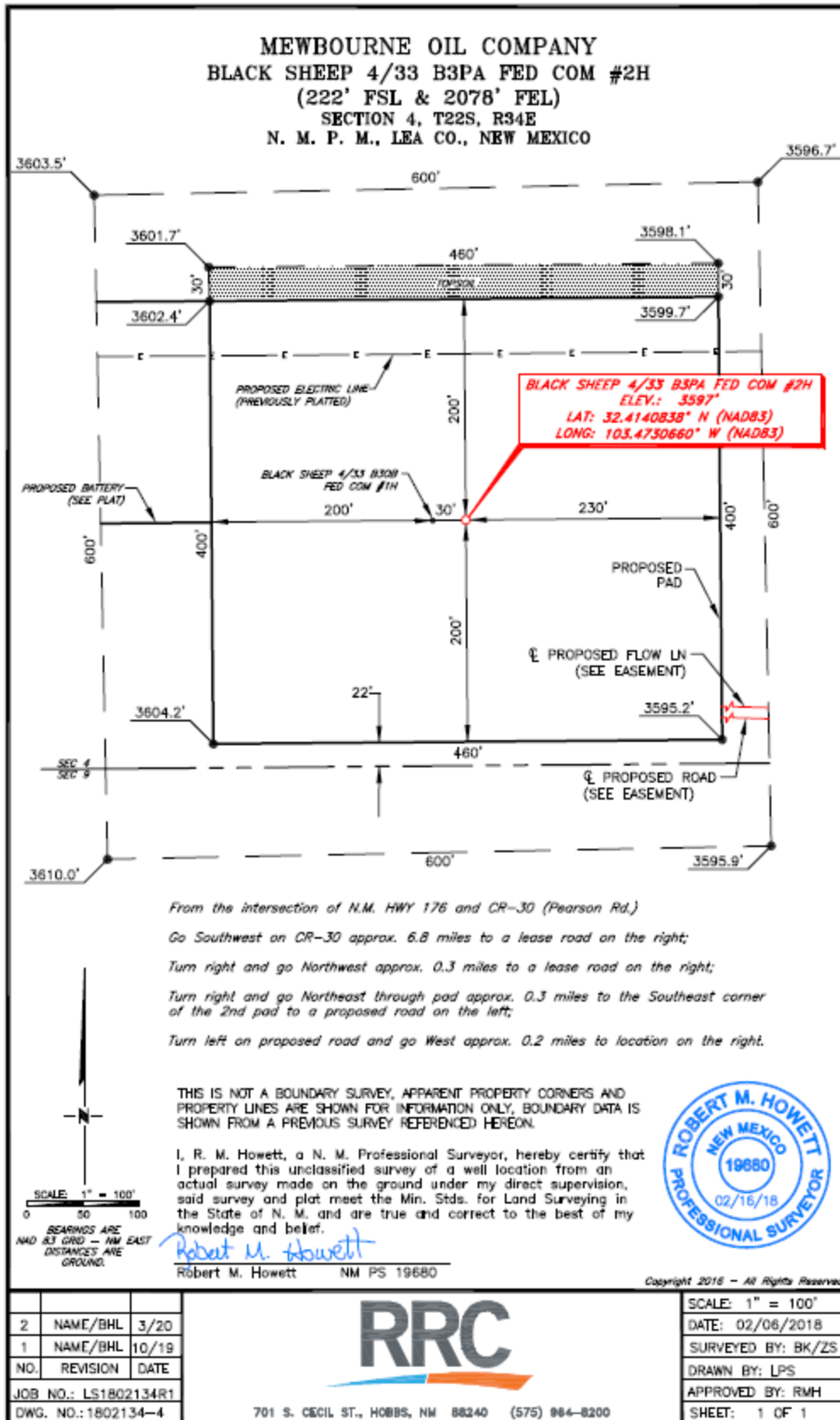
2	NAME/BHL	3/20
1	NAME/BHL	10/19
NO.	REVISION	DATE
JOB NO.: LS1802134R1		
DWG. NO.: 1802134-2		

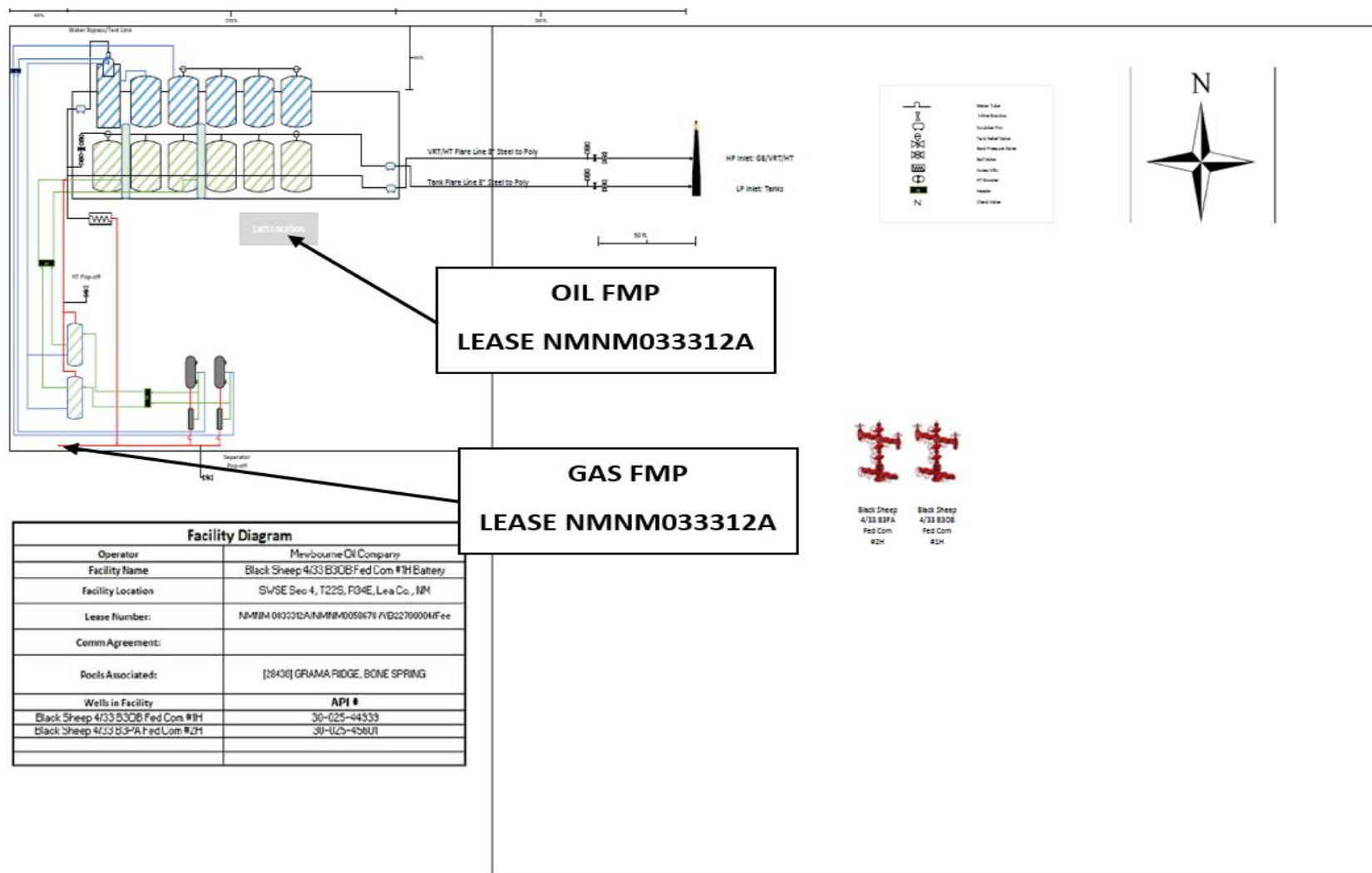


701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 02/06/2018
SURVEYED BY: BK/ZS
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1







5. All leases in the proposed CAA are capable of production in paying quantities. Documentation to prove the statement will be submitted when the completion report is filed.
6. Not required since CAA is being filed under 3173.14(a)(1)
7. The location of all FMP's are located on lease NMNM033312A.
8. There are no new surface disturbances included as part of the proposed CAA.
9. There is no additional documentation required under 3173.15 (f-i) related to surface use or ROW grant applications.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MEWBOURNE OIL COMPANY**

ORDER NO. CTB-1001

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 12/23/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1001**

Operator: **Mewbourne Oil Company (14744)**

Central Tank Battery: **Black Sheep Battery**

Central Tank Battery Location: **UL O, Section 4, Township 22 South, Range 34 East**

Gas Title Transfer Meter Location: **UL O, Section 4, Township 22 South, Range 34 East**

Pools

Pool Name	Pool Code
GRAMA RIDGE; BONE SPRING	28430

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VB 22700004	E/2 minus G	33-21S-34E
Fee	G	33-21S-34E
NMNM 0058678	NE/4	4-22S-34E
NMNM 0033312A	SE/4	4-22S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-44939	Black Sheep 4 33 B3OB Federal Com	W/2 E/2	33-21S-34E	28430
	#1H	W/2 E/2	4-22S-34E	
30-025-45601	Black Sheep 4 33 B3PA Federal Com	E/2 E/2	33-21S-34E	28430
	#2H	E/2 E/2	4-22S-34E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **CTB-1001**
Operator: **Mewbourne Oil Company (14744)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 143740	W/2 E/2	33-21S-34E	321.26	A
	W/2 E/2	4-22S-34E		
CA Bone Spring NMNM 143779	E/2 E/2	33-21S-34E	321.39	B
	E/2 E/2	4-22S-34E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VB 22700004	W/2 E/2 minus G	33-21S-34E	120	A
Fee	G	33-21S-34E	40	A
NMNM 0058678	W/2 NE/4	4-22S-34E	81.26	A
NMNM 0033312A	W/2 SE/4	4-22S-34E	80	A
VB 22700004	E/2 E/2	33-21S-34E	160	B
NMNM 0058678	E/2 NE/4	4-21S-34E	81.39	B
NMNM 0033312A	E/2 SE/4	4-21S-34E	80	B

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 27122

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 27122
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/27/2022