

MEWBOURNE OIL COMPANY

414 WEST TEXAS AVENUE
MIDLAND, TEXAS 79701

TELEPHONE (432) 682-3715

August 20, 2025

Via Certified Mail

See Attached Address List

Re: Application for Lease & Surface Gas Commingle

Sapphire 11/12 B3DC State Com #2H
API# 30-015-46296
1465' FNL & 360' FWL
Section 11, T19S, R29E
Eddy County, New Mexico

Sapphire 11/12 State Com #521H (B2CC)
API# 30-015-55082
1310' FNL & 1290' FWL
Section 11, T19S, R29E
Eddy County, New Mexico

Sapphire 11/12 B3EF State Com #2H
API# 30-015-46295
1495' FNL & 360' FWL
Section 11, T19S, R29E
Eddy County, New Mexico

Sapphire 11/12 State Com #523H (B2FF)
API# 30-015-55083
1340' FNL & 1290' FWL
Section 11, T19S, R29E
Eddy County, New Mexico

Zircon 2/1 B3LI State Com #1H
API# 30-015-49829
1830' FSL & 380' FWL
Section 12, T19S, R29E
Eddy County, New Mexico

Sapphire 11/12 B2KK State Com #1H
API# 30-015-45020
500' FSL & 1470' FWL
Section 11, T19S, R29E
Eddy County, New Mexico

Zircon 2/1 B3MP State Com #1H
API# 30-015-49830
1800' FSL & 380' FWL
Section 2, T19S, R29E
Eddy County, New Mexico

Sapphire 11/12 B2NN State Com #1H
API# 30-015-44053
500' FSL & 1500' FWL
Section 11, T19S, R29E
Eddy County, New Mexico

Zircon 2/1 State Com #611H (B3DA)
API# 30-015-49814
1350' FNL & 300' FWL
Section 2, T19S, R29E
Eddy County, New Mexico

Sapphire 11/12 B3LK State Com #2H
API# 30-015-45559
1350' FSL & 285' FWL
Section 11, T19S, R29E
Eddy County, New Mexico

Zircon 2/1 State Com #613H (B3EH)
API# 30-015-49815
1380' FNL & 300' FWL
Section 2, T19S, R29E
Eddy County, New Mexico

Sapphire 11/12 B3MN State Com #2H
API# 30-015-45560
1300' FSL & 285' FWL
Section 11, T19S, R29E
Eddy 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 production from the above captioned wells, and all future wells located on State Leases BO97390026, BO97390027, BO77170013, BO77170014, & LO26340005 which comprise portions of Section 1, 2, 11, & 12, T19S, R29E, Eddy County, New Mexico.

The Sapphire 11/12 State Com #523H, Sapphire 11/12 State Com #521H, Sapphire 11/12 B3DC State Com #2H, Sapphire 11/12 B3LK State Com #2H, Sapphire 11/12 B2KK State Com #1H, & Sapphire 11/12 B3EF State Com #2H are on State Lease BO97390026 in Section 11, T19S, R29E, Eddy County, New Mexico. The Zircon 2/1 State Com #613H is on State Lease BO97390026 in Section 2, T19S, R29E, Eddy County, New Mexico. The Zircon 2/1 B3MP State Com #1H, Zircon 2/1 State Com #611H, & Zircon 2/1 B3LI State Com #1H are on State Lease BO77170013 in Section 2, T19S, R29E, Eddy County, New Mexico. The Sapphire 11/12 B3MN State Com #2H & Sapphire 11/12 B2NN State Com #1H are located on State Lease BO97390027 in Section 11, T19S, R29E, Eddy County, New Mexico. All gas production from these wells will be measured by an allocation meter for each well, then commingled and sold on lease to an Enterprise gas sales meter (#6882901) that will be located in the SW/4NE/4 of Section 11, T19S, R29E, Eddy County, New Mexico. Mewbourne will allocate the gas production based on the allocation meter.

If you object to the either application, you must notify the Division in writing no later than 20 days from receipt 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 later.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson, RPL
Landman

OWNER NAME	ADDRESS 1	CITY	STATE	ZIP	CERTIFIED NUMBER
ABO PETROLEUM LLC	P.O. BOX 900	Artesia	NM	88211	9414800208551111966160
ALPHA ROYALTY PARTNERS	P O BOX 10701	MIDLAND	TX	79702	9414800208551111966184
BEXP IMAC LLC	5914 W COURTYARD DR, STE 340	AUSTIN	TX	78730	9414800208551111966191
BEXP I OG LLC	5914 W COURTYARD DR, STE 340	AUSTIN	TX	78730	9414800208551111966177
BLACK SHALE MINERALS LLC	P O BOX 2243	LONGVIEW	TX	75606	9414800208551111966207
CHI ENERGY INC.	P O BOX 1799	MIDLAND	TX	79702	9414800208551111966214
CHISOS LTD	3355 W ALABAMA STE 1200 B	HOUSTON	TX	77098	9414800208551111966238
COG OPERATING LLC	P O BOX 7500	BARTLESVILLE	OK	74005	9414800208551111966221
COLLINS PERMIAN LP	3824 CEDAR SPRINGS RD #414	DALLAS	TX	75219	9414800208551111966245
COTERRA ENERGY	P O BOX 4544	HOUSTON	TX	77210	9414800208551111966252
DANIEL ENERGY INC	5932 HENSLEE CT.	GRANBURY	TX	76049	9414800208551111966269
DURANGO PRODUCTION CORP	P O BOX 4848	WICHITA FALLS	TX	76308	9414800208551111966276
EDNA & CURTIS ANDERSON	8820 MUIRFIELD DRIVE	RAPID CITY	SD	57702	9414800208551111966306
FLOYD ENERGY LTD	P O BOX 52107	MIDLAND	TX	79710	9414800208551111966368
GARY V GREEN	154 LAKESIDE DRIVE	LIPAN	TX	76462	9414800208551111966283
JKM ENERGY LLC	26 E COMPRESS ROAD	ARTESIA	NM	88210	9414800208551111966344
JOEL R MILLER ENERGY LP	P O BOX 3003	MIDLAND	TX	79702	9414800208551111966290
JOHN & THERESA HILLMAN	P O BOX 50187	MIDLAND	TX	79710	9414800208551111966351
LOWE ROYALTY PARTNERS	P O BOX 4887	HOUSTON	TX	77210	9414800208551111966313
MANIX ROYALTY LTD	P O BOX 2818	MIDLAND	TX	79702	9414800208551111966375
MARATHON OIL PERMIAN LLC	315 S JOHNSTONE AVE 810	BARTLESVILLE	OK	74004	9414800208551111966382
MATTHEWS PROPERTIES LLC	26 E COMPRESS ROAD	ARTESIA	NM	88210	9414800208551111966429
MCCOMBS EXPLORATION LLC	755 E MULBERRY AVE, Ste 600	SAN ANTONIO	TX	78212	9414800208551111966399
NEW MEXICO STATE LAND	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501	9414800208551111966443
NORMA D GREEN	5121 KING RICHARDS ROW	MIDLAND	TX	79707	9414800208551111966412
NORTHERN OIL & GAS INC	4350 BAKER ROAD, Ste 400	MINNETONKA	MN	55343	9414800208551111966436
O D ALBRIGHT III & TRINA	P O BOX 515	AUBREY	TX	76227	9414800208551111966405
POCAHONTAS OIL CO INC	P O BOX 52667	MIDLAND	TX	79710	9414800208551111966450
RAISA FUNDING I LLC	6465 S GREENWOOD PL BLVD	CENTENNIAL	CO	80111	9414800208551111966467
RIDGE RUNNER ASSETCO II	20405 STATE HWY 249, STE 820	HOUSTON	TX	77070	9414800208551111966498
SNOW OPERATING COMPANY	6300 MIDWAY ROAD	FORT WORTH	TX	76117	9414800208551111966474
WALLACE FAMILY PARTNERSHIP	508 W WALL ST Ste 1200	MIDLAND	TX	79701	9414800208551111966481



APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Mewbourne Oil Company/ Chad Cole
Well Name: Sapphire 11/12 B3DC St Com #2H/ Sapphire 11/12 B2NN St Com #1H
Pool: [60660] Turkey Track; Bone Spring
OGRID #: 14744
API #: 30-015-46296/ 30-015-44053

OPERATOR NAME: Mewbourne Oil Company
OPERATOR ADDRESS: 4801 Business Park Blvd. Po Box 5270, Hobbs NM, 88240

APPLICATION REQUIREMENTS - SUBMIT:

- 1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
The information submitted with this application is accurate and complete, and
No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that no action will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Chad Cole

Print or Type Name

Signature

7/10/2025

Date

575-393-5905
Phone Number

ccole@mewbourne.com
e-mail Address

Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

OWNERSHIP STATEMENT BY QUALIFIED PETROLEUM LANDMAN:

19.15.12.7 DEFINITIONS:

A. "Diverse ownership" means leases or pools have different working, royalty or overriding royalty interest owners or different ownership percentages of the same working, royalty or overriding royalty interest owners.

B. "Identical ownership" means leases or pools have the same working, royalty and overriding royalty owners in exactly the same percentages.

Ownership in pools and leases to be commingled is:

DIVERSE (as defined in 19.15.12.7 A. NMAC)

IDENTICAL (as defined in 19.15.12.7 B. NMAC)

Signed: 
Printed Name: Josh Anderson
Title: Petroleum Landman
Date: 8/20/2025

MEWBOURNE OIL COMPANY

4801 Business Park Blvd

Hobbs, NM 88240

575-393-5905

July 18, 2025

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

Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148


RE: Application for Lease/ Surface Gas Commingle

To: Whom It May Concern

Mewbourne Oil Company ("Mewbourne") is requesting permission to surface commingle gas production from twelve wells and all future wells located on State leases (B097390026, B097390027, B077170013, B077170014 & L026340005) which comprise portions of sections 1,2,11, &12, T19S, R29E, Eddy County, New Mexico. All gas production will be measured by an allocation meter for each well, then commingled and sold on lease to an Enterprise gas sales meter (#6882901) located on state lease B097390026 in the SWNE of section 11, T19S, R29E, Eddy County, New Mexico. Information detailing each well is attached.

Please find the following enclosed:

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

Signed: 
Printed Name: Chad Cole
Title: Regulatory Specialist
Date: 7/18/2025

APPLICATION FOR LEASE/ SURFACE GAS COMMINGLE**Commingling Procedure for Sapphire & Zircon Leases:**

Mewbourne Oil Company is requesting approval for lease & surface gas commingling for production from 12 wells located on State leases below:

Well Name	Location	API #	Pool #	MCFPD	Dry BTU @ 14.73 PSI
Sapphire 11/12 B3DC St Com 2H	1465' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46296	[60660] TURKEY TRACK; BONE SPRING	275	~1250
Sapphire 11/12 B3EF St Com 2H	1495' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46295	[60660] TURKEY TRACK; BONE SPRING	285	~1250
Zircon 2/1 B3LI St Com 1H	1830' FSL & 380' FWL, Sec 12, T19S, R29E	30-015-49829	[60660] TURKEY TRACK; BONE SPRING	630	~1250
Zircon 2/1 B3MP St Com 1H	1800' FSL & 380' FWL, Sec 2, T19S, R29E	30-015-49830	[60660] TURKEY TRACK; BONE SPRING	850	~1250
Zircon 2/1 State #611H (B3DA)	1350' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49814	[60660] TURKEY TRACK; BONE SPRING	760	~1250
Zircon 2/1 State #613H (B3EH)	1380' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49815	[60660] TURKEY TRACK; BONE SPRING	665	~1250
Sapphire 11/12 St Com #521H (B2CC)	1310' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55082	[60660] TURKEY TRACK; BONE SPRING	750	~1250
Sapphire 11/12 St Com #523H (B2FF)	1340' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55083	[60660] TURKEY TRACK; BONE SPRING	900	~1250
SAPPHIRE 11/12 B2KK ST COM #1H	500' FSL & 1470' FWL, Sec 11, T19S, R29E	30-015-45020	[60660] TURKEY TRACK; BONE SPRING	75	1250
SAPPHIRE 11/12 B2NN ST COM #1H	500' FSL & 1500' FWL, Sec 11, T19S, R29E	30-015-44053	[60660] TURKEY TRACK; BONE SPRING	140	1250
SAPPHIRE 11/12 B3LK ST COM #2H	1350' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45559	[60660] TURKEY TRACK; BONE SPRING	350	1250
SAPPHIRE 11/12 B3MN ST COM #2H	1300' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45560	[60660] TURKEY TRACK; BONE SPRING	530	1250

Future Additions

Pursuant to Statewide Rule 19.15.12.10©(4)(g) Mewbourne Oil Company respectfully requests the option to include additional leases or pools within the defined parameters set forth in the Order for future additions.

Oil, Water, & Gas metering

The Sapphire 11/12 B3DC St Com 2H Battery is in the SWNW of Section 11, T19S, R29E, Eddy County, New Mexico. The Sapphire 11/12 B2NN St Com 1H Battery is in the SWSW of Section 11, T19S, R29E, Eddy County, New Mexico. Production for all twelve 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 daily based on 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 on 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 battery will be determined by using an allocation gas meter after the separator at the facility for each well. The gas production from all wells listed above will be measured, commingled, and then sold on lease using the 24 hr. well test method to an Enterprise gas meter (6882901) located on state lease B097390026 in the SWNE of section 11, T19S, R29E. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Additional Application Components

Enclosed is a site facility diagram that shows the flow of production in detail. Also enclosed is a map detailing the lease boundaries, well(s), battery, and FMP location(s).

The oil and gas meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

Mewbourne Oil Company understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Signed: 

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 7/18/2025

Economic Justification

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl.	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
Sapphire 11/12 B3DC St Com 2H	50	48	\$77	275	~1250	\$2.53
Sapphire 11/12 B3EF St Com 2H	35	48	\$77	285	~1250	\$2.53
Zircon 2/1 B3LI St Com 1H	150	48	\$77	630	~1250	\$2.53
Zircon 2/1 B3MP St Com 1H	200	48	\$77	850	~1250	\$2.53
Zircon 2/1 State #611H (B3DA)	200	48	\$77	760	~1250	\$2.53
Zircon 2/1 State #613H (B3EH)	200	48	\$77	665	~1250	\$2.53
Sapphire 11/12 St Com #521H (B2CC)	225	48	\$77	750	~1250	\$2.53
Sapphire 11/12 St Com #523H (B2FF)	225	48	\$77	900	~1250	\$2.53
SAPPHIRE 11/12 B2KK ST COM #1H	30	48	\$77	75	~1250	\$2.53
SAPPHIRE 11/12 B2NN ST COM #1H	40	48	\$77	140	~1250	\$2.53
SAPPHIRE 11/12 B3LK ST COM #2H	60	48	\$77	350	~1250	\$2.53
SAPPHIRE 11/12 B3MN ST COM #2H	60	48	\$77	530	~1250	\$2.53
	1,475	48	\$77	6,210	1250	\$2.53

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: 7/18/2025

District I
1625 N. French Dr. Hobbs, NM 88240
Phone (505) 393-6110 Fax: (505) 393-0220
District II
811 S. First St. Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170
District IV
1230 S. St. Francis Dr. Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-5462

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 SAPPHIRE 11/12 B3DC STATE COM			6 Well Number 2H				
7 CORREL NO		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3365'				
10 Surface Location									
U/L or lot no	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
E	11	19S	29E		1465	NORTH	360	WEST	EDDY
11 Bottom Hole Location If Different From Surface									
U/L or lot no	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
C	12	19S	29E		660	NORTH	2565	WEST	EDDY
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 1/2" REBAR
N: 608848.2 - E: 627286.7

B: FOUND 1/2" REBAR
N: 612102.4 - E: 627248.6

C: FOUND 12"X8"X9"
LIMESTONE ROCK
N: 612112.8 - E: 629887.6

D: FOUND 1/2" REBAR
N: 612096.5 - E: 632531.2

E: FOUND 1/2" REBAR
N: 612083.0 - E: 635199.6

F: FOUND BRASS CAP "1916"
N: 612068.4 - E: 637838.3

G: FOUND BRASS CAP "1916"
N: 609427.4 - E: 637829.9

H: FOUND BRASS CAP "1916"
N: 606787.6 - E: 637820.9

I: FOUND 1" IRON PIPE
N: 606817.4 - E: 632546.4

J: FOUND 1/2" REBAR
N: 606833.5 - E: 629906.6

OPERATOR CERTIFICATION
I hereby certify that the information on this plat is true and correct to the best of my knowledge and belief, and that the operator is duly licensed and qualified to perform the duties of an operator under the laws of the State of New Mexico.

Signature: _____
Date: _____

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 610639.2 - E: 627613.5
LAT: 32.6783784° N
LONG: 104.0529292° W

BOTTOM HOLE
N: 611423.7 - E: 635097.6
LAT: 32.6804782° N
LONG: 104.0285982° W

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.

0-17-2019
Date of Survey

Signature and Seal: _____
19880
Certificate Number

Job No: LS19090900

District I
 1625 N. French Dr., Hobbs, NM 88249
 Phone: (505) 393-6100 Fax: (505) 393-6720

District II
 811 S. First St., Artesia, NM 88210
 Phone: (505) 748-1283 Fax: (505) 748-9720

District III
 1000 Rio Huerfano Blvd., Artesia, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87503
 Phone: (505) 476-3400 Fax: (505) 476-3402

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

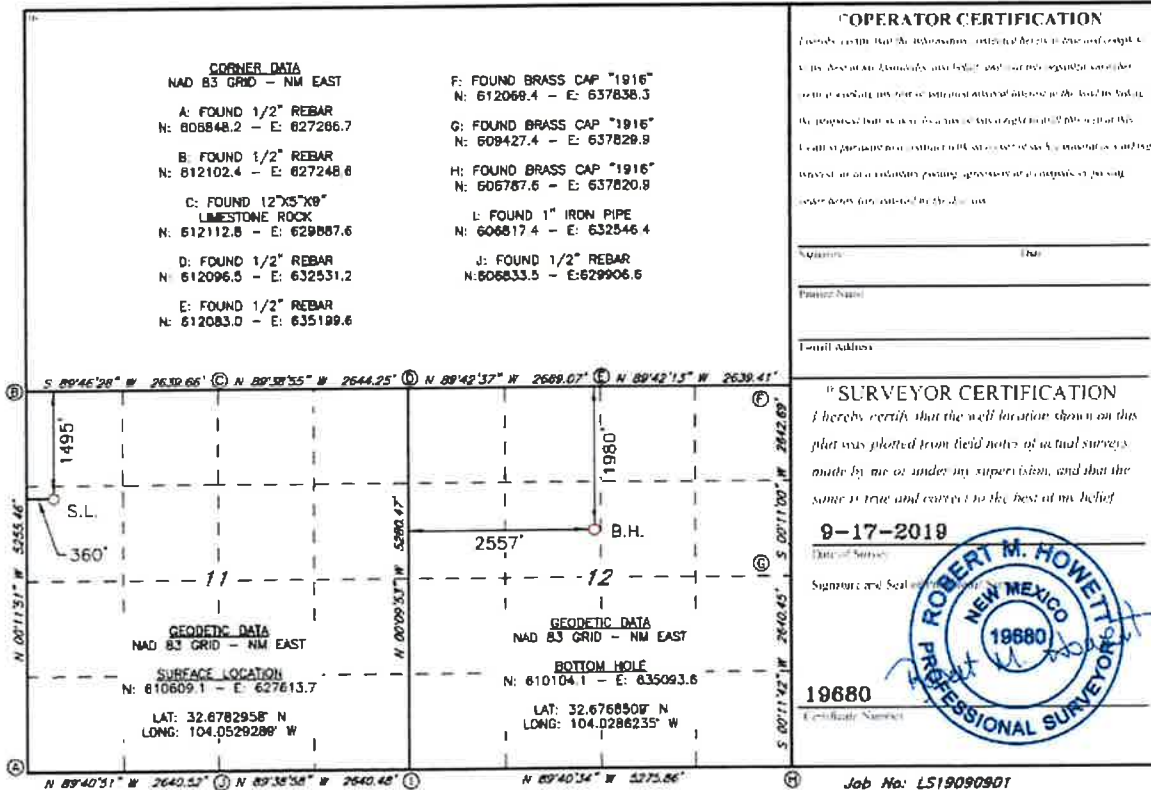
Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Well Name	
4 Property Code		5 Property Name SAPPHIRE 11/12 B3EF STATE COM			6 Well Number 2H
7 Owner (NO)		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3364'
10 Surface Location					
U.T. or lot no. E	Section 11	Township 19S	Range 29E	Lot No. 1495	Feet from the North-South line NORTH 360
11 Bottom Hole Location If Different From Surface					
U.T. or lot no. F	Section 12	Township 19S	Range 29E	Lot No. 1980	Feet from the North-South line NORTH 2557
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.



District I
1625 N. Formosa Dr., Albuquerque, NM 87102
Phone: (505) 391-6161 Fax: (505) 393-0720
District II
1125 S. Tenth St., Artesia, NM 88210
Phone: (505) 749-1283 Fax: (505) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 354-6178 Fax: (505) 354-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-5860 Fax: (505) 476-5462

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

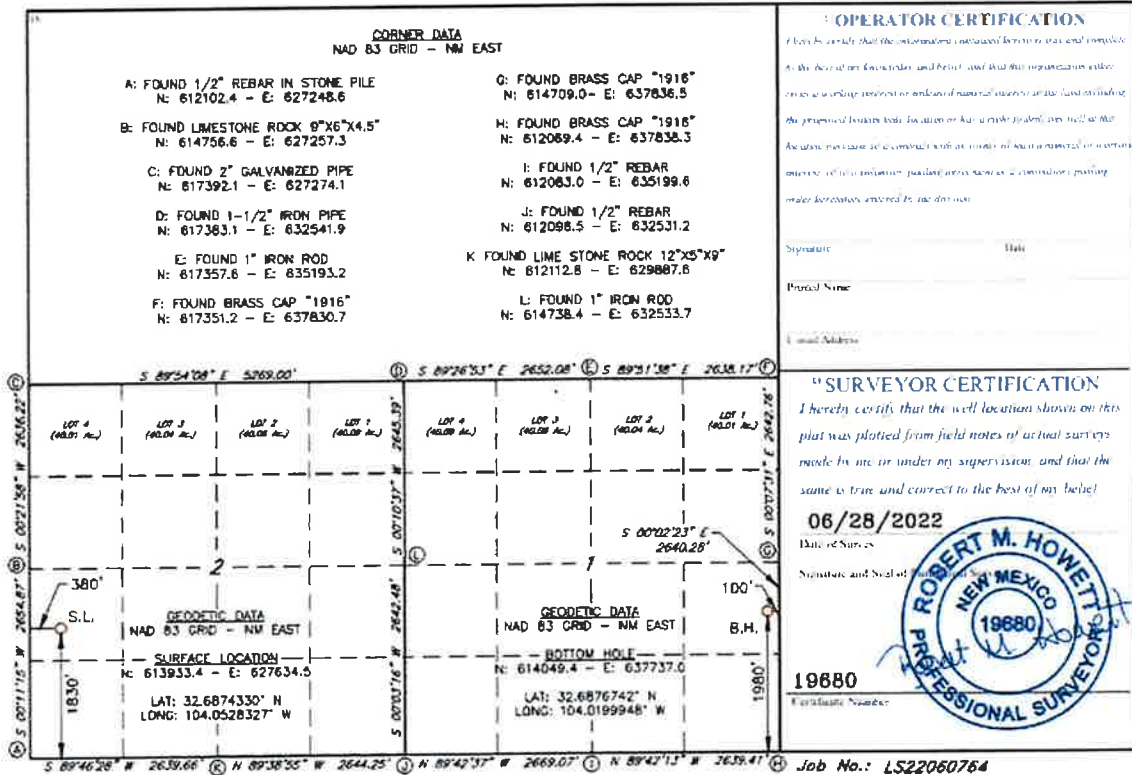
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name				
4 Property Code		5 Property Name ZIRCON 2/1 B3LI STATE COM		6 Well Number 1H				
7 GRID NO		8 Operator Name MEWBOURNE OIL COMPANY		9 Elevation 3390'				
10 Surface Location								
UL or lot no L	Section 2	Township 19S	Range 29E	Lot No. 1830	Feet from the North/South line SOUTH	Feet from the East/West line 380	County WEST	County EDDY
11 Bottom Hole Location If Different From Surface								
UL or lot no I	Section 1	Township 19S	Range 29E	Lot No. 1980	Feet from the North/South line SOUTH	Feet from the East/West line 100	County EAST	County EDDY
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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 394-6161 Fax: (575) 394-9720
District II
111 S. First St., Artesia, NM 88210
Phone: (575) 748-1233 Fax: (575) 748-9720
District III
1000 Red Branch Road, Aztec, NM 87410
Phone: (505) 334-1178 Fax: (505) 334-6120
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

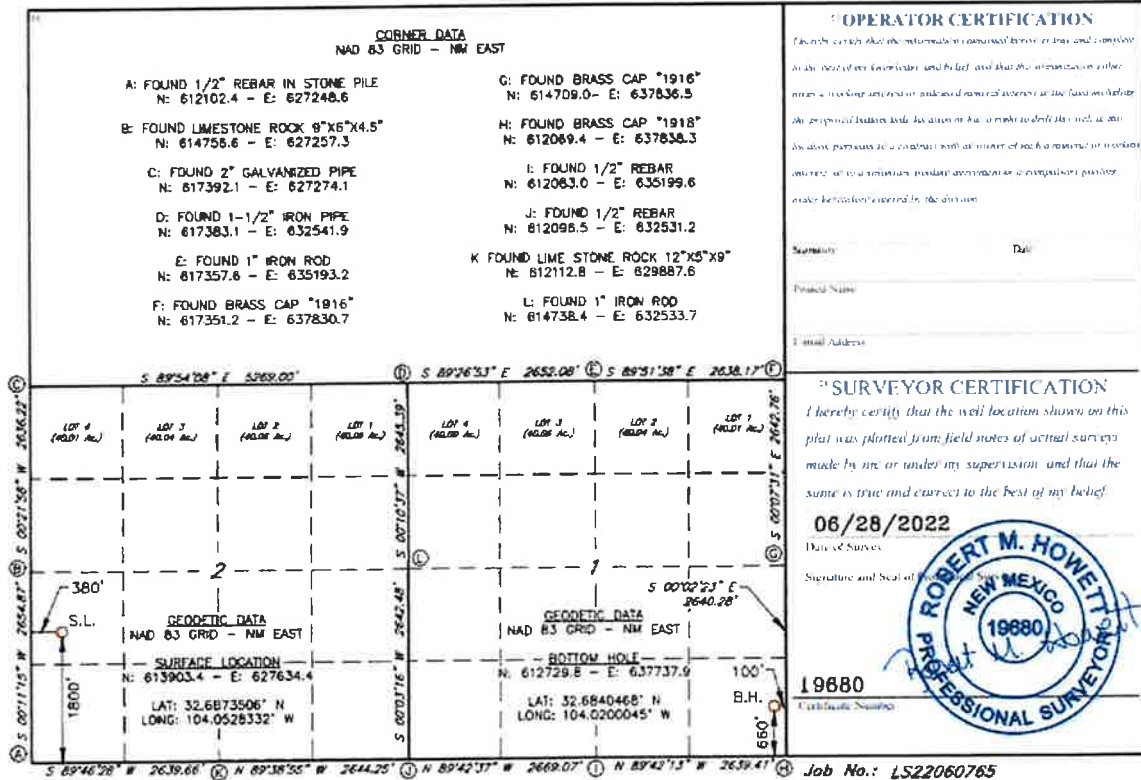
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name ZIRCON 2/1 B3MP STATE COM			6 Well Number 1H				
7 GRID NO		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3387'				
10 Surface Location									
UL or lot no L	Section 2	Township 19S	Range 29E	Lot Id#	Feet from the 1800	North/South line SOUTH	Feet from the 380	East/West line WEST	County EDDY
11 Bottom Hole Location if Different From Surface									
UL or lot no P	Section 1	Township 19S	Range 29E	Lot Id#	Feet from the 660	North/South line SOUTH	Feet from the 100	East/West line EAST	County EDDY
12 Dedicated Acres	13 Joint or Infill	14 Consultation 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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 395-6161 Fax: (575) 391-0120
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1267 Fax: (575) 748-9720
District III
1000 Rio Huerfano Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3468 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number	2 Pool Code	3 Pool Name
4 Property Code	5 Property Name ZIRCON 2/1 B3DA STATE COM	
7 GRID NO.	8 Operator Name MEWBOURNE OIL COMPANY	6 Well Number 1H
		9 Elevation 3421'

10 Surface Location

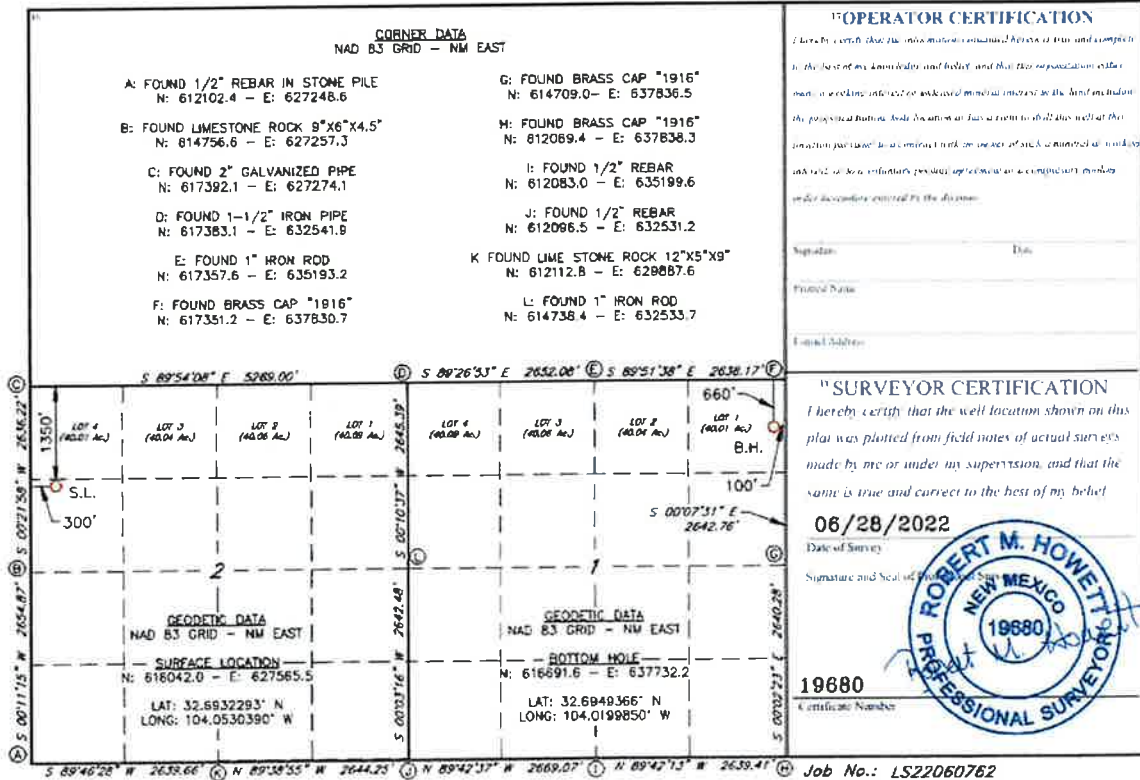
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	2	19S	29E		1350	NORTH	300	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	19S	29E		660	NORTH	100	EAST	EDDY

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 on a non-standard unit has been approved by the division.



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) 748-1285 Fax: (575) 726-9720
District III
3800 Roe-Burgess Road, Aztec, NM 87410
Phone: (505) 354-6178 Fax: (505) 314-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87506
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

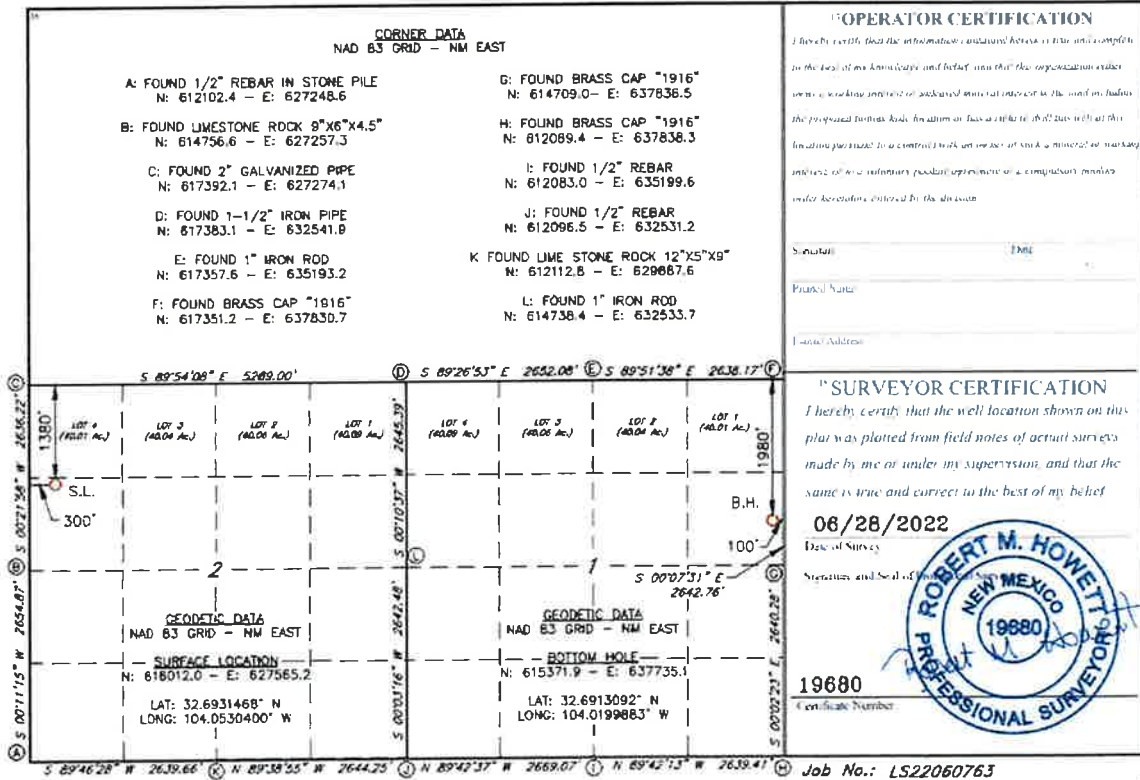
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name				
4 Property Code		5 Property Name ZIRCON 2/1 B3EH STATE COM			6 Well Number 1H			
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3419'			
10 Surface Location								
UL or lot no. E	Section 2	Township 19S	Range 29E	Lot No. 1380	Feet from the North/South line NORTH	Feet from the East/West line 300	County WEST	County EDDY
11 Bottom Hole Location If Different From Surface								
UL or lot no. H	Section 1	Township 19S	Range 29E	Lot No. 1980	Feet from the North/South line NORTH	Feet from the East/West line 100	County EAST	County EDDY
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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720
District II
811 S. Tusa St., Aramis, NM 88210
Phone: (575) 749-1283 Fax: (575) 748-9720
District III
1070 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 354-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 439-3460 Fax: (505) 476-1462

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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Post Code		3 Pool Name		
4 Property Code		5 Property Name SAPPHIRE 11/12 STATE COM				6 Well Number 521H
7 GRID NO		8 Operator Name MEWBOURNE OIL COMPANY				9 Elevation 3360'
10 Surface Location						
11 U/T or town	Section	Township	Range	Loc ktd	Feet from the North-South line	Feet from the East-West line
D	11	19S	29E		1310	NORTH
					1290	WEST
						EDDY
11 Bottom Hole Location If Different From Surface						
12 U/T or town	Section	Township	Range	Loc ktd	Feet from the North-South line	Feet from the East-West line
C	12	19S	29E		660	NORTH
					2540	WEST
						EDDY
13 Dedicated Acres		14 Acct of Infil		15 Consolidation Code		16 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 1/2" REBAR
N: 606846.2 - E: 627266.7

B: FOUND 1/2" REBAR
N: 612102.4 - E: 627248.6

C: FOUND 12"x5"x9" LIMESTONE ROCK
N: 612112.8 - E: 629887.6

D: FOUND 1/2" REBAR
N: 612096.5 - E: 632531.2

E: FOUND 1/2" REBAR
N: 612083.0 - E: 635199.6

F: FOUND BRASS CAP "1916"
N: 612089.4 - E: 637838.3

G: FOUND BRASS CAP "1916"
N: 609427.4 - E: 637829.9

H: FOUND BRASS CAP "1916"
N: 606787.6 - E: 637820.9

I: FOUND 1" IRON PIPE
N: 806817.4 - E: 632546.4

J: FOUND 1/2" REBAR
N: 806833.5 - E: 629806.6

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, under proper authority, is duly authorized to own, lease, operate, and/or produce the property herein with location of this well to the best of my knowledge and belief.

Signature: _____ Date: _____

Printed Name: _____

Printed Address: _____

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.

9-17-2019
Date of Survey

Signature and Seal of _____

19680
Certificate Number

ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

Job No: LS19090898

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 334-6161 Fax: (505) 334-9720
District II
1115 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 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) 476-5460 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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. APN Number		2. Pool Code		3. Pool Name	
4. Property Code		5. Property Name SAPPHIRE 11/12 STATE COM			6. Well Number 523H
7. GRID NO		8. Operator Name MEWBOURNE OIL COMPANY			9. Elevation 3361'
10. Surface Location					
11. U. or lot no. E	Section 11	Township 19S	Range 29E	Lot Id#	Feet from the 1340
		North-South line NORTH	Feet from the 1290	East-West line WEST	County EDDY
11. Bottom Hole Location If Different From Surface					
12. U. or lot no. F	Section 12	Township 19S	Range 29E	Lot Id#	Feet from the 1980
		North-South line NORTH	Feet from the 2540	East-West line WEST	County EDDY
13. Dedicated Acres	14. Joint or Infill	15. Consolidation Code	16. 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 1/2" REBAR
N: 606848.2 - E: 627266.7

B: FOUND 1/2" REBAR
N: 612102.4 - E: 627248.6

C: FOUND 12"x5"x9" LIMESTONE ROCK
N: 612112.8 - E: 629887.6

D: FOUND 1/2" REBAR
N: 612096.5 - E: 632531.2

E: FOUND 1/2" REBAR
N: 612083.0 - E: 635189.6

F: FOUND BRASS CAP "1916"
N: 612069.4 - E: 637838.3

G: FOUND BRASS CAP "1916"
N: 609427.4 - E: 637829.9

H: FOUND BRASS CAP "1916"
N: 606787.6 - E: 637820.9

I: FOUND 1" IRON PIPE
N: 606817.4 - E: 632546.4

J: FOUND 1/2" REBAR
N: 606833.5 - E: 629906.6

10. 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 report does not contain any misleading or deceptive information in the land or lease. My proposed bottom hole location or has a right to drill this well for the location pursuant to a contract with an owner or has a right to be working on the land or to a relative pending approval of a standard pending order to produce entered by the division.

Signature: _____ Title: _____
Printed Name: _____
Local Address: _____

11. 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.

9-17-2019
Date of Survey

Signature and Seal: _____
ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

19680
Certificate Number

Job No: **LS19090899**

The diagram shows a grid of sections 11 and 12, Township 19S, Range 29E. The surface location (S.L.) is at the intersection of a 1340' north-south line and a 1290' east-west line. The bottom hole location (B.H.) is at the intersection of a 1980' north-south line and a 2540' east-west line. Bearings and distances are provided for all boundary lines.

District I
1625 N Front St., 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
1090 Rio Brazos Road, Artesia, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 E. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name SAPPHIRE 11/12 B2KK STATE COM			6 Well Number 1H				
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3377'				
10 Surface Location									
11 U.T. or lot no. N	Section 11	Township 19S	Range 29E	Lot Idn	Feet from the 500	North/South line SOUTH	Feet from the 1470	East/West line WEST	County EDDY
11 Bottom Hole Location If Different From Surface									
12 U.T. or lot no. N	Section 12	Township 19S	Range 29E	Lot Idn	Feet from the 1635	North/South line SOUTH	Feet from the 2537	East/West line WEST	County EDDY
13 Dedicated Acres		14 Joint or Jafill		15 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>GEODEIC DATA NAD 83 GRID - NW EAST SURFACE LOCATION NAD 83 GRID - NW EAST N 607339.9 - E 628734.7 LAT: 32.6693016' N LONG: 104.0453141' W KOP N 607782.9 - E 628360.2 LAT: 32.6705219' N LONG: 104.0505272' W LP/FTP N 608105.8 - E 628715.0 LAT: 32.6714069' N LONG: 104.0493714' W BOTTOM HOLE N 608437.6 - E 630078.0 LAT: 32.6722705' N LONG: 104.0286898' W</p>	<p>CORNER DATA NAD 83 GRID - NW EAST A: FOUND 1/2" REBAR N 606846.2 - E 627266.7 B: FOUND 1/2" REBAR N 612102.4 - E 627248.6 C: FOUND 12"x5"x9" LIMESTONE ROCK N 812112.8 - E 629887.6 D: FOUND 1/2" REBAR N 612096.5 - E 632531.2</p>	<p>F: FOUND 1/2" REBAR N 612083.0 - E 635199.6 G: FOUND BRASS CAP "19" 6" N 612069.4 - E 637838.3 H: FOUND BRASS CAP "19" 6" N 609427.4 - E 637829.9 I: FOUND BRASS CAP "18" 6" N 606787.6 - E 637820.9 J: FOUND 1" IRON PIPE N 606817.4 - E 632546.4 K: FOUND 1/2" REBAR N 606833.5 - E 629906.6</p>	<p>11 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 unshared 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 an interest or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>[Signature]</i> 9/14/18 Alex Kirkas Printed Name Kirkas Cementwore.com E-mail Address</p>
<p>12 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. 4-18-2018 Date of Survey <i>[Signature]</i> Signature and Seal of Professional Surveyor 19880 Certificate Number 7/25/18 NAME CHNG Job No.: L51804482R</p>			

District I
1635 N French Dr. Hobbs, NM 88340
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720
District III
1100 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6176 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
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1220 South St. Francis Dr.
Santa Fe, NM 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name			6 Well Number				
		SAPPHIRE 11/12 B2NN STATE COM			1H				
7 UGRID NO		8 Operator Name			9 Elevation				
		MEWBOURNE OIL COMPANY			3391'				
10 Surface Location									
UL or lot no	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
N	11	19S	29E		1050	SOUTH	1455	WEST	EDDY
11 Bottom Hole Location If Different From Surface									
UL or lot no	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
N	12	19S	29E		330	SOUTH	2310	WEST	EDDY
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>GEODEIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N 607889.9 - E 628717.7 LAT: 32.6708133° N LONG: 104.0493643° W BOTTOM HOLE N 607134.2 - E 634854.8 LAT: 32.6686896° N LONG: 104.0284272° W</p>	<p>CORNER DATA NAD 83 GRID - NM EAST A: FOUND 1/2" REBAR N 606848.2 - E 627266.7 B: FOUND 1/2" REBAR N 612102.4 - E 627248.6 C: FOUND FND 12"X5"X9" LIMESTONE ROCK N 612112.8 - E 629887.6 D: FOUND 1/2" REBAR N 612096.5 - E 632531.2 E: FOUND 1/2" REBAR N 612083.0 - E 635199.6</p>	<p>F: FOUND BRASS CAP "1916" N 612069.4 - E 637838.3 G: FOUND BRASS CAP "1916" N 608427.4 - E 637829.9 H: FOUND BRASS CAP "1916" N 606787.6 - E 637820.9 I: FOUND 1" IRON PIPE N 606817.4 - E 632546.4 J: FOUND 1/2" REBAR N 606633.5 - E 629906.6</p>	<p>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 enters into a working interest or advisory mineral interest in the land underlying the proposed bottom hole location, or has a right to drill the well at the location pursuant to a contract with an owner, or has a mineral working interest, or to a voluntary pooling agreement or a completion pooling under operations covered by the document.</p> <p>Signature: _____ Date: _____ Printed Name: _____ E-mail Address: _____</p>
<p>S 89°46'28" W 2639.66' C N 89°38'55" W 2644.25' D N 89°42'37" W 2669.07' E N 89°42'13" W 2639.41'</p> <p>N 89°40'51" W 2640.52' G N 89°38'58" W 2640.48' H N 89°40'54" W 5275.87'</p> <p>N 89°11'51" W 5255.46' I N 89°10'53" W 5280.48' J N 89°11'50" E 2642.70' K N 89°11'52" E 2640.45'</p>			<p>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>1-30-2018 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Certificate Number: _____</p> <p>Job No.: LS1801115</p>

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6111 Fax: (505) 393-6720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720
District III
1000 Rio Grande Road, A.Ace, NM 87410
Phone: (505) 354-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3461 Fax: (505) 476-3462

State of New Mexico
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1220 South St. Francis Dr.
Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

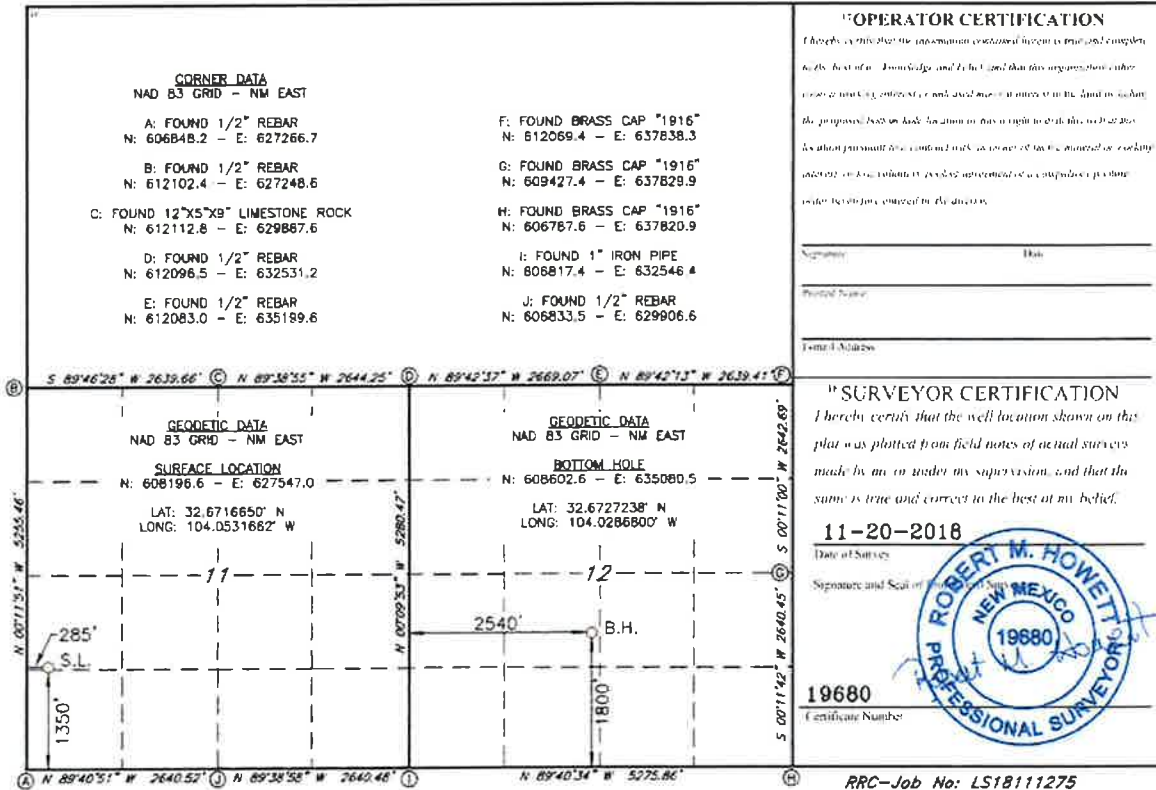
API Number		Pool Code	Pool Name
Property Code	Property Name SAPPHIRE 11/12 B3LK STATE COM		Well Number 2H
GRID NO	Operator Name MEWBOURNE OIL COMPANY		Elevation 3376'

Surface Location									
UT or lot no.	Section	Township	Range	Lot Id.	Feet from the	North-South line	Feet from the	East-West line	County
L	11	19S	29E		1350	SOUTH	285	WEST	EDDY

Bottom Hole Location If Different From Surface									
UT or lot no.	Section	Township	Range	Lot Id.	Feet from the	North-South line	Feet from the	East-West line	County
K	12	19S	29E		1800	SOUTH	2540	WEST	EDDY

Dedicated Acres	Form of Infill	Consolidation Code	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



District I
1025 K. French Dr., Hobbs, NM 88240
Phone: (505) 390-6101 Fax: (505) 390-6720
District II
111 S. First St., Artesia, NM 88210
Phone: (505) 748-0261 Fax: (505) 748-0720
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

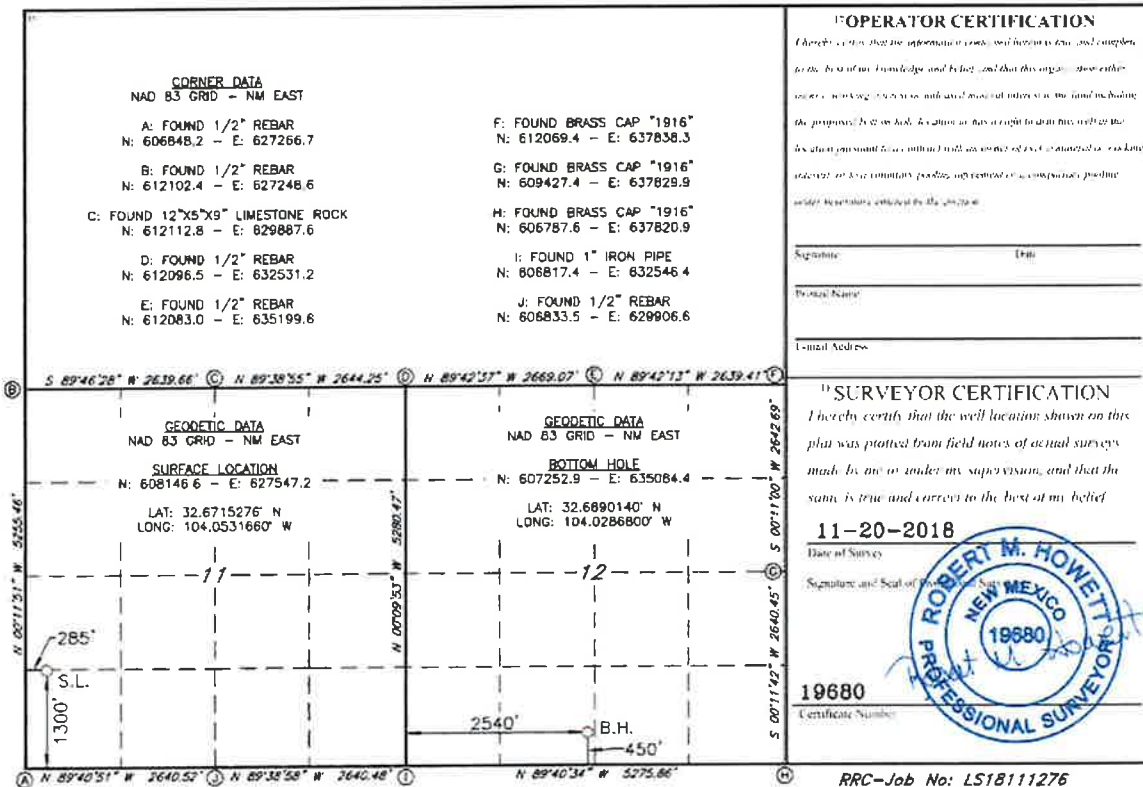
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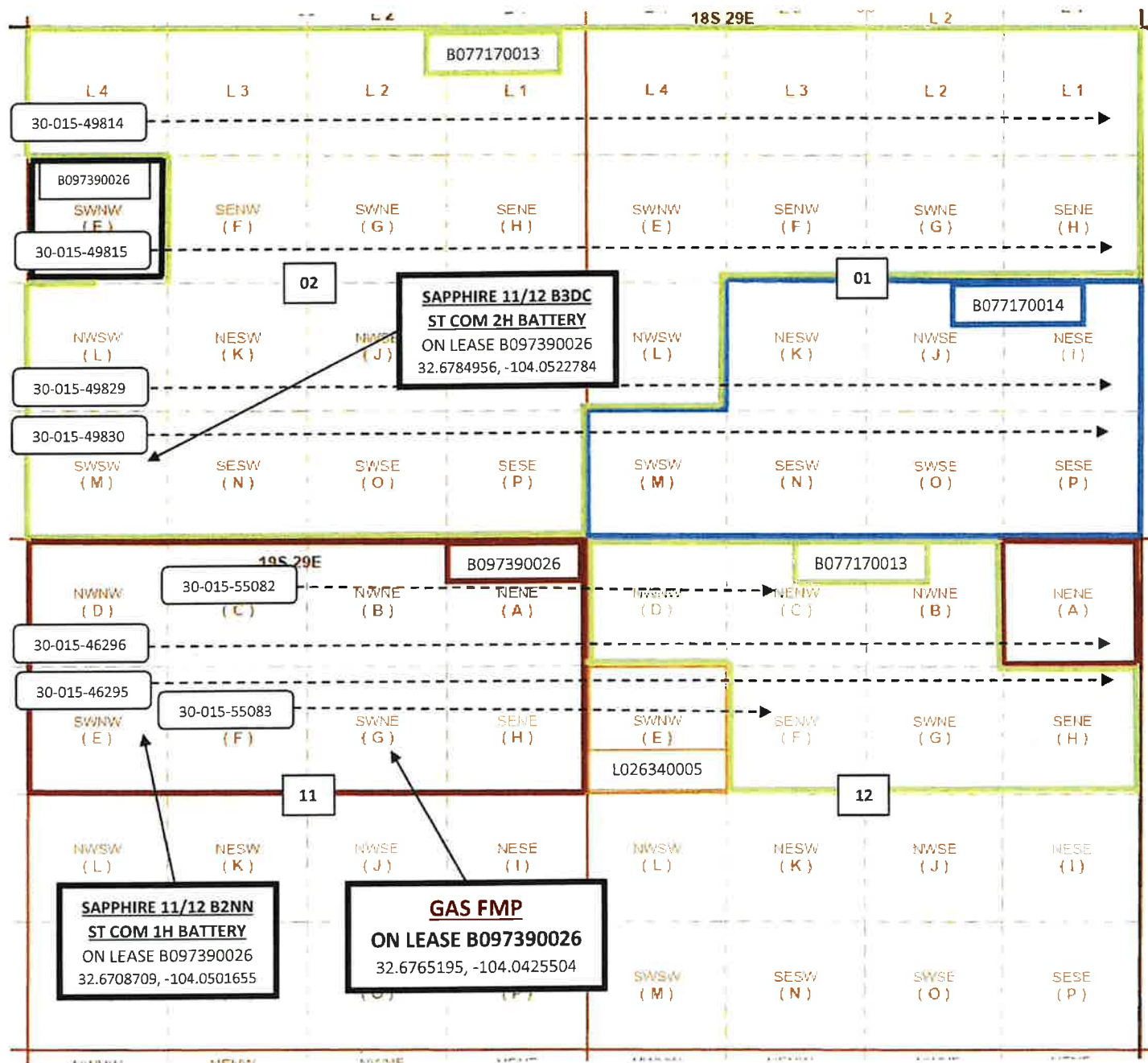
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name					
Property Code		Property Name SAPPHIRE 11/12 B3MN STATE COM			Well Number 2H				
GRID NO		Operator Name MEWBOURNE OIL COMPANY			Elevation 3375'				
" Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
M	11	19S	29E		1300	SOUTH	285	WEST	EDDY
" Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
N	12	19S	29E		450	SOUTH	2540	WEST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

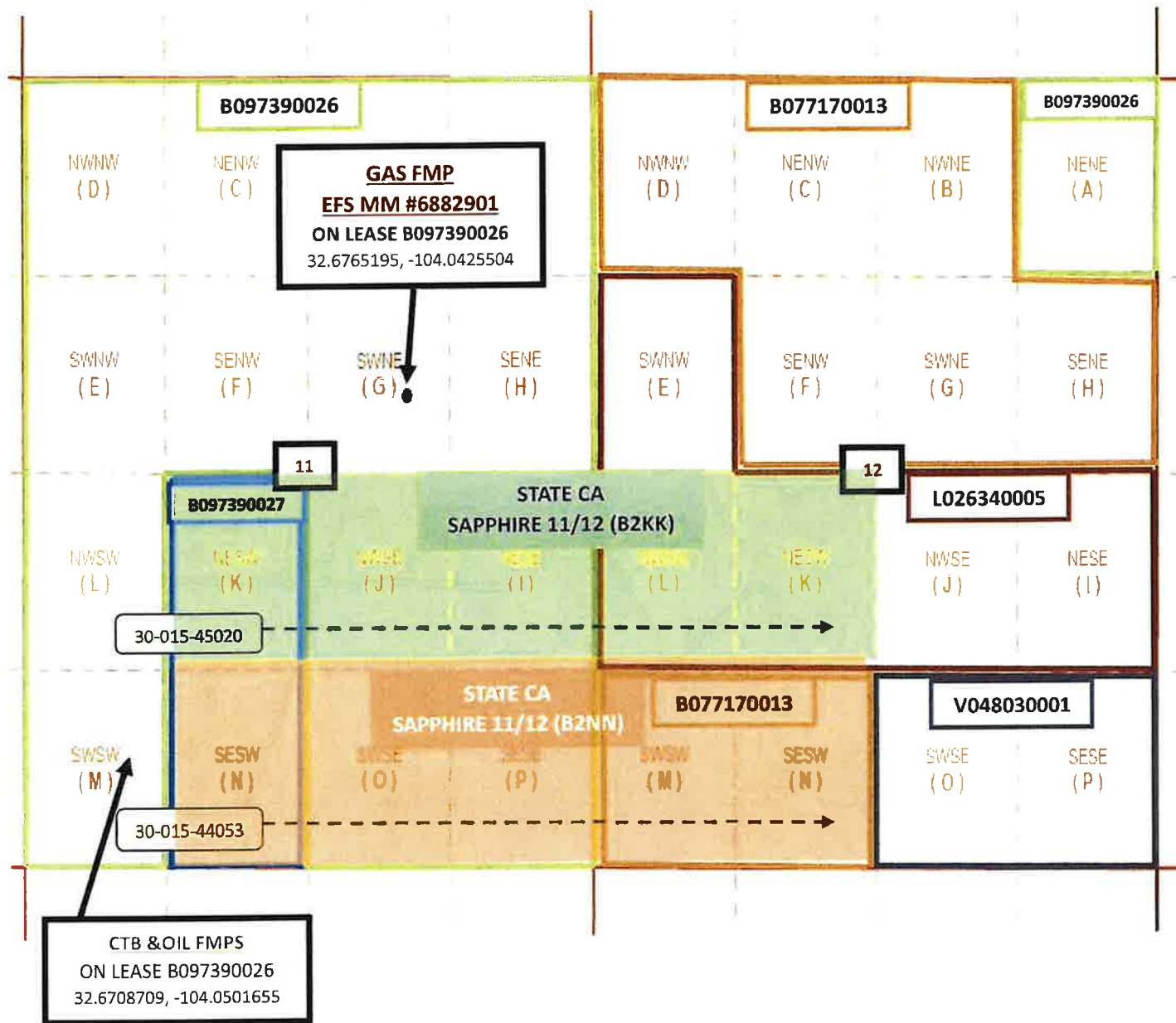
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division



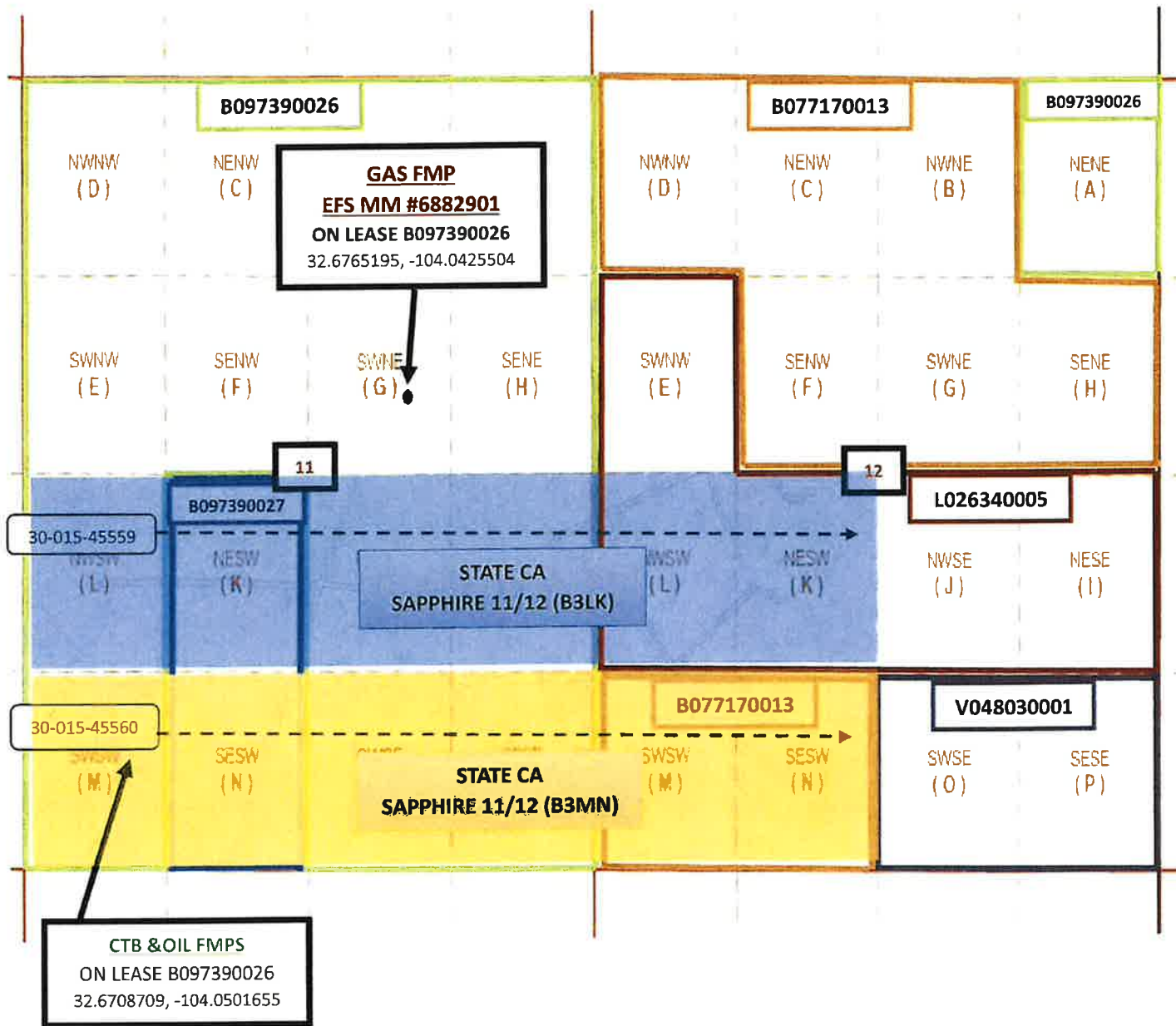
LEASE BOUNDARY MAPS:



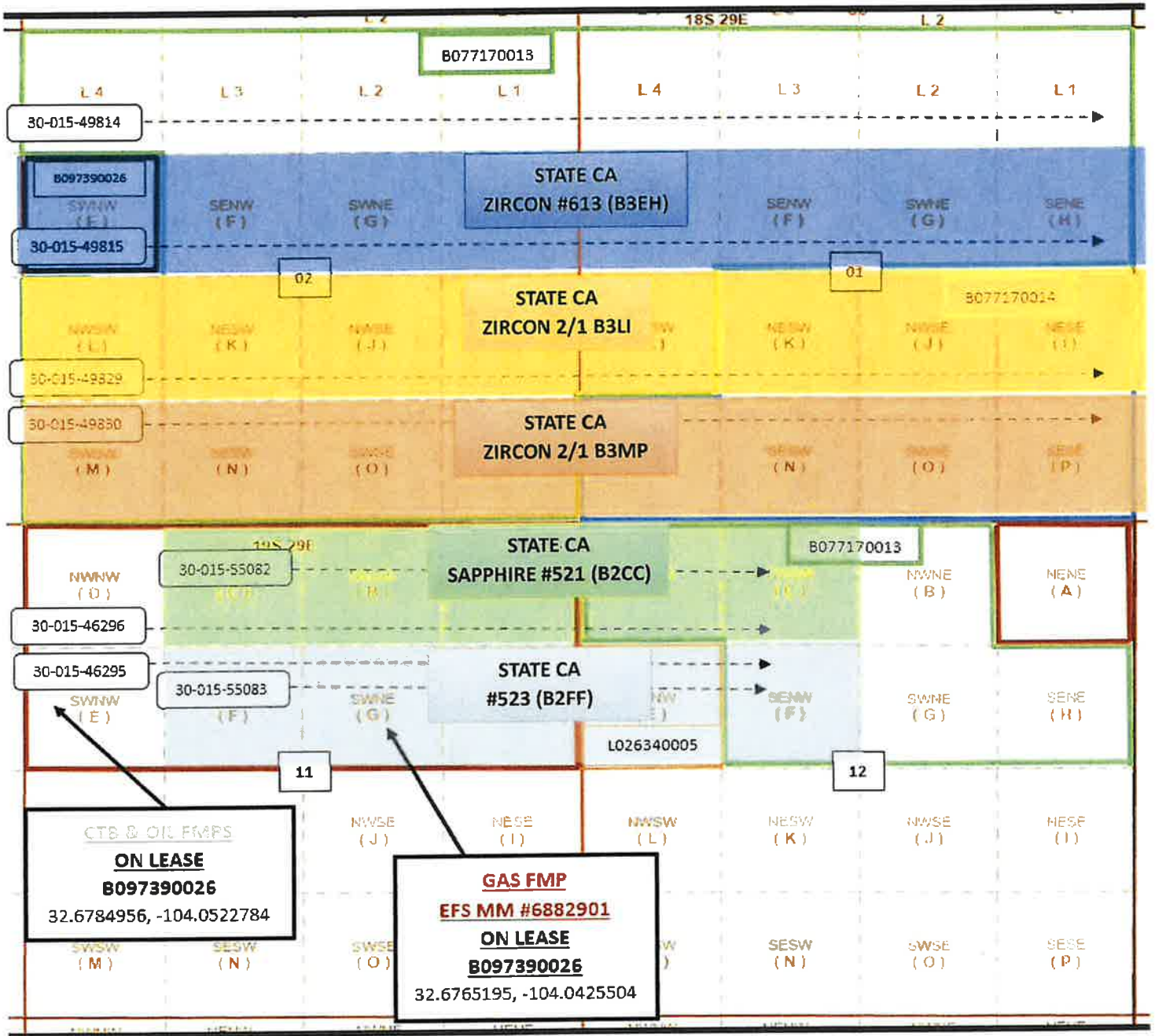
STATE COMM AGREEMENT LEASE BOUNDARY MAP: SAPPHIRE 11/12 B2KK & B2NN



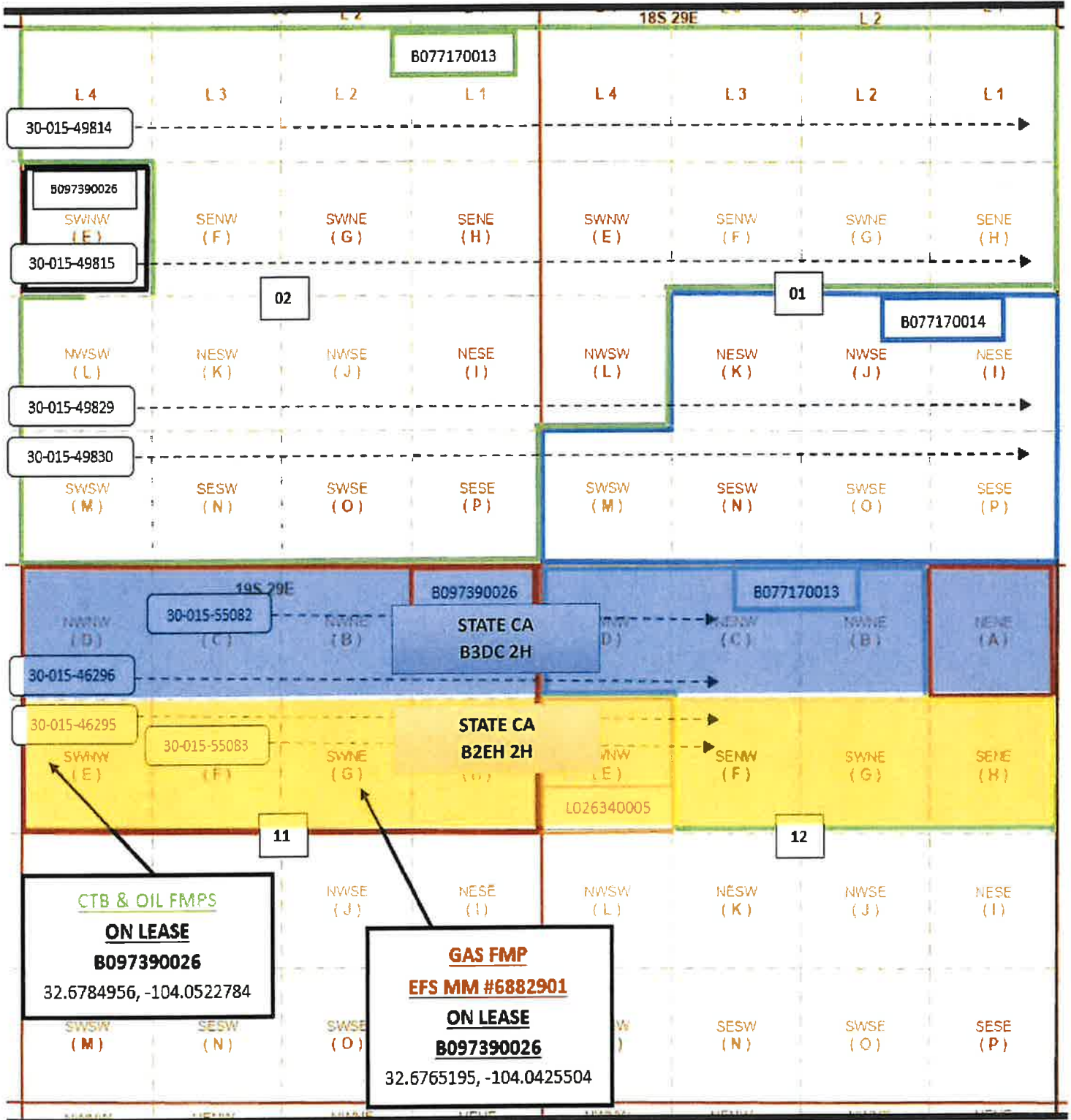
STATE COMM AREEMENT LEASE BOUNDARY MAP: SAPPHIRE 11/12 B3LK & B3MN



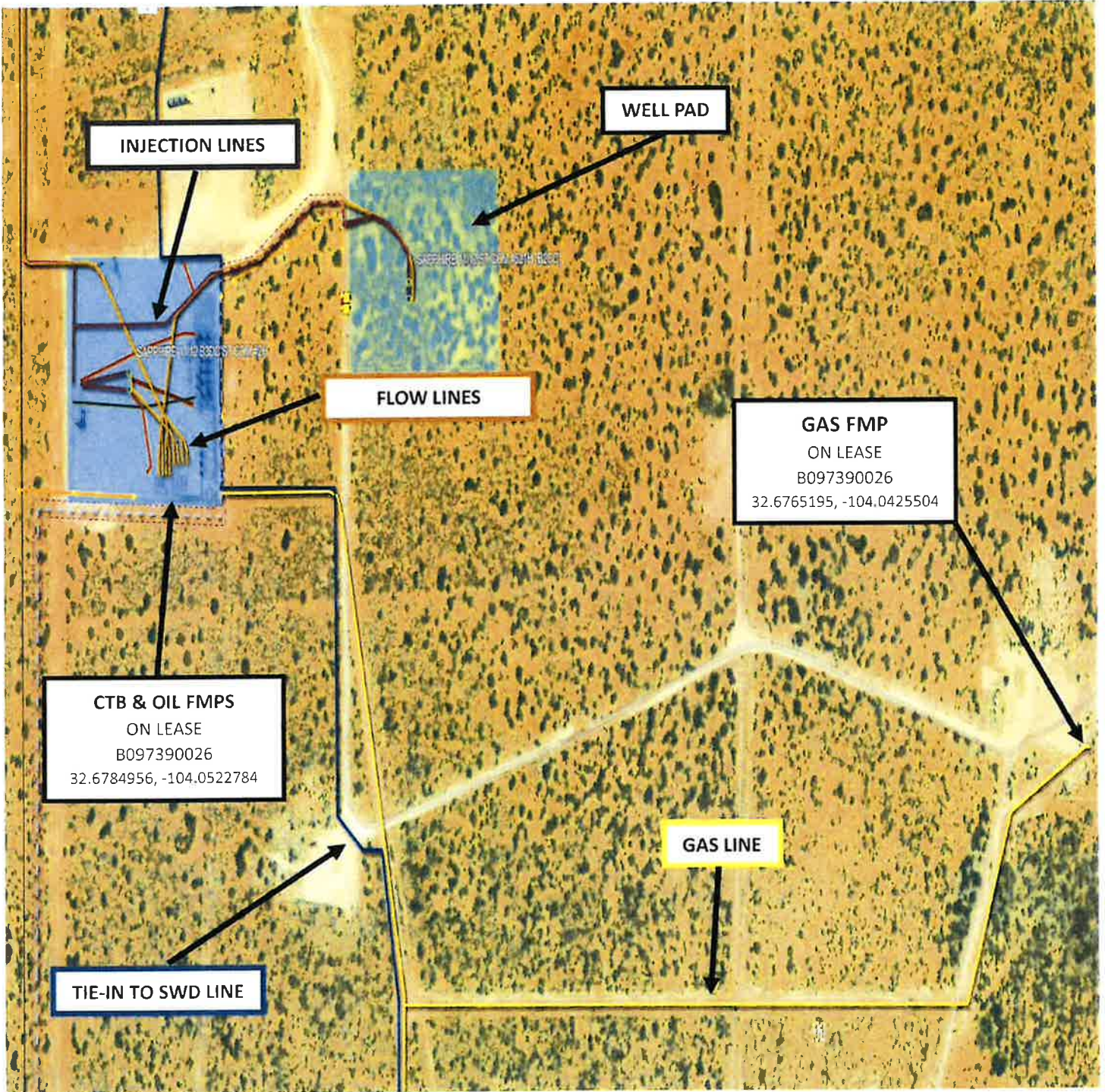
STATE COMM AGREEMENT LEASE BOUNDARY MAP:



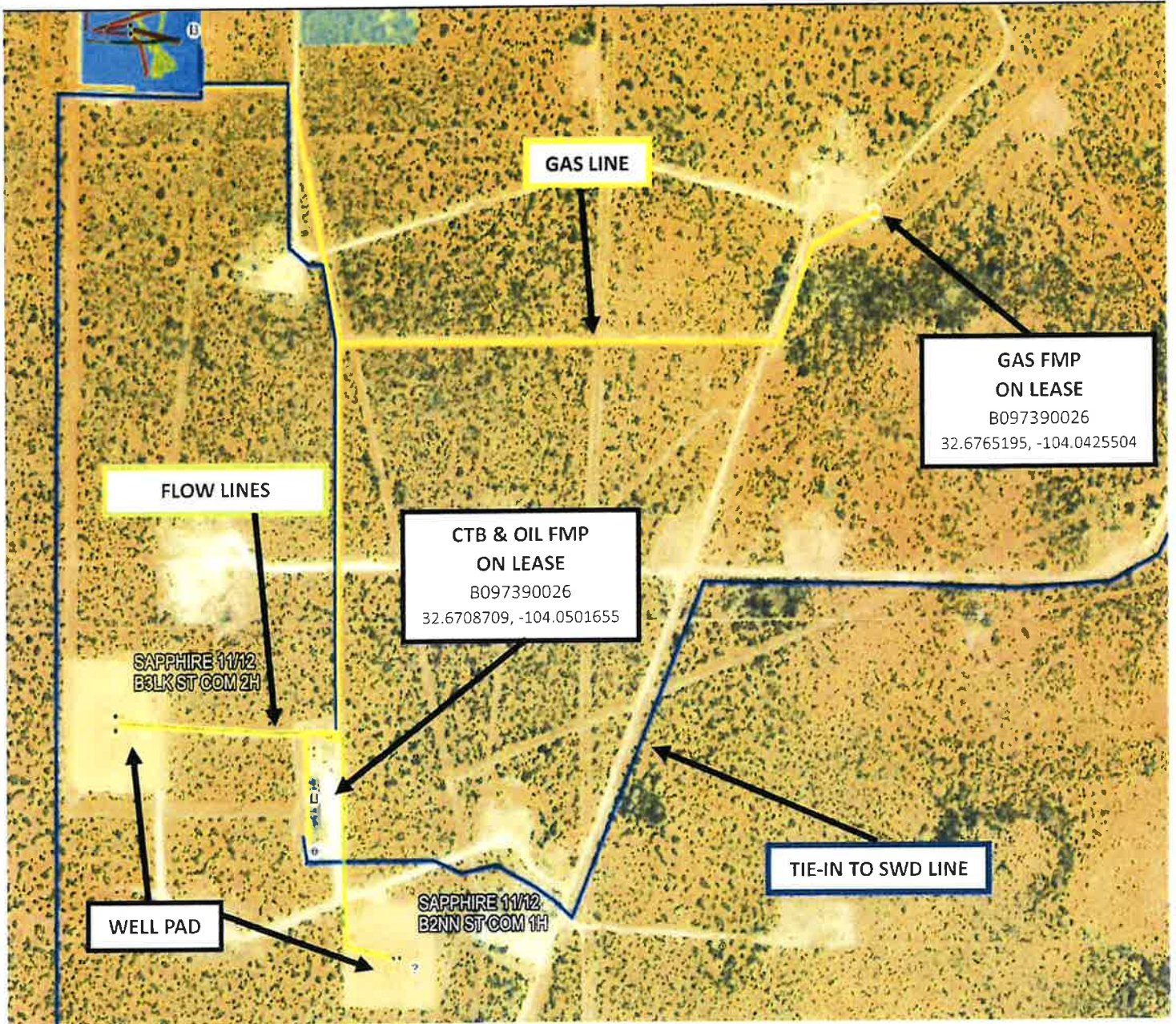
STATE COMM AGREEMENT LEASE BOUNDARY MAP: B3DC & B3EF



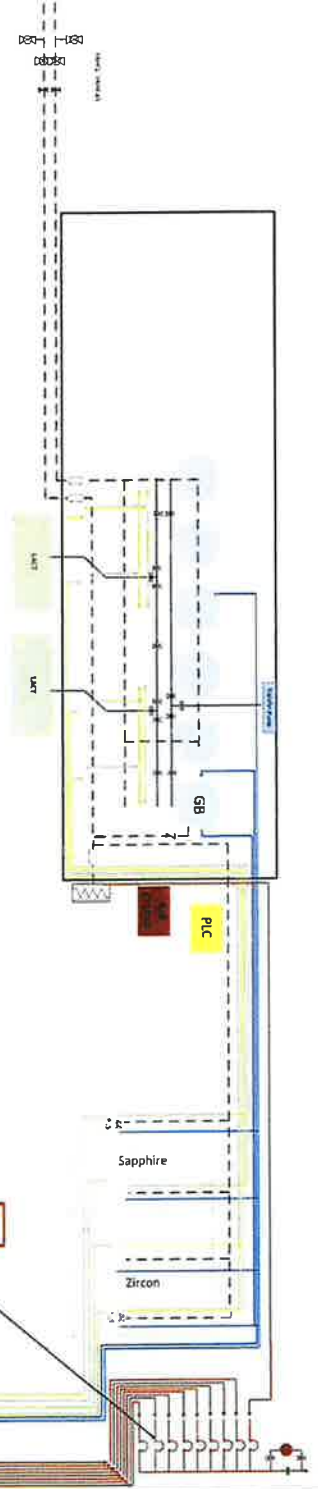
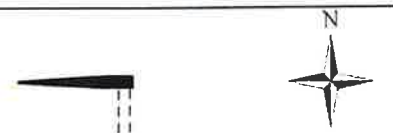
SATELITE IMAGERY: SAPPHIRE 11/12 B3DC STATE COM 2H BATTERY



SATELITE IMAGERY: SAPPHIRE 11/12 B2NN ST COM 1H BATTERY



Facility Diagram	
Operator	Mewbourne Oil Company
Facility Name	Sapphire 11/12 B3DC St Com #2H Battery
Facility Location	NWNE S11, T19S, R29E, Eddy Co. NM
Lease Number	(160 ACRES B097390026)/(80 ACRES B077170013) (100% STATE) (160 ACRES B097390026)/(40 ACRES L026340005)/(40 ACRES B077170013) (100% STATE) (120 ACRES B097390026)/(80 ACRES B077170013) (100% STATE) (120 ACRES B097390026)/(40 ACRES L026340005)/(40 ACRES B077170013) (100% STATE) (200 ACRES B077170013)/(120 ACRES B077170010) (100% STATE) (160 ACRES B077170013)/(160 ACRES B077170010) (100% STATE) (80 ACRES B077170013) (100% STATE) (40 ACRES B097390026)/(280 ACRES B077170013) (100% STATE)
Pool Name	[60660] TURKEY TRACK, BONE SPRING
Wells In Facility	API #
SAPPHIRE 11/12 B3DC ST COM #2H	30-015-46296
SAPPHIRE 11/12 B3EF ST COM #2H	30-015-46295
SAPPHIRE 11/12 ST COM #521H (B2CC)	3001546339
SAPPHIRE 11/12 ST COM #523H (B2FF)	3001546336
ZIRCON 2/1 B3L STATE COM #1H	30-015-49829
ZIRCON 2/1 B3MP STATE COM #1H	30-015-49830
ZIRCON 2/1 STATE #611H (B3DA)	3001549814
ZIRCON 2/1 STATE #613H (B3EH)	3001549815



**CTB & OIL FMPS
ON LEASE**
B097390026
32.6784956, -104.0522784

**GAS FMP
ON LEASE**
B097390026
32.6765195, -104.0425504



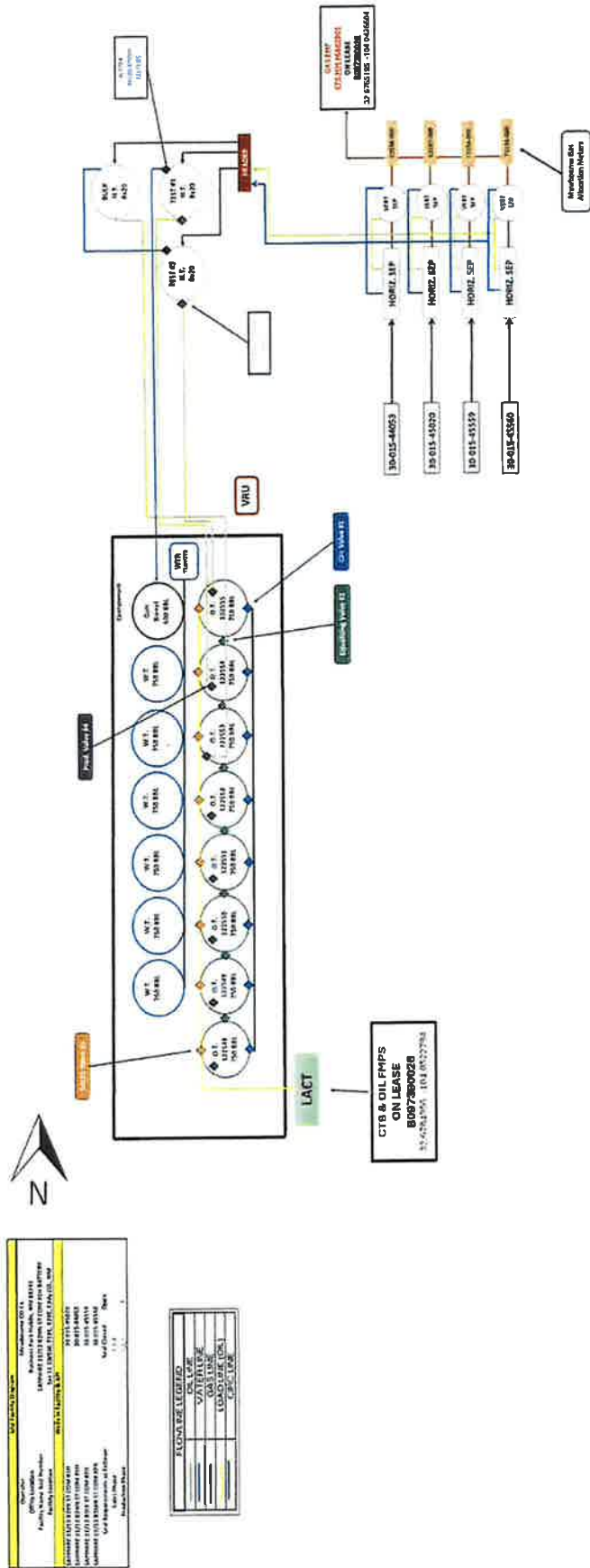
FLOWLINE LEGEND	
	OIL LINE
	WATER LINE
	GAS LINE
	LOAD LINE (OIL)
	CIRC LINE

SYMBOL	DESCRIPTION	SIZE	NOTES
	3 PHASE HORIZONTAL OIL/WATER SEPARATOR	72" x 18" x 500"	
	3 PHASE HORIZONTAL SEPARATOR	66" x 18" x 500"	
	3 PHASE VERTICAL SEPARATOR	48" x 20" x 100"	
	3 PHASE VERTICAL SEPARATOR WITH HEATER	48" x 20" x 100"	
	VERTICAL HEATER	48" x 20" x 100"	
	BULK TANK	8' x 20'	
	TEST TANK	8' x 20'	
	OIL TANK	750 BBL CAPACITY	
	OUN BARREL	600 BBL CAPACITY	
	WATER TANK	700 BBL CAPACITY	
	PUMP		
	FLARE		
	GAS LIFT COMPRESSOR	3.500 TA	
	AIR COMPRESSOR	100 HP	
	GENERATOR	750 KVA	
	VMU	200 HP 300V	
	VALVE		
	GAS ALLOCATION METER		

WATER ALLOCATION METERS

GAS ALLOCATION METERS

OIL ALLOCATION METERS



WELL IDENTIFICATION	
Well Name	39-015-44053
Well Number	39-015-44053
Well Type	Oil
Well Status	Producing
Well Location	39-015-44053
Well Operator	CTB & OIL PIPES ON LEASE
Well Completion Date	10/15/2014
Well Completion Type	Horizontal
Well Completion Depth	10,150 ft
Well Completion Interval	10,150 ft - 10,150 ft
Well Completion Interval (ft)	0
Well Completion Interval (m)	0
Well Completion Interval (in)	0
Well Completion Interval (yd)	0
Well Completion Interval (mi)	0
Well Completion Interval (km)	0
Well Completion Interval (mi)	0
Well Completion Interval (km)	0
Well Completion Interval (mi)	0
Well Completion Interval (km)	0

VALVE SCHEDULE	
Well Name	39-015-44053
Well Number	39-015-44053
Well Type	Oil
Well Status	Producing
Well Location	39-015-44053
Well Operator	CTB & OIL PIPES ON LEASE
Well Completion Date	10/15/2014
Well Completion Type	Horizontal
Well Completion Depth	10,150 ft
Well Completion Interval	10,150 ft - 10,150 ft
Well Completion Interval (ft)	0
Well Completion Interval (m)	0
Well Completion Interval (in)	0
Well Completion Interval (yd)	0
Well Completion Interval (mi)	0
Well Completion Interval (km)	0
Well Completion Interval (mi)	0
Well Completion Interval (km)	0
Well Completion Interval (mi)	0
Well Completion Interval (km)	0

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

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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 Lease/ Surface Gas Commingle
- [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 Chad Cole Regulatory Specialist 7/10/2025
 Print or Type Name Signature Title 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.
(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: 7/18/2025

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

E-MAIL ADDRESS: ccole@mewbourne.com

Well Name	Location	API #	Pool #	MCFPD	Dry BTU @ 14.73 PSI
Sapphire 11/12 B3DC St Com 2H	1465' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46296	[60660] TURKEY TRACK; BONE SPRING	275	~1250
Sapphire 11/12 B3EF St Com 2H	1495' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46295	[60660] TURKEY TRACK; BONE SPRING	285	~1250
Zircon 2/1 B3LI St Com 1H	1830' FSL & 380' FWL, Sec 12, T19S, R29E	30-015-49829	[60660] TURKEY TRACK; BONE SPRING	630	~1250
Zircon 2/1 B3MP St Com 1H	1800' FSL & 380' FWL, Sec 2, T19S, R29E	30-015-49830	[60660] TURKEY TRACK; BONE SPRING	850	~1250
Zircon 2/1 State #611H (B3DA)	1350' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49814	[60660] TURKEY TRACK; BONE SPRING	760	~1250
Zircon 2/1 State #613H (B3EH)	1380' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49815	[60660] TURKEY TRACK; BONE SPRING	665	~1250
Sapphire 11/12 St Com #521H (B2CC)	1310' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55082	[60660] TURKEY TRACK; BONE SPRING	750	~1250
Sapphire 11/12 St Com #523H (B2FF)	1340' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55083	[60660] TURKEY TRACK; BONE SPRING	900	~1250
SAPPHIRE 11/12 B2KK ST COM #1H	500' FSL & 1470' FWL, Sec 11, T19S, R29E	30-015-45020	[60660] TURKEY TRACK; BONE SPRING	75	1250
SAPPHIRE 11/12 B2NN ST COM #1H	500' FSL & 1500' FWL, Sec 11, T19S, R29E	30-015-44053	[60660] TURKEY TRACK; BONE SPRING	140	1250
SAPPHIRE 11/12 B3LK ST COM #2H	1350' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45559	[60660] TURKEY TRACK; BONE SPRING	350	1250
SAPPHIRE 11/12 B3MN ST COM #2H	1300' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45560	[60660] TURKEY TRACK; BONE SPRING	530	1250

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Mewbourne Oil Co
Sapphire 11-12 B2KK State Com #1H
Vertical Extent: Bone Spring
Township: 19 South, Range: 29 East, NMPM
Sect 11: SE4, E2SW4**

**Sect 12: SW4
Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 20th Day of October, 2020.

Stephanne Garcia Richard JS
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

Communitization Agreement

Contract No. _____

2020 MAR 12 PM 8:32

THIS AGREEMENT entered into as of the 1st day of January, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of the State lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 19 South, Range 29 East, N.M.P.M.

Section 11: NE/4SW/4 and N/2SE/4

Section 12: N/2SW/4

Eddy County, New Mexico

Containing **200.00** acres, and this agreement shall include only the second Bone Spring sand interval in the Bone Spring Formation underlying said lands and the oil and associated casinghead gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mewbourne Oil Company, P.O. Box 7698, Tyler, Texas 75711. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of

royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

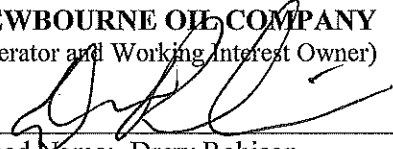
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or

interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative and as to State of New Mexico lands shall be subject to approval by the commissioner.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

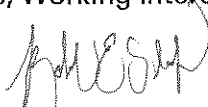
MEWBOURNE OIL COMPANY
(Operator and Working Interest Owner)

By: 
Typed Name: Drew Robison
Title: Attorney-in-Fact

CM PK

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: 

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____

Print Name: James H. Edsel

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____

Print Name: Mark A. Carter

Title: Attorney-in-Fact

SAPPHIRE 11/12 BZKK St. Com #1H

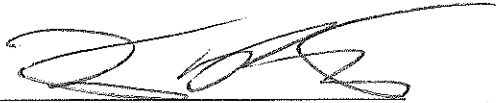
CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: 
Print Name: Keith Little ZSP
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

SAPPHIRE 11/12 BZKK ST. COM #1H

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____
Print Name: James H. Edsel
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____ *152 MW*
Print Name: Sean Johnson
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

ARKOMA DRILLING II, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____

Print Name: James H. Edsel

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____

Print Name: Mark A. Carter

Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: P. Nick Maxwell

Print Name: P. NICK MAXWELL

Title: CEO

ARKOMA DRILLING II, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____

Print Name: James H. Edsel

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____

Print Name: Mark A. Carter

Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)


By: _____

Print Name: _____

Title: _____

ARKOMA DRILLING II, LP

(Working Interest Owner)

By:  _____

Print Name: Robert Roth

Title: Assistant Secretary

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____
Print Name: James H. Edsel
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

ARKOMA DRILLING II, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

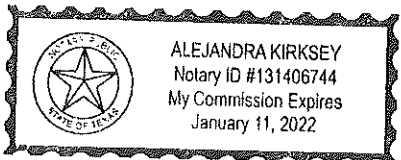
By: Brian K. Miller
Print Name: Brian K. Miller
Title: Manager

ALPHA PERMIAN RESOURCES
(Working Interest Owner)

By: P. N. Maxwell
Print Name: P. N. MAXWELL
Title: MANAGER

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on March 5th 2019, by Drew Robison, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of Chisos, Ltd., a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF TRAVIS

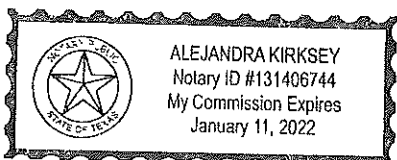
This instrument was acknowledged before me this on _____ 2019, by James H. Edsel as President and Chief Executive Officer on behalf of BEXP I, LP, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

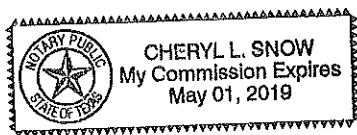
This instrument was acknowledged before me on March 5th, 2019, by Drew Robison, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on March 21st 2019, by Roland Sledge as Vice President of Chisos, Ltd., a Texas limited partnership on behalf of said limited partnership.



Cheryl L. Snow
Notary Public
May 1, 2019
My Commission expires

STATE OF TEXAS
COUNTY OF TRAVIS

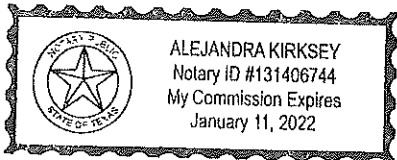
This instrument was acknowledged before me this on _____ 2019, by James H. Edsel as President and Chief Executive Officer on behalf of BEXP I, LP, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on March 5th, 2019, by Drew Robison, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

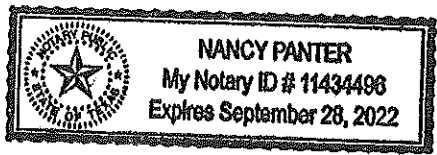
This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of Chisos, Ltd., a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me this on March 25th 2019, by Keith Lillie as President and Chief Executive Officer on behalf of BEXP I, LP, a Texas limited partnership, on behalf of said limited partnership.

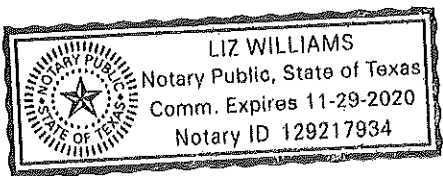


Nancy Panter
Notary Public
Sept. 28, 2022
My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on March 2 ²⁰²⁰ ~~2019~~, by Sean Johnson as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.



[Handwritten Signature]

Notary Public
1-29-20
My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Arkoma Drilling II, LP**, a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

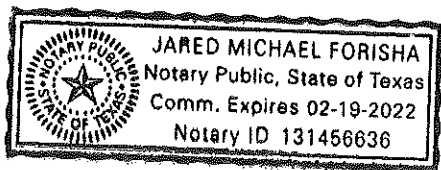
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 19 day of August 2019 by P. Nick Maxwell as CEO of **Alpha Energy Partners, LLC** a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public
02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Arkoma Drilling II, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this ____ day of _____ 2019 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Dallas

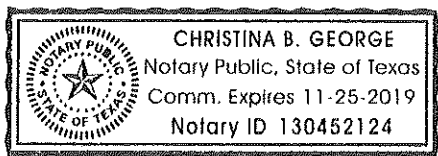
This instrument was acknowledged before me this 18th day of July 2019 by Robert Roth as Assistant Secretary of **Arkoma Drilling II, LP**, a Texas Limited Partnership corporation on behalf of said corporation.

Christina B. George

Notary Public

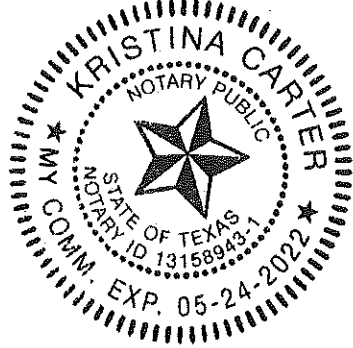
11/25/19

My Commission expires



STATE OF Texas
COUNTY OF Midland

This instrument was acknowledged before me this 12th day of July 2019 by Brian Miller as Manager of **Joel R. Miller Energy, LP**, a corporation on behalf of said corporation.



[Signature]
Notary Public
09/24/2022
My Commission expires

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Permian Resources**, a corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 19 day of August 2019 by P.N. Maxwell as Manager of **Alpha Permian Resources**, a Texas corporation on behalf of said corporation.

Jared M. Forisha
Notary Public

02-19-2022
My Commission expires

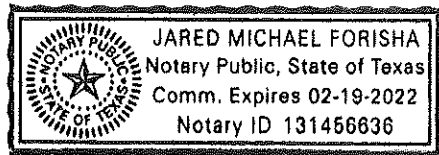


EXHIBIT "A"

Plat of communitized area covering:

NE/4SW/4 and N/2SE/4 of Section 11 and the N/2SW/4 of Section 12, T19S, R29E, N.M.P.M., Eddy County, New Mexico, containing 200.00 acres, more or less.

Sapphire 11/12 B2KK State Com No. 1H

API# 30-015-05020

SECTION 11

SECTION 12

<u>Tract No. 1</u>	<u>Tract No. 2</u>
<p>State Lease B-9739</p> <hr/> <p>SL Devon Energy Production Company, LP 100% (NE/4SW/4)</p> <p> Chisos, Ltd. 100% (N/2SE/4)</p> <p> 120 Acres</p> <p> NE/4SW/4 and N/2SE/4</p>	<p>State Lease L-2634</p> <hr/> <p> COG Operating LLC 100%</p> <p> 80 Acres</p> <p> N/2SW/4</p> <p>BHL</p>

EXHIBIT "B"

To Communitization Agreement Dated January 1, 2019 embracing the following described land:

Township 19 South, Range 29 East, N.M.P.M.
 Section 11: NE/4SW/4 and N/2SE/4; and
 Section 12: N/2SW/4
 Eddy County, New Mexico

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

	<u>Tract No. 1</u>
Lease Serial Number:	B-9739
Lease Date:	July 10, 1942
Lease Term:	Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded:	Book 964, page 764, Eddy County Records.
Original Lessee:	Bernice R. Piatt.
Current Lessee:	BEXP I, LP (NE/4SW/4) Chisos, Ltd. (N/2SE/4)
Description of Land Committed:	<u>Township 19 South, Range 29 East, N.M.P.M.</u> Section 11: NE/4SW/4 and N/2SE/4, among other lands not covered hereby.
Number of Acres:	120.00
Basic Royalty Rate:	1/8 th on oil and gas
Name and Percent ORRI Owners:	Chisos, LTD., et al-12.50%
Name and Percent WI Owners:	1) <u>NE/4SW/4 of Section 11:</u>
	Ridge Runner Resources Operating, LLC 43.7500%
	Arkoma Drilling II, LP 38.7500%
	Chisos, LTD. 5.0000%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	2) <u>N/2SE/4 of Section 11:</u>
	Mewbourne Oil Company 48.7500%
	Ridge Runner Resources Operating, LLC 21.8750%
	Arkoma Drilling II, LP 16.8750%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/>

TOTAL 100.000000%
Tract No. 2

Lease Serial Number: L-2634
 Lease Date: March 18, 1969
 Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.

Recorded: Book 67, page 376, Miscellaneous Records.
 Original Lessee: James A. O'Neill
 Current Lessee: COG Operating LLC.
 Description of Land Committed: **Township 19 South, Range 29 East, N.M.P.M.**
 Section 12: N/2SW/4, among other lands not covered hereby.

Number of Acres: 80.00
 Basic Royalty Rate: 1/8th on oil and gas.
 Name and Percent ORRI Owners: None
 Name and Percent WI Owners: COG Operating LLC 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120.00	60.00%
2	<u>80.00</u>	<u>40.00%</u>
Total	200.00	100.00%

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION TO CONSIDER:

CASE NO. 20092
ORDER NO. R-20334

APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD
HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 15, 2018, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 23rd day of January 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Mewbourne Oil Company (the "Applicant" or "Mewbourne") seeks an order pooling all uncommitted interests, whatever they may be, in a 200-acre standard Horizontal Oil Spacing Unit ("the Unit") for oil and gas production from the Bone Spring formation, Turkey Track; Bone Spring Pool (Pool code 60660), comprising the NE/4 SW/4 and N/2 SE/4 of Section 11, and the N/2 SW/4 of Section 12, all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) Applicant also seeks approval of a non-standard horizontal spacing unit.

(4) The Unit will be dedicated to the Sapphire 11 12 B2KK State Com Well No. 1H ("Proposed Well"; API No. 30-015-44785), a horizontal well to be drilled from a surface location, 500 feet from the South line and 1470 feet from the West line (Unit N) of Section 11, to a terminus 1635 feet from the South line and 2537 feet from the West line (Unit K) of Section 12, all in Township 19 South, Range 29 East. Per the application, the completed interval of the Proposed Well will be at an orthodox location.

Case No. 20092
Order No. R-20334
Page 2 of 8

(5) Applicant seeks to drill the Proposed Well to a depth sufficient to test the Second Bone Spring Sand, defined as the stratigraphic equivalent of 7,800 to 8,164 feet beneath Kelly Bushing elevation of 3,393 feet, as found on the BHC Acoustilog for the Chisos, Ltd. State HL Well No. 1 located 660 feet from the South line and 1980 feet from the West Line (Unit N) of Section 11, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

(6) The Proposed Well is within the Turkey Track; Bone Spring Pool (Pool Code 60660), and is subject to Division Rule 19.15.15.9(A) NMAC, which provides for 330-foot setbacks from the unit boundaries and standard 40-acre units each comprising a governmental quarter-quarter section. The proposed Unit and project area consist of five adjacent quarter-quarter sections oriented west to east.

(7) No other party appeared or otherwise opposed this application.

(8) Applicant appeared through counsel and presented the following land and technical evidence by affidavit. Further, the geological testimony was presented by affidavit:

- (a) The Bone Spring formation in this area is suitable for development by horizontal drilling.
- (b) The proposed orientation of the unit and the horizontal well or wells from west to east is optimum for production from the Bone Spring formation.
- (c) Applicant requested that the non-standard spacing unit portion of the application be withdrawn.
- (d) Applicant intends to drill horizontally within the 2nd Bone Spring Sand member of the Bone Spring formation.
- (e) The dedicated lands are all owned by the State Trust and consist of multiple leases.
- (f) Overriding Royalty interests are the same through the vertical limits of the Bone Spring formation.
- (g) Due to offsetting wells, Applicant and the other working interest owners have created separate "contract areas" in the Bone Spring formation without changing ownership records in the county.
- (h) The ownership apparent from an examination of the county records is identical throughout the Bone Spring Formation.

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Order No. R-20334
Page 3 of 8

- (i) Within the Bone Spring formation and within the horizontal limits of the Unit, there are two contract areas: Contract Area A is the 2nd Bone Spring interval and Contract Area B is the 1st and 3rd Bone Spring interval.
- (j) Within both contract areas, the working interest owners are the same; however, the working interest percentages now differ.
- (k) All working interest owners, except one, have voluntarily signed the agreement for the Proposed Well.
- (l) Since all working interest owners signed the voluntary agreement except one, and all working interest owners within the Bone Spring are aware of this proposal, this application should proceed.
- (m) The signing of the voluntary agreement by the working interest owners not subject to the compulsory pooling constitutes proper notice, because the parties are aware of their ownership percentages.
- (n) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.
- (o) Those potentially affected parties whose whereabouts could not be ascertained were noticed by publication as provided in Rule 19.15.4.12.B NMAC.

The Division Concludes That

(9) The application in this case was filed, and the Well[s] were permitted, on or after the June 26, 2018 date on which amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689). Hence the Well[s] must be spaced, permitted and drilled pursuant 19.15.16.15 NMAC, as amended effective June 26, 2018.

(10) Provided that the Unit constitutes a standard horizontal spacing unit for each of the Well(s) under now effective rules, no non-standard spacing unit approval is needed. If, however, the Unit is not a standard horizontal spacing unit for any of the Well(s), the operator must obtain approval of a non-standard horizontal spacing unit pursuant to 19.15.16.15.B(5) prior to producing such well.

(11) The portion of the case asking for a non-standard horizontal spacing unit is no longer needed and should be dismissed.

Case No. 20092
Order No. R-20334
Page 4 of 8

(12) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(13) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(14) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed wells to a common source of supply within the Unit at the described locations.

(15) The vertical limits of the proposed horizontal spacing unit should be as follows. The Second Bone Spring Sand, defined as the stratigraphic equivalent of 7,800 to 8,164 feet beneath Kelly Bushing elevation of 3,393 feet, as found on the BHC Acoustilog for the Chisos, Ltd. State HL Well No. 1 located 660 feet from the South line and 1,980 feet from the West Line (Unit N) of Section 11, Township 19 South, Range 29 East, NMPM, Eddy County New Mexico.

(16) There are interest owners in the Unit that have not agreed to pool their interests.

(17) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.

(18) Mewbourne Oil Company (OGRID 14744) should be designated the operator of the proposed well and the Unit.

(19) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(20) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the proposed wells.

(21) Reasonable charges for supervision (combined fixed rates) should be fixed at \$8000 per month, per well, while drilling and \$800 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the overhead adjustment provision of the COPAS form titled "Accounting Procedure-Joint Operations."

Case No. 20092
Order No. R-20334
Page 5 of 8

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, are hereby pooled in the oil and gas in the Bone Spring formation underlying a 200-acre standard Horizontal Oil Spacing Unit (the "Unit") in the Turkey Track; Bone Spring Pool Pool (Pool code 60660), comprising the N/2 SE/4 and NE/4 SW/4 of Section 11, and the N/2 SW/4 of Section 12, all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, within a vertical depth described as:

Second Bone Spring Sand: defined as the stratigraphic equivalent of 7,800 to 8,164 feet beneath Kelly Bushing elevation of 3,393 feet, as found on the BHC Acoustilog for the Chisos, Ltd. State HL Well No. 1 located 660 feet from the South line and 1980 feet from the West Line (Unit N) of Section 11, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) The non-standard horizontal spacing unit portion of the application is dismissed.

(3) The Unit shall be dedicated to the Sapphire 11 12 B2KK State Com Well No. 1H ("Proposed Well": API No. 30-015-44785), a horizontal well to be drilled from a surface location, 500 feet from the South line and 1470 feet from the West line (Unit I) of Section 11, to a terminus 1635 feet from the South line and 2537 feet from the West line (Unit K) of Section 12, Township 19 South, Range 29 East. The completed interval of the Proposed Well will be an orthodox location.

(4) Mewbourne Oil Company (OGRID 14744) is hereby designated the operator of the Well(s) and of the Unit.

(5) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(6) The operator of the Unit shall commence drilling the Well(s) on or before January 31, 2020 and shall thereafter continue drilling the Well(s) with due diligence to test the 2nd Bone Spring Sand member of the Bone Spring formation at or about the proposed true vertical and measured depths.

(7) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(8) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a

Case No. 20092
Order No. R-20334
Page 6 of 8

written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(9) The operator shall provide a copy of any request filed with the Director for extension of time to drill or complete any well pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(10) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(11) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(12) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(13) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(14) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(15) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such

Case No. 20092
Order No. R-20334
Page 7 of 8

well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(16) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(17) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(18) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(19) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$8000 per month, per well, while drilling and \$800 per month, per well, while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(20) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

Case No. 20092
Order No. R-20334
Page 8 of 8

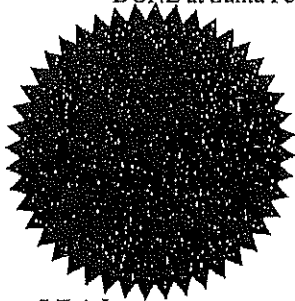
(21) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(22) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(23) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

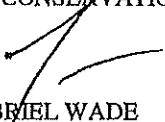
(24) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


GABRIEL WADE
Acting Director

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

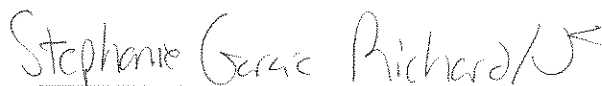
**Mewbourne Oil Co
Sapphire 11-12 B2NN State Com #1H
Vertical Extent: Bone Spring
Township: 19 South, Range: 29 East, NMPM
Section 11: N,O,P
Section 12: S2SW4
Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **15th Day of May, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of January, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of the State lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

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Township 19 South, Range 29 East, N.M.P.M.
Section 11: SE/4SW/4 and S/2SE/4
Section 12: S/2SW/4
Eddy County, New Mexico

Containing **200.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and associated casinghead gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mewbourne Oil Company, P.O. Box 7698, Tyler, Texas 75711. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined

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by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon

Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of January, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of the State lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

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Township 19 South, Range 29 East, N.M.P.M.

Section 11: SE/4SW/4 and S/2SE/4

Section 12: S/2SW/4

Eddy County, New Mexico

Containing **200.00** acres, and this agreement shall include only the second Bone Spring sand interval in the Bone Spring Formation underlying said lands and the oil and associated casinghead gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mewbourne Oil Company, P.O. Box 7698, Tyler, Texas 75711. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of

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royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or

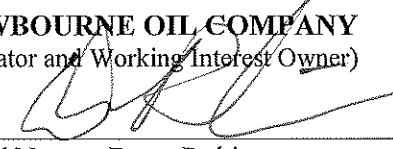
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the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative and as to State of New Mexico lands shall be subject to approval by the commissioner.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

MEWBOURNE OIL COMPANY
(Operator and Working Interest Owner)

By: 
Typed Name: Drew Robison
Title: Attorney-in-Fact

cm Pth

2020 FEB 28 AM 8:43

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: 

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Record Title Owner and Working Interest Owner)

By: _____

Print Name: James H. Edsel

Title: President and Chief Executive Officer

2020 FEB 28 AM 8:43

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

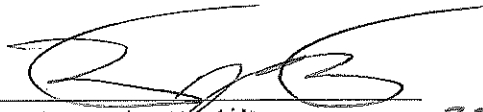
By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Record Title Owner and Working Interest Owner)

By: 

Print Name: Keith Lile Z38

Title: President and Chief Executive Officer

2020 FEB 29 AM 9:43

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

DEVON ENERGY PRODUCTION COMPANY, LP

(Record Title Owner and ORI Owner)

By: _____

Print Name: Catherine Lebsack

Title: Vice President

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: 

Print Name: Mark A. Carter

Title: Attorney-in-Fact



2020 FEB 20 PM 8:43

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

~~**DEVON ENERGY PRODUCTION COMPANY, LP**~~
(Record Title and ORI Owner)

~~By: _____
Print Name: Catherine Lebsack
Title: Vice President~~

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: [Signature]
Print Name: P. NICK MAXWELL
Title: CEO

ARKOMA DRILLING II, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

2020 FEB 28 AM 8:43

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

DEVON ENERGY PRODUCTION COMPANY, LP

(Record Title and ORI Owner)

By: _____
Print Name: Catherine Lebsack
Title: Vice President

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

ARKOMA DRILLING II, LP

(Working Interest Owner)

By: [Signature]
Print Name: Robert Roth
Title: Assistant Secretary

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

2020 FEB 26 AM 8:44

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

DEVON ENERGY PRODUCTION COMPANY, LP

(Record Title and ORI Owner)

By: _____

Print Name: Catherine Lebsack

Title: Vice President

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____

Print Name: Mark A. Carter

Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

ARKOMA DRILLING II, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: Brian K. Miller

Print Name: Brian K. Miller

Title: Manager

2020 FEB 28 AM 8:44

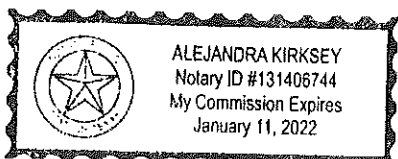
ALPHA PERMIAN RESOURCES
(Working Interest Owner)

By: P. N. Maxwell
Print Name: P. N. MAXWELL
Title: MANAGER

2020 FEB 28 AM 8:44

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on February 27th 2019, by Drew Robison, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of Chisos, Ltd., a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me this on _____ 2019, by James H. Edsel as President and Chief Executive Officer on behalf of BEXP I, LP, a Texas limited partnership, on behalf of said limited partnership.

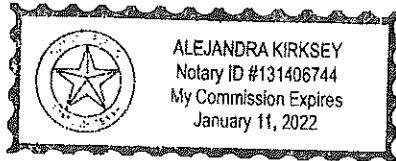
Notary Public

My Commission expires

2020 FEB 28 AM 8:44

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

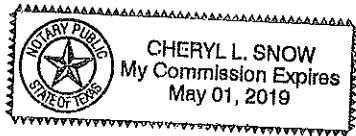
This instrument was acknowledged before me on February 27th 2019, by Drew Robison, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on March 5th 2019, by Roland Sledge as Vice President of Chisos, Ltd., a Texas limited partnership on behalf of said limited partnership.



Cheryl L. Snow
Notary Public
May 1, 2019
My Commission expires

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me this on _____ 2019, by James H. Edsel as President and Chief Executive Officer on behalf of BEXP I, LP, a Texas limited partnership, on behalf of said limited partnership.

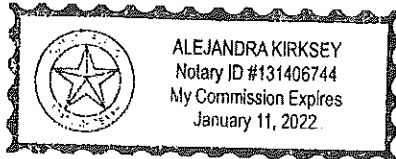
Notary Public

My Commission expires

2020 FEB 28 AM 8:44

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on February 27th 2019, by Drew Robison, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

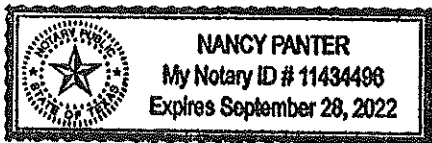
This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of Chisos, Ltd., a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me this on March 25th 2019, by Keith Lile as President and Chief Executive Officer on behalf of BEXP I, LP, a Texas limited partnership, on behalf of said limited partnership.



Nancy Panter
Notary Public
Sept. 28, 2022
My Commission expires

2020 FEB 28 AM 8:44

STATE OF TEXAS

§
§
§

COUNTY OF MIDLAND

This instrument was acknowledged before me on March 19, 2019, by Mark A. Carter, Attorney-in-Fact for COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.



Notary Public in and for the State of Texas

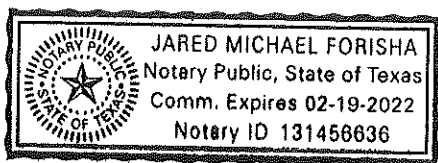


2020 FEB 28 AM 8:44

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 19 day of August 2019 by P. Nick Maxwell as CEO of Alpha Energy Partners, LLC a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public
02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Arkoma Drilling II, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

2020 FEB 28 AM 8:44

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.

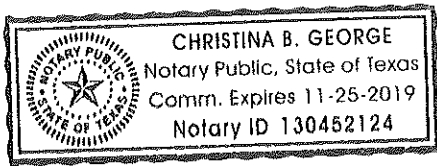
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Dallas

This instrument was acknowledged before me this 5th day of August 2019 by Robert Roth as Assistant Secretary of **Arkoma Drilling II, LP**, a Limited Partnership corporation on behalf of said corporation.



Christina B. George
Notary Public

11/25/19

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

2020 FEB 28 AM 8:44

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Arkoma Drilling II, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 28 day of August 2019 by Brian K. Miller as Manager of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.



Sandra Ozuna
Notary Public

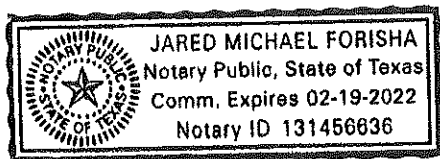
01/08/2020
My Commission expires

2020 FEB 28 AM 8:44

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 19 day of August 2019 by P. N. Maxwell as Manager of **Alpha Permian Resources**, a Texas corporation on behalf of said corporation.



Jared M. Forisha
 Notary Public
02-19-2022
 My Commission expires

2020 FEB 28 AM 8:44

EXHIBIT "A"

Plat of communitized area covering:

SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, T19S, R29E, N.M.P.M., Eddy County, New Mexico, containing 200.00 acres, more or less.

Sapphire 11/12 B2NN State Com No. 1H

API# 30-015-44053

SECTION 11

SECTION 12

<p align="center"><u>Tract No. 1</u> State Lease B-9739</p>	<p align="center"><u>Tract No. 2</u> State Lease B-7717</p>
<p>SL</p> <p align="center">BEXP I, LP 100% (SE/4SW/4) Chisos, Ltd., et al 100% (S/2SE/4) 120 Acres</p>	<p>BHL</p> <p align="center">Chisos, LTD., et al 100% 80 Acres S/2SW/4</p>

2020 FEB 28 AM 8:44

EXHIBIT "B"

To Communitization Agreement Dated January 1, 2019 embracing the following described land:

Township 19 South, Range 29 East, N.M.P.M.
 Section 11: SE/4SW/4 and S/2SE/4; and
 Section 12: S/2SW/4
 Eddy County, New Mexico

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	B-9739
Lease Date:	July 10, 1942
Lease Term:	Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded:	Book 964, page 764, Eddy County Records.
Original Lessee:	Bernice R. Piatt.
Current Lessee:	Chisos, Ltd., et al.
Description of Land Committed:	<u>Township 19 South, Range 29 East, N.M.P.M.</u> Section 11: SE/4SW/4 and S/2SE/4, among other lands not covered hereby.
Number of Acres:	120.00
Basic Royalty Rate:	1/8 th on oil and gas
Name and Percent ORRI Owners:	Chisos, LTD., et al-12.50%
Name and Percent WI Owners:	1) <u>SE/4SW/4 of Section 11:</u>
	Alpha Energy Partners, LLC 43.7500%
	Arkoma Drilling II, LP 38.7500%
	Chisos, LTD. 5.0000%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	2) <u>S/2SE/4 of Section 11:</u>
	Mewbourne Oil Company 48.7500%
	Alpha Energy Partners, LLC 21.8750%
	Arkoma Drilling II, LP 16.8750%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%

77:8 1/4 82.834%

Tract No. 2

Lease Serial Number: B-7717
 Lease Date: April 10, 1938
 Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.

Recorded: Book 964, page 761, Eddy County Records.
 Original Lessee: Humble Oil & Refining Company
 Current Lessee: Chisos, LTD., et al
 Description of Land Committed: **Township 19 South, Range 29 East, N.M.P.M.**
 Section 12: S/2SW/4, among other lands not covered hereby.

Number of Acres: 80.00
 Basic Royalty Rate: 1/8th on oil and gas.
 Name and Percent ORRI Owners: Chisos, LTD, et al-12.50%
 Name and Percent WI Owners:

Mewbourne Oil Company	55.00%
Bexp I, LP	25.00%
<u>Arkoma Drilling II, LP</u>	<u>20.00%</u>
TOTAL	100.000000%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120.00	60.00%
2	80.00	40.00%
Total	200.00	100.00%

2020 FEB 28 AM 8:44

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION TO CONSIDER:

CASE NO. 16279
ORDER NO. R-20046

APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD
HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on August 23, 2018, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 15th day of October, 2018, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Mewbourne Oil Company (the "Applicant") seeks approval of a 200-acre (more or less) non-standard horizontal spacing unit (the "Unit") for oil and gas production from the Bone Spring formation, Turkey Track; Bone Spring Pool (Pool code 60660), comprising the SE/4 SW/4 and S/2 SE/4 of Section 11 and the S/2 SW/4 of Section 12, all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant further seeks an order pooling all uncommitted interests in the Unit for the Bone Spring formation.

(3) The Unit will be dedicated to the following "proposed well" to be completed at a standard well location:

Sapphire 11 12 B2NN State Com Well No. 1H, API No. 30-015-44053
SHL: 500 feet from the South line and 1500 feet from the West line,
(Unit N) of Section 11, Township 19 South, Range 29 East, NMPM.
BHL: 330 feet from the South line and 2310 feet from the West line

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Case No. 16279
Order No. R-20046
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(Unit N) of Section 12, Township 19 South, Range 29 East, NMPM.

(4) The proposed well will be drilled horizontally and completed in the Bone Spring formation [Turkey Track; Bone Spring Pool]. Said pool is subject to Division Rule 19.15.15.9(A) NMAC, which provides for standard 40-acre spacing and proration units each comprising a governmental quarter-quarter section.

(5) Cimarex Energy Co. and COG Operating LLC entered an appearance and were each represented by counsel at the hearing but did not oppose. No other party appeared or otherwise opposed this application.

(6) Applicant appeared through counsel and presented the following land and technical evidence by affidavit:

- (a) The Bone Spring formation in this area is suitable for development by horizontal drilling.
- (b) There are no depth severances; however, Applicant had agreed with Cimarex and Devon to not drill wells in the 3rd Bone Spring Sand in this Unit.
- (c) The proposed orientation of the horizontal well or wells from west to east is appropriate for the Unit.
- (d) Notice by certified mail was provided to all uncommitted interest owners in the Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.

The Division Concludes That

(7) The original application was filed prior to the June 26, 2018 date in which the horizontal rule amendments became effective (see Order No. R-14689) and asked for two Proposed Wells, one to be in the 3rd Bone Spring Sand. The amended application in this case removed the 3rd Bone Spring Proposed Well and retained the current Proposed Well to be in the 2nd Bone Spring Sand interval.

(8) The proposed unit is standard and the Proposed Well has been permitted for drilling; therefore, under the new rules, the Unit has already been approved by the Division. The portion of the case asking for a non-standard horizontal spacing unit should be dismissed.

(9) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

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Order No. R-20046
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(10) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed well to a common source of supply within the Unit at the described location.

(11) There are interest owners in the Unit that have not agreed to pool their interests.

(12) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.

(13) Mewbourne Oil Company (OGRID 14744) should be designated the operator of the proposed well and the Unit.

(14) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(15) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the proposed well.

(16) Reasonable charges for supervision (combined fixed rates) should be fixed at \$8000 per month, per well, while drilling and \$800 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the overhead adjustment provision of the COPAS form titled "Accounting Procedure-Joint Operations."

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas in the Bone Spring formation underlying a 200-acre (more or less) standard Horizontal Oil Spacing Unit (the "Unit") in the Turkey Track; Bone Spring Pool (Pool code 60660), comprising the SE/4 SW/4 and S/2 SE/4 of Section 11 and the S/2 SW/4 of Section 12, all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, are hereby pooled.

(2) The portion of the case asking for approval of a non-standard horizontal spacing unit is hereby dismissed.

(3) The Unit shall be dedicated to the following "proposed well" to be completed at a standard location:

Sapphire 11 12 B2NN State Com Well No. 1H, API No. 30-015-44053
SHL: 500 feet from the South line and 1500 feet from the West line,

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(Unit N) of Section 11, Township 19 South, Range 29 East, NMPM.
BHL: 330 feet from the South line and 2310 feet from the West line
(Unit N) of Section 12, Township 19 South, Range 29 East, NMPM.

(4) Mewbourne Oil Company (OGRID 14744) is hereby designated the operator of the proposed well and the Unit.

(5) The operator of the Unit shall commence drilling the proposed well on or before October 31, 2019 and shall thereafter continue drilling the proposed well with due diligence to test the Bone Spring formation.

(6) In the event the operator does not commence drilling on or before October 31, 2019 Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.

(7) The proposed well must be completed within 120 days after commencement of drilling, else Ordering Paragraph (1) shall be of no further effect, unless the operator requests in writing an extension of the time for completion of the proposed well or well for good cause shown by satisfactory evidence and the Division issues written approval.

(8) Upon final plugging and abandonment of the proposed well and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled Unit shall terminate, unless this Order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including uncased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit a separate itemized schedule of estimated costs of drilling, completing and equipping the proposed well ("well costs").

(11) Within 30 days from its receipt of the schedule of estimated well costs for any well, any pooled working interest owner shall have the right to pay its share of estimated well costs of such well to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges for such well. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

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(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 90 days following completion of the proposed well. If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well or wells in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) The proportionate share of reasonable well costs attributable to such interest; and
- (b) As a charge for the risk involved in drilling the well, 200% of the above costs.

(15) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.

(16) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$8000 per month, per well, while drilling and \$800 per month, per well, while producing, provided that these rates may, at the election of the operator, be adjusted annually pursuant to the overhead adjustment provisions of the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from each pooled working interest owner's share of production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating such well, not more than what are reasonable.

(17) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to requirements herein, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45

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Case No. 16279
Order No. R-20046
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days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(18) Except as provided above, all proceeds of production from the proposed well that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this Order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the well and the Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Heather Riley
HEATHER RILEY
Director

2020 FEB 28 AM 8:44

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

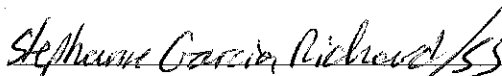
Mewbourne Oil Co
Sapphire 11-12 B3LK State Com #2H
Vertical Extent: Bone Spring
Township: 19 South, Range: 29 East, NMPM
Sect 11: N2S2
Sect 12: N2SW4
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 29th Day of January, 2021.


COMMISSIONER OF PUBLIC LANDS
 of the State of New Mexico

2020 MAR 12 AM 8:33

Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of September, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of the State lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 19 South, Range 29 East, N.M.P.M.

Section 11: N/2S/2

Section 12: N/2SW/4

Eddy County, New Mexico

Containing **240.00** acres, and this agreement shall include only the third Bone Spring sand interval in the Bone Spring Formation underlying said lands and the oil and associated casinghead gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mewbourne Oil Company, P.O. Box 7698, Tyler, Texas 75711. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of

royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or

interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative and as to State of New Mexico lands shall be subject to approval by the commissioner.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

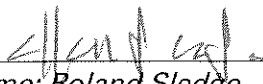
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

MEWBOURNE OIL COMPANY
(Operator and Working Interest Owner)

By: Corey Mitchell
Typed Name: Corey Mitchell
Title: Attorney-in-Fact

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: 
Print Name: Roland Sledge ELLEN SVESTAD
Title: Vice President CEO

BEXP I, LP

(Record Title and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____


CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title and ORI Owner)

By: 
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____

Print Name: Keith Lilie

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)


Sean Johnson, Attorney-in-Fact *DL MW*

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: P. Maxwell
Print Name: P. N. MAXWELL
Title: CEO

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact


ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: 
Print Name: Matthew D. Bram
Title: Attorney-in-Fact

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

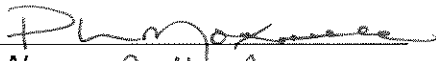
JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: Brian K. Miller
Print Name: Brian K. Miller
Title: Manager

ALPHA PERMIAN RESOURCES

(Working Interest Owner)

By: 
Print Name: P. N. MAXWELL
Title: MANAGER

CIMAREX ENERGY COMPANY

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

PURE ENERGY GROUP, INC.

(Record Title Owner)

By: _____
Print Name: _____
Title: _____

ALPHA PERMIAN RESOURCES

(Working Interest Owner)

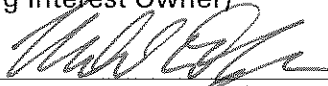
By: _____

Print Name: _____

Title: _____

CIMAREX ENERGY CO.

(Working Interest Owner)

By:  _____ *ECM RCM*

Print Name: MICHAEL DESHAZER

Title: ATTORNEY-IN-FACT

PURE ENERGY GROUP, INC.

(Record Title Owner)

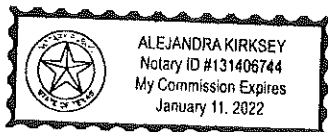
By: _____

Print Name: _____

Title: _____

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on March 6th, 20 2019, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on _____ 2019, by Keith Lillie as President and Chief Executive Officer on behalf of **BEXPI, LP**, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

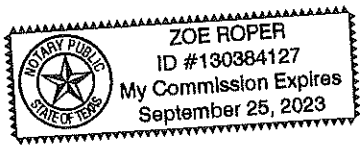
This instrument was acknowledged before me on _____ 2019, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on 9-24-19 2019, by ^{Ellen Svestad} ~~Roland Sledge~~ as ^{CEO} ~~Vice President~~ of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.



Zoe Roper
Notary Public

9-25-23
My Commission expires

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on _____ 2019, by Keith Lilie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____ 2019, by
Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said
corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

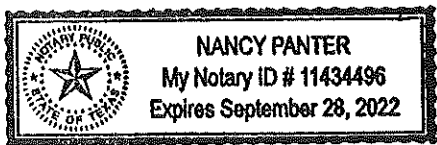
This instrument was acknowledged before me this on _____ 2019, by Roland Sledge
as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF OKLAHOMA *Texas*
COUNTY OF OKLAHOMA *Travis*

This instrument was acknowledged before me this on Sept. 9, 2019, by
Keith Lilie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership,
on behalf of said limited partnership.



Nancy Panter

Notary Public

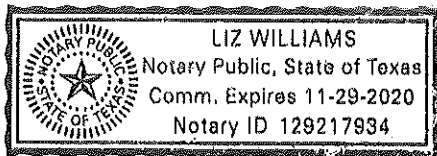
Sept. 28, 2022
My Commission expires

STATE OF TEXAS

§
§
§

COUNTY OF MIDLAND

This instrument was acknowledged before me on ^{March} January 2, 2020, by Sean Johnson, Attorney-in-Fact for COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.



[Handwritten Signature]

Notary Public in and for the State of Texas

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 2019 by _____ as _____ of Alpha Energy Partners, LLC a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 2019 by _____ as _____ of Marathon Oil Permian LLC, a _____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

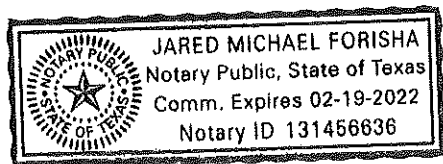
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 10 day of September 2019 by P.N. Maxwell as CEO of **Alpha Energy Partners, LLC** a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public
02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Harris

This instrument was acknowledged before me this 11th day of September 2019 by Matthew D. Brown as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company on behalf of said limited liability company.

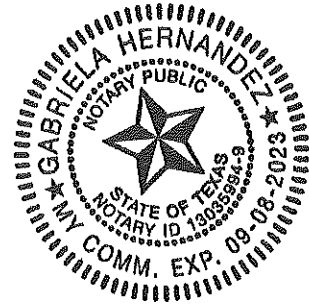


Jessica Gorman
Notary Public
1/23/2023
My Commission expires

STATE OF TX Texas

COUNTY OF Midland

This instrument was acknowledged before me this 18th day of October 2019 by Brian K Miller as manager of Joel R. Miller Energy, LP, a N/A corporation on behalf of said corporation.



Gabriela Hernandez
Notary Public
09/08/2023
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Permian Resources**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Cimarex Energy Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

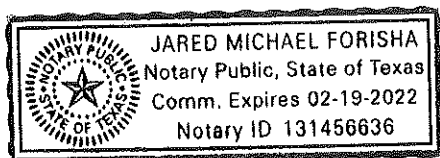
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 10 day of September 2019 by P.N. Maxwell as Manager of **Alpha Permian Resources**, a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public

02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Cimarex Energy Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Permian Resources**, a _____ corporation on behalf of said corporation.

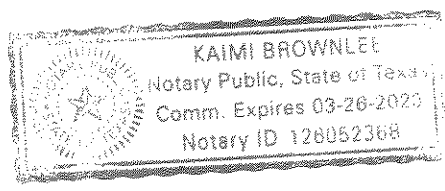
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 3rd day of February ²⁰²⁰~~2019~~ by Michael Deshazer as Attorney in Fact of **Cimarex Energy Company**, a Delaware corporation on behalf of said corporation.



Kaimi Brownlee
Notary Public

3/26/2023
My Commission expires

EXHIBIT "A"

Plat of communitized area covering:

N/2S/2 of Section 11 and the N/2SW/4 of Section 12, T19S, R29E, N.M.P.M., Eddy County, New Mexico, containing 240.00 acres, more or less.

Sapphire 11/12 B3LK State Com No. 2H

API# 30-015-45559

SECTION 11

SECTION 12

<p style="text-align: center;"><u>Tract No. 1</u></p> <p style="text-align: center;">State Lease B-9739</p>	<p style="text-align: center;"><u>Tract No. 2</u></p> <p style="text-align: center;">State Lease L-2634</p>
<p>SL</p> <p style="text-align: center;">BEXP I, LP 100% (NE/4SW/4)</p> <p style="text-align: center;">Chisos, Ltd., et al 100% (N/2SE/4 & NW/4SW/4)</p> <p style="text-align: center;">160 Acres</p> <p style="text-align: center;">N/2S/2</p>	<p style="text-align: right;">BHL</p> <p style="text-align: center;">COG Operating LLC 100%</p> <p style="text-align: center;">80 Acres</p> <p style="text-align: center;">N/2SW/4</p>

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2019 embracing the following described land:

Township 19 South, Range 29 East, N.M.P.M.
 Section 11: N/2S/2; and
 Section 12: N/2SW/4
 Eddy County, New Mexico
 Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

	<u>Tract No. 1</u>
Lease Serial Number:	B-9739
Lease Date:	July 10, 1942
Lease Term:	Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded:	Book 964, page 764, Eddy County Records.
Original Lessee:	Bernice R. Piatt.
Current Lessee:	BEXP I, LP (NE/4SW/4) Chisos, Ltd., et al (N/2SE/4 & NW/4SW/4)
Description of Land Committed:	<u>Township 19 South, Range 29 East, N.M.P.M.</u> Section 11: N/2SW/4 and N/2SE/4, among other lands not covered hereby.
Number of Acres:	160.00
Basic Royalty Rate:	1/8 th on oil and gas
Name and Percent ORRI Owners:	Chisos, LTD., et al-12.50%
Name and Percent WI Owners:	1) <u>N/2SW/4 of Section 11:</u>
	Alpha Energy Partners LLC 32.8125%
	Cimarex Energy Company 30.3125%
	Marathon Oil Permian, LLC 19.3750%
	Chisos, LTD. 5.0000%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	2) <u>N/2SE/4 of Section 11:</u>
	Mewbourne Oil Company 48.7500%
	Alpha Energy Partners LLC 21.8750%
	Marathon Oil Permian, LLC 16.8750%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%

Tract No. 2

Lease Serial Number: L-2634
Lease Date: March 18, 1969
Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded: Book 67, page 376, Miscellaneous Records.
Original Lessee: James A. O'Neill
Current Lessee: COG Operating LLC.
Description of Land Committed: **Township 19 South, Range 29 East, N.M.P.M.**
Section 12: N/2SW/4, among other lands not covered hereby.
Number of Acres: 80.00
Basic Royalty Rate: 1/8th on oil and gas.
Name and Percent ORRI Owners: None
Name and Percent WI Owners: COG Operating LLC 100.00%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	66.67%
2	<u>80.00</u>	<u>33.33%</u>
Total	240.00	100.00%

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20268
ORDER NO. R-20592**

**APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 07, 2019, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 29th day of May 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

Case No. 20268
Order No. R-20592
Page 2 of 7

- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Newspaper notice was not provided.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

Case No. 20268
Order No. R-20592
Page 3 of 7

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Case No. 20268
Order No. R-20592
Page 4 of 7

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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Order No. R-20592
Page 5 of 7

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

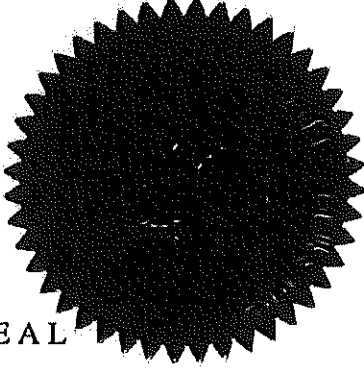
(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

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Order No. R-20592
Page 6 of 7

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval.

ADRIENNE SANDOVAL
Director

Case No. 20268
 Order No. R-20592
 Page 7 of 7

Exhibit "A"

Applicant: Mewbourne Oil Company
 Operator: Mewbourne Oil Company (OGRID 14744)

Companion Cases: 20268 and 20269. Separate orders issued for each case.

Spacing Unit: Horizontal Oil
 Building Blocks: quarter-quarter sections
 Unit Size: 240 acres (more or less)
 Orientation of Unit: West to East

Unit Description: N/2 S/2 of Section 11 and N/2 SW/4 of Section 12, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation
 Depth Severance? (Yes/No): No, but other wells in the Second Bone Spring Sand.

Pool: Turkey Track; Bone Spring (Pool code 60660)
 Pool Spacing Unit Size: quarter-quarter sections
 Governing Well Setbacks: Horizontal Oil Well Rules
 Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included
 Proximity Defining Well: None

Monthly charge for supervision: While drilling: \$8000 While producing: \$800
 As the charge for risk, 200 percent of reasonable well costs.

Proposed Well(s):

Sapphire 11 12 B3LK State Com Well No. 2H, API No. 30-015-45559

SHL: 1350 feet from the South line and 285 feet from the West line,
 (Unit L) of Section 11, Township 19 South, Range 29 East, NMPM.
 BHL: 1800 feet from the South line and 2540 feet from the West line,
 (Unit K) of Section 12, Township 19 South, Range 29 East, NMPM.
 Completion Target: Third Bone Spring Sand at approx 9025 feet TVD and 16620 feet MD.
 Well Orientation: West to East
 Completion Location expected to be: standard

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

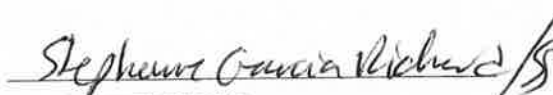
**Mewbourne Oil Co
Sapphire 11-12 B3MN State Com #2H
Vertical Extent: Bone Spring
Township: 19 South, Range: 29 East, NMPM
Sect 11: S2S2
Sect 12: S2SW4
Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 1, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **30th Day of July, 2021**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions **S/2S/2; S/2SW/4**

Of Sect(s) ^{11 & 12, Respectively} Twnshp **19South Rng 29 East** NMPM **Eddy** County, NM

containing **240** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Mewbourne Oil Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Mewbourne Oil Company**

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

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Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of September, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of the State lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 19 South, Range 29 East, N.M.P.M.

Section 11: S/2S/2

Section 12: S/2SW/4

Eddy County, New Mexico

Containing **240.00** acres, and this agreement shall include only the third Bone Spring sand interval in the Bone Spring Formation underlying said lands and the oil and associated casinghead gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mewbourne Oil Company, P.O. Box 7698, Tyler, Texas 75711. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of

royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or

interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative and as to State of New Mexico lands shall be subject to approval by the commissioner.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

MEWBOURNE OIL COMPANY
(Operator and Working Interest Owner)

By: Corey Mitchell
Typed Name: Corey Mitchell
Title: Attorney-in-Fact

BA CS

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: 
Print Name: Ellen Swestad
Title: Vice President

BEXP I, LP

(Record Title and ORI Owner)

By: _____
Print Name: Keith Lillie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

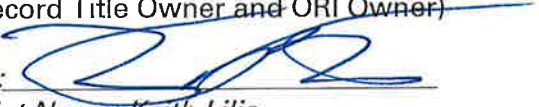
CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: 
Print Name: Keith Lillie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)


Sean Johnson, Attorney-in-Fact *to MW*

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title and ORI Owner)

By: _____
Print Name: Keith Lillie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: PK Maxwell
Print Name: P. N. MAXWELL
Title: CEO

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

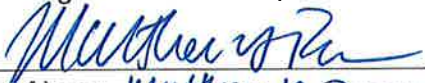
ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: 
Print Name: Matthew D. Brown
Title: Attorney-in-Fact

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Record Title and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: Brian K. Miller
Print Name: Brian K. Miller
Title: Manager

ALPHA PERMIAN RESOURCES

(Working Interest Owner)

By: PL Maxwell
Print Name: P. N. MAXWELL
Title: MANAGER

CIMAREX ENERGY COMPANY

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

PURE ENERGY GROUP, INC.

(Record Title Owner)

By: _____
Print Name: _____
Title: _____

ALPHA PERMIAN RESOURCES

(Working Interest Owner)

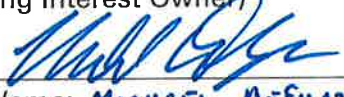
By: _____

Print Name: _____

Title: _____

CIMAREX ENERGY CO.

(Working Interest Owner)

By:  _____

Print Name: MICHAEL DESHAZER *KCM PDM*

Title: ATTORNEY-IN-FACT

PURE ENERGY GROUP, INC.

(Record Title Owner)

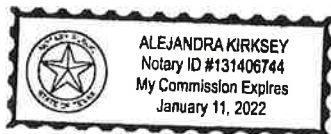
By: _____

Print Name: _____

Title: _____

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on March 6th 2019, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Alejandra Kirksey
Notary Public
January 11, 2022
My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on _____ 2019, by Keith Lilie as President and Chief Executive Officer on behalf of **BEXPI, LP**, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____ 2019, by
Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said
corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on February 27 ²⁰2019, by Ellen Svestad
as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.



Zoe Roper

Notary Public

9-25-2023

My Commission expires

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on _____ 2019, by
Keith Lilie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership,
on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____ 2019, by
Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said
corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

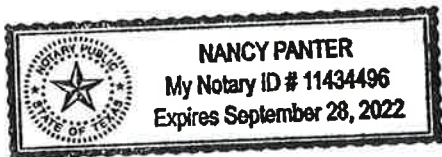
This instrument was acknowledged before me this on _____ 2019, by Roland Sledge
as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF ~~OKLAHOMA~~ *Texas*
COUNTY OF ~~OKLAHOMA~~ *Travis*

This instrument was acknowledged before me this on *Sept. 9,* _____ 2019, by
Keith Lilie as President and Chief Executive Officer on behalf of **BEXPI, LP**, a Texas limited partnership,
on behalf of said limited partnership.



Nancy Panter

Notary Public
Sept. 28, 2022

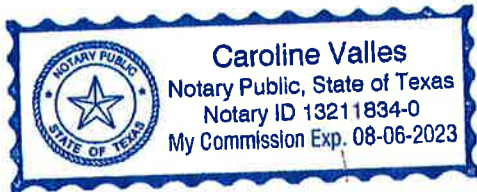
My Commission expires

STATE OF TEXAS

§
§
§

COUNTY OF MIDLAND

This instrument was acknowledged before me on March 2, 2020, by Sean Johnson, Attorney-in-Fact for COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.



Caroline Valles
Notary Public in and for the State of Texas

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

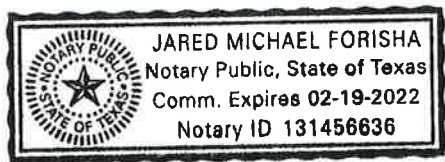
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 10 day of September 2019 by P. N. Maxwell as CEO of **Alpha Energy Partners, LLC** a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public
02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Harris

This instrument was acknowledged before me this 1st day of September 2019 by Matthew D. Bowen as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company on behalf of said limited liability company.



Jessica Gorman
Notary Public
1/23/2023
My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 18th day of October 2019 by Brian R. Miller as Manager of Joel R. Miller Energy, LP, a N/A corporation on behalf of said corporation.



Gabriela Hernandez
Notary Public
09/28/2023
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Permian Resources**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Cimarex Energy Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

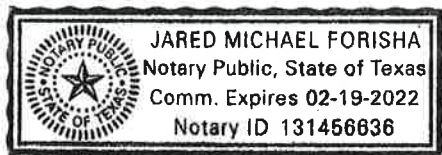
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 10 day of September 2019 by P.N. Maxwell as Manager of **Alpha Permian Resources**, a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public

02-19-2022

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Cimarex Energy Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Alpha Permian Resources**, a _____ corporation on behalf of said corporation.

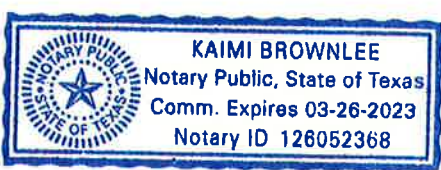
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 3rd day of February ²⁰²⁰~~2019~~ by Michael Deshazer as Attorney In Fact of Cimarex Energy Co., a Delaware corporation on behalf of said corporation.



Kaimi Brownlee
Notary Public
3/26/2023
My Commission expires

EXHIBIT "A"

Plat of communitized area covering:

S/2S/2 of Section 11 and the S/2SW/4 of Section 12, T19S, R29E, N.M.P.M., Eddy County, New Mexico, containing 240.00 acres, more or less.

Sapphire 11/12 B3MN State Com No. 2H

API# 30-015-45560

SECTION 11

SECTION 12

<p style="text-align: center;"><u>Tract No. 1</u> State Lease B-9739</p>	<p style="text-align: center;"><u>Tract No. 2</u> State Lease B-7717</p>
<p>SL</p> <p style="text-align: center;">BEXP I, LP 100% (SE/4SW/4) Chisos, Ltd., et al 100% (SW/4SW/4 & S/2SE/4) 160 Acres S/2S/2</p>	<p style="text-align: right;">BHL</p> <p style="text-align: center;">Chisos, Ltd., et al 100% 80 Acres S/2SW/4</p>

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2019 embracing the following described land:

Township 19 South, Range 29 East, N.M.P.M.
 Section 11: S/2S/2; and
 Section 12: S/2SW/4
 Eddy County, New Mexico
 Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	B-9739
Lease Date:	July 10, 1942
Lease Term:	Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded:	Book 964, page 764, Eddy County Records.
Original Lessee:	Bernice R. Piatt.
Current Lessee:	BEXP I, LP. (SE/4SW/4) Chisos, Ltd., et al (SW/4SW/4 & S/2SE/4)
Description of Land Committed:	<u>Township 19 South, Range 29 East, N.M.P.M.</u> Section 11: S/2SW/4 and S/2SE/4, among other lands not covered hereby.
Number of Acres:	160.00
Basic Royalty Rate:	1/8 th on oil and gas
Name and Percent ORRI Owners:	Chisos, LTD., et al-12.50%
Name and Percent WI Owners:	1) <u>S/2SW/4 of Section 11:</u>
	Alpha Energy Partners, LLC 32.8125%
	Marathon Oil Permian LLC 19.3750%
	Cimarex Energy Company 30.3125%
	Chisos, LTD. 5.0000%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	2) <u>S/2SE/4 of Section 11:</u>
	Mewbourne Oil Company 48.7500%
	Alpha Energy Partners, LLC 21.8750%
	Marathon Oil Permian LLC 16.8750%
	Bexp I, LP 11.3750%
	Alpha Permian Resources, LLC 0.5625%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%

Tract No. 2

Lease Serial Number: B-7717
 Lease Date: April 10, 1938
 Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.

Recorded: Book 964, page 761, Eddy County Records.
 Original Lessee: Humble Oil & Refining Company
 Current Lessee: Chisos, LTD.
 Description of Land Committed: Township 19 South, Range 29 East, N.M.P.M.
 Section 12: S/2SW/4, among other lands not covered hereby.

Number of Acres: 80.00
 Basic Royalty Rate: 1/8th on oil and gas.
 Name and Percent ORRI Owners: Chisos, LTD, et al-12.50%
 Name and Percent WI Owners:

Mewbourne Oil Company	55.00%
Alpha Energy Partners, LLC	25.00%
<u>Marathon Oil Permian LLC</u>	<u>20.00%</u>
TOTAL	100.000000%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	66.67%
2	<u>80.00</u>	<u>33.33%</u>
Total	200.00	100.00%

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20269
ORDER NO. R-20593**

**APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 07, 2019, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 29th day of May 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party appeared or otherwise opposed this application. No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

Case No. 20269
Order No. R-20593
Page 2 of 7

- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Newspaper notice was not provided.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

Case No. 20269
Order No. R-20593
Page 3 of 7

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Case No. 20269
Order No. R-20593
Page 4 of 7

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

Case No. 20269
Order No. R-20593
Page 5 of 7

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

Case No. 20269
Order No. R-20593
Page 6 of 7

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval in black ink.

ADRIENNE SANDOVAL
Director

SEAL

Case No. 20269
 Order No. R-20593
 Page 7 of 7

Exhibit "A"

Applicant: Mewbourne Oil Company
 Operator: Mewbourne Oil Company (OGRID 14744)

Companion Cases: 20268 and 20269. Separate orders issued for each case.

Spacing Unit: Horizontal Oil
 Building Blocks: quarter-quarter sections
 Unit Size: 240 acres (more or less)
 Orientation of Unit: West to East

Unit Description: S/2 S/2 of Section 11 and S/2 SW/4 of Section 12, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation
 Depth Severance? (Yes/No): No, but other wells in Second Bone Spring Sand.

Pool: Turkey Track; Bone Spring (Pool code 60660)
 Pool Spacing Unit Size: quarter-quarter sections
 Governing Well Setbacks: Horizontal Oil Well Rules
 Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included
 Proximity Defining Well: None

Monthly charge for supervision: While drilling: \$8000 While producing: \$800
 As the charge for risk, 200 percent of reasonable well costs.

Proposed Well(s):

Sapphire 11 12 B3MN State Com Well No. 2H, API No. 30-015-45560

SHL: 1300 feet from the South line and 285 feet from the West line,
 (Unit M) of Section 11, Township 19 South, Range 29 East, NMPM.
 BHL: 450 feet from the South line and 2540 feet from the West line,
 (Unit N) of Section 12, Township 19 South, Range 29 East, NMPM.
 Completion Target: Third Bone Spring Sand at approx 9025 feet TVD and 16620 feet MD.
 Well Orientation: West to East
 Completion Location expected to be: standard

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Mewbourne Oil Co
Sapphire 11 12 B3DC State Com #002H
Bone Spring
Township: 19 South, Range: 29 East, NMPM
Section 11: N2N2
Section 12: N2NW4

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 01, 2020**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 13th day of December, 2023.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Mewbourne Oil Co
Sapphire 11 12 B3DC State Com #002H
Bone Spring
Township: 19 South, Range: 29 East, NMPM
Section 11: N2N2
Section 12: N2NW4

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 01, 2020**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 13th day of December, 2023.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

Sapphire 11-12 B3DC State Com #2H

KNOW ALL MEN BY THESE PRESENTS: Well Name: _____

STATE OF NEW MEXICO)
 SS)

API #: 30 - 15 - 46296

COUNTY OF)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **January 1**, 20 **20**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version
March, 2017

State/State
State/Fee

2023 MAR 13 AM 9:4 1

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions **N/2N/2; N/2NW/4**

Of Sect(s) **11 & 12, Respectively** Twnshp **19South Rng 29 East** NMPM **Eddy** County, NM

containing **240** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Mewbourne Oil Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Mewbourne Oil Company**
5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

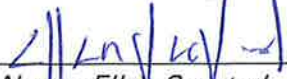
13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: 
Print Name: Ellen Svestad
Title: CEO

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lillie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Sean Johnson
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: 
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____

Print Name: Keith Lillie

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By:  _____

Print Name: Sean Johnson

Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer


COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: 
Print Name: P. NICK MAXWELL
Title: CEO

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD
(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Ellen Svestad
Title: CEO

BEXP I, LP
(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC
(Working Interest Owner)

By: _____
Print Name: Sean Johnson
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC
(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC
(Working Interest Owner)

By: C. Rule
Print Name: Clayton Rule
Title: Attorney-in-Fact

JOEL R. MILLER ENERGY, LP
(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)


By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: Brian K. Miller
Print Name: Brian K. Miller
Title: Manager

CIMAREX ENERGY COMPANY
(Working Interest Owner)

By: 
Print Name: Michael DeShazer *Em Def*
Title: Attorney-in-Fact

~~**PURE ENERGY GROUP, INC.**
(Record Title Owner)~~

~~By: _____
Print Name: _____
Title: _____~~

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

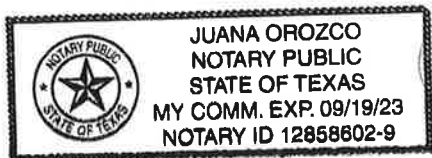
This instrument was acknowledged before me on _____ 2020, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on April, 16 2020, by Ellen Svestad as CEO of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.



Juana Orozco

Notary Public
09/19/2023

My Commission expires

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on _____ 2020, by Keith Lillie as President and Chief Executive Officer on behalf of **BEXPI, LP**, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____ 2019, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

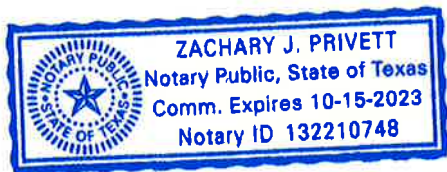
This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

~~STATE OF OKLAHOMA~~
~~COUNTY OF OKLAHOMA~~
TEXAS
TRAVIS

This instrument was acknowledged before me this on March 4 ²⁰²⁰~~2019~~, by Keith Lilie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership, on behalf of said limited partnership.



ZJP

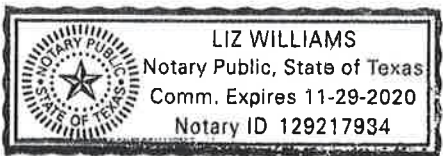
Notary Public
10-15-2023

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on March 2 2020, by Sean Johnson as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.



Liz Williams
Notary Public
11-29-20
My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.*

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 19 day of February ~~2019~~ 2020 by P. Nick Maxwell as CEO of Alpha Energy Partners, LLC a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public
02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2020, by Sean Johnson as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF HARRIS

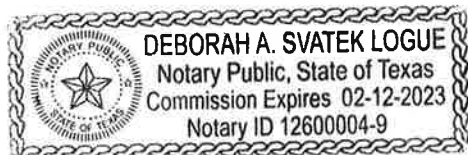
*This instrument was acknowledged before me this 13th day of July 2020 by Clayton Rule as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company on behalf of said limited liability company.*

Deborah A Svatek Logue

Notary Public

2/12/2023

My Commission expires



STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 18th day of March ^{YF}
2020
2019 by Brian K. Miller as Manager of Joel R. Miller Energy, LP, a
Texas ~~corporation~~ on behalf of said ~~corporation~~
partnership partnership



[Signature]
Notary Public
11-12-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Cimarex Energy Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Pure Energy Group, Inc.**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Joel R. Miller Energy, LP**, a corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

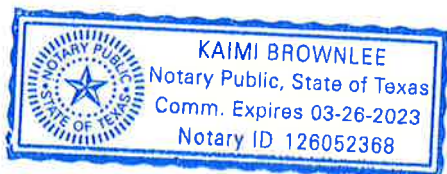
This instrument was acknowledged before me this 28th day of September 2020 by Michael DeShazer as Attorney-In-Fact of Cimarex Energy Company, a Delaware corporation on behalf of said corporation.

Kaimi Brownlee

Notary Public

3/26/2023

My Commission expires



STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Pure Energy Group, Inc.**, a corporation on behalf of said corporation.

Notary Public

My Commission expires

EXHIBIT "A"

Plat of communitized area covering:

N/2N/2 of Section 11 and the N/2NW/4 of Section 12, T19S, R29E, N.M.P.M., Eddy County, New Mexico,
containing 240.00 acres, more or less.

Sapphire 11/12 B3DC State Com No. 2H

API# 30-015-46296

SECTION 11

SECTION 12

<p style="text-align: center;"><u>Tract No. 1</u> State Lease B-9739</p>	<p style="text-align: center;"><u>Tract No. 2</u> State Lease B-7717</p>
<p>SL ○ Chisos, Ltd., et al 100% (N/2NE/4 & N/2NW/4) 160 Acres N/2N/2</p>	<p style="text-align: right;">● BHL Chisos, Ltd., et al 100% 80 Acres N/2NW/4</p>

EXHIBIT "B"

To Communitization Agreement Dated January 1, 2020 embracing the following described land:

Township 19 South, Range 29 East, N.M.P.M.
 Section 11: N/2N/2; and
 Section 12: N/2NW/4
 Eddy County, New Mexico
 Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

	<u>Tract No. 1</u>
Lease Serial Number:	B-9739
Lease Date:	July 10, 1942
Lease Term:	Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded:	Book 964, page 764, Eddy County Records.
Original Lessee:	Bernice R. Piatt.
Current Lessee:	BEXP I, LP (NE/4SW/4) Chisos, Ltd., et al (N/2SE/4 & NW/4SW/4)
Description of Land Committed:	<u>Township 19 South, Range 29 East, N.M.P.M.</u> Section 11: N/2NW/4 and N/2NE/4, among other lands not covered hereby.
Number of Acres:	160.00
Basic Royalty Rate:	1/8 th on oil and gas
Name and Percent ORRI Owners:	Chisos, LTD., et al-12.50%
Name and Percent WI Owners:	1) <u>NW/4NW/4 of Section 11:</u>
	Alpha Energy Partners LLC 22.4375%
	Cimarex Energy Company 60.6250%
	Chisos, LTD. 5.0000%
	Bexp I, LP 11.3750%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	2) <u>N/2NE/4 of Section 11:</u>
	Mewbourne Oil Company 48.7500%
	Alpha Energy Partners LLC 22.4375%
	Marathon Oil Permian, LLC 16.8750%
	Bexp I, LP 11.3750%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	3) <u>NE/4NW/4 of Section 11:</u>
	Mewbourne Oil Company 5.0000%

Alpha Energy Partners LLC	44.3125%
Marathon Oil Permian, LLC	38.7500%
Bexp I, LP	11.3750%
Joel R. Miller Energy, LP	0.5625%
TOTAL	100.000000%

Tract No. 2

Lease Serial Number: B-7717
 Lease Date: April 10, 1938
 Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
 Recorded: Book 964, page 761, Eddy County Records.
 Original Lessee: Humble Oil & Refining Company
 Current Lessee: Chisos, LTD., et al
 Description of Land Committed: **Township 19 South, Range 29 East, N.M.P.M.**
 Section 12: N/2NW/4, among other lands not covered hereby.
 Number of Acres: 80.00
 Basic Royalty Rate: 1/8th on oil and gas.
 Name and Percent ORRI Owners: Chisos, LTD, et al-12.50%
 Name and Percent WI Owners: Mewbourne Oil Company 55.00%
 Alpha Energy Partners 25.00%
 Marathon Oil Permian LLC 20.00%
TOTAL 100.000000%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	66.67%
2	<u>80.00</u>	<u>33.33%</u>
Total	240.00	100.00%

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 22676
ORDER NO. R-22298**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 16, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22676
ORDER NO. R-22298

Page 2 of 7

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
 AES/jag

Date: 10/3/22

CASE NO. 22676
ORDER NO. R-22298

Exhibit A

Page 29 of 34

Received by OCD: 6/14/2022 8:13:10 PM

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	22676
Date	June 16, 2022
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Sapphire Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Turkey Track; Bone Spring /Pool Code 60660
Well Location Setback Rules:	Current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	N/2N/2 §11 and N/2NW/4 §12-19S-29E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	N/A (pooling a Record Title Owner only)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Sapphire 11/12 B3DC State Com. Well No. 2H API No. 30-015-46296 SHL: 1465 FNL & 360 FWL §11 BHL: 574 FNL & 2551 FWL §12 FTP: 660 FNL & 100 FWL §11 LTP: 574 FNL & 2551 FWL §12 Third Bone Spring/TVD 9057 feet/MD 16225 feet

EXHIBIT 5

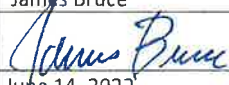
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CASE NO. 22676
ORDER NO. R-22298

Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	N/A
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2--F
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-F
Overhead Rates in Proposal Letter	
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	N/A
Spacing Unit Schematic	N/A
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	N/A
Target Formation	Wolfcamp
HSU Cross Section	N/A
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2

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CASE NO. 22676
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<i>Received by OCD: 6/14/2022 8:13:10 PM</i>	N/A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	N/A
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	N/A
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	June 14, 2022

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ORDER NO. R-22298

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions **N/2N/2; N/2NW/4**

Of Sect(s) **11 & 12, Respectively** Twnshp **19South Rng 29 East** NMPM **Eddy** County, NM

containing **240** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Mewbourne Oil Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Mewbourne Oil Company**
5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: [Signature]
Print Name: Ellen Svestad
Title: CEO

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lillie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Sean Johnson
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: 
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____

Print Name: Keith Lillie

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By:  _____

Print Name: Sean Johnson

Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer


COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: 
Print Name: P. NICK MAXWELL
Title: CEO

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Ellen Svestad

Title: CEO

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____

Print Name: Keith Lilie

Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)

By: _____

Print Name: Sean Johnson

Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: C. Rule

Print Name: Clayton Rule

Title: Attorney-in-Fact

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____


JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: Brian K. Miller
Print Name: Brian K. Miller
Title: Manager

CIMAREX ENERGY COMPANY

(Working Interest Owner)

By:  *Em Def*
Print Name: Michael DeShazer
Title: Attorney-in-Fact

~~**PURE ENERGY GROUP, INC.**~~

~~(Record Title Owner)~~

~~By: _____
Print Name: _____
Title: _____~~

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

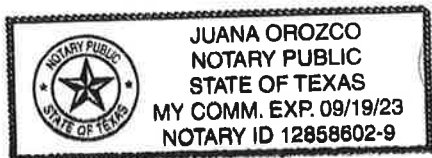
This instrument was acknowledged before me on _____ 2020, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on April, 16 2020, by Ellen Svestad as CEO of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.



[Signature]
Notary Public
09/19/2023

My Commission expires

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on _____ 2020, by Keith Lilie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____ 2019, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

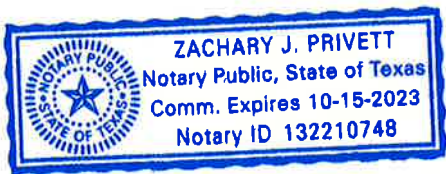
This instrument was acknowledged before me this on _____ 2019, by Roland Sledge as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

~~STATE OF OKLAHOMA~~
~~COUNTY OF OKLAHOMA~~
TEXAS
TRAVIS

This instrument was acknowledged before me this on March 4 ²⁰²⁰ ~~2019~~, by Keith Lilie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership, on behalf of said limited partnership.



ZJP

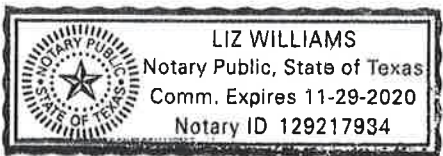
Notary Public
10-15-2023

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on March 2 2020, by Sean Johnson as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.



Liz Williams
Notary Public
11-29-20
My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.*

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2019, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

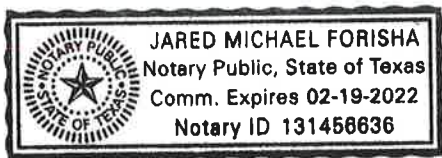
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 19 day of February ~~2019~~ ²⁰²⁰ by P. Nick Maxwell as CEO of Alpha Energy Partners, LLC a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public
02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2020, by Sean Johnson as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF HARRIS

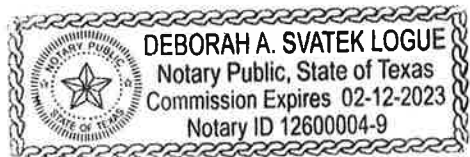
*This instrument was acknowledged before me this 13th day of July 2020 by Clayton Rule as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company on behalf of said limited liability company.*

Deborah A Svatek Logue

Notary Public

2/12/2023

My Commission expires



STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 18th day of March ^{YF}
2020
2019 by Brian K. Miller as Manager of Joel R. Miller Energy, LP, a
Texas ~~corporation~~ on behalf of said ~~corporation~~
partnership partnership



[Signature]
Notary Public
11-12-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Cimarex Energy Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2019 by _____ as _____ of **Pure Energy Group, Inc.**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Joel R. Miller Energy, LP**, a corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

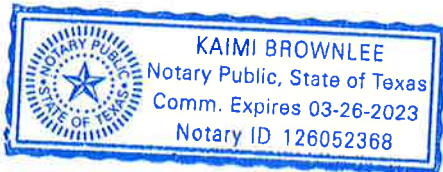
This instrument was acknowledged before me this 28th day of September 2020 by Michael DeShazer as Attorney-In-Fact of Cimarex Energy Company, a Delaware corporation on behalf of said corporation.

Kaimi Brownlee

Notary Public

3/26/2023

My Commission expires



STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Pure Energy Group, Inc.**, a corporation on behalf of said corporation.

Notary Public

My Commission expires

EXHIBIT "A"

Plat of communitized area covering:

N/2N/2 of Section 11 and the N/2NW/4 of Section 12, T19S, R29E, N.M.P.M., Eddy County, New Mexico, containing 240.00 acres, more or less.

Sapphire 11/12 B3DC State Com No. 2H

API# 30-015-46296

SECTION 11

SECTION 12

<p style="text-align: center;"><u>Tract No. 1</u> State Lease B-9739</p>	<p style="text-align: center;"><u>Tract No. 2</u> State Lease B-7717</p>
<p>SL ○ Chisos, Ltd., et al 100% (N/2NE/4 & N/2NW/4) 160 Acres N/2N/2</p>	<p style="text-align: right;">● BHL Chisos, Ltd., et al 100% 80 Acres N/2NW/4</p>

EXHIBIT "B"

To Communitization Agreement Dated January 1, 2020 embracing the following described land:

Township 19 South, Range 29 East, N.M.P.M.
 Section 11: N/2N/2; and
 Section 12: N/2NW/4
 Eddy County, New Mexico
 Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

	<u>Tract No. 1</u>
Lease Serial Number:	B-9739
Lease Date:	July 10, 1942
Lease Term:	Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded:	Book 964, page 764, Eddy County Records.
Original Lessee:	Bernice R. Piatt.
Current Lessee:	BEXP I, LP (NE/4SW/4) Chisos, Ltd., et al (N/2SE/4 & NW/4SW/4)
Description of Land Committed:	<u>Township 19 South, Range 29 East, N.M.P.M.</u> Section 11: N/2NW/4 and N/2NE/4, among other lands not covered hereby.
Number of Acres:	160.00
Basic Royalty Rate:	1/8 th on oil and gas
Name and Percent ORRI Owners:	Chisos, LTD., et al-12.50%
Name and Percent WI Owners:	1) <u>NW/4NW/4 of Section 11:</u>
	Alpha Energy Partners LLC 22.4375%
	Cimarex Energy Company 60.6250%
	Chisos, LTD. 5.0000%
	Bexp I, LP 11.3750%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	2) <u>N/2NE/4 of Section 11:</u>
	Mewbourne Oil Company 48.7500%
	Alpha Energy Partners LLC 22.4375%
	Marathon Oil Permian, LLC 16.8750%
	Bexp I, LP 11.3750%
	Joel R. Miller Energy, LP 0.5625%
	<hr/> TOTAL 100.000000%
	3) <u>NE/4NW/4 of Section 11:</u>
	Mewbourne Oil Company 5.0000%

Alpha Energy Partners LLC	44.3125%
Marathon Oil Permian, LLC	38.7500%
Bexp I, LP	11.3750%
Joel R. Miller Energy, LP	0.5625%
TOTAL	100.000000%

Tract No. 2

Lease Serial Number: B-7717
 Lease Date: April 10, 1938
 Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
 Recorded: Book 964, page 761, Eddy County Records.
 Original Lessee: Humble Oil & Refining Company
 Current Lessee: Chisos, LTD., et al
 Description of Land Committed: **Township 19 South, Range 29 East, N.M.P.M.**
 Section 12: N/2NW/4, among other lands not covered hereby.
 Number of Acres: 80.00
 Basic Royalty Rate: 1/8th on oil and gas.
 Name and Percent ORRI Owners: Chisos, LTD, et al-12.50%
 Name and Percent WI Owners: Mewbourne Oil Company 55.00%
 Alpha Energy Partners 25.00%
 Marathon Oil Permian LLC 20.00%
TOTAL 100.000000%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	66.67%
2	<u>80.00</u>	<u>33.33%</u>
Total	240.00	100.00%

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 22676
ORDER NO. R-22298**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 16, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22676
ORDER NO. R-22298

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 10/3/22

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ORDER NO. R-22298

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	22676
Date	June 16, 2022
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Sapphire Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Turkey Track; Bone Spring /Pool Code 60660
Well Location Setback Rules:	Current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	N/2N/2 §11 and N/2NW/4 §12-19S-29E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	N/A (pooling a Record Title Owner only)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Sapphire 11/12 B3DC State Com. Well No. 2H API No. 30-015-46296 SHL: 1465 FNL & 360 FWL §11 BHL: 574 FNL & 2551 FWL §12 FTP: 660 FNL & 100 FWL §11 LTP: 574 FNL & 2551 FWL §12 Third Bone Spring/TVD 9057 feet/MD 16225 feet

EXHIBIT 5

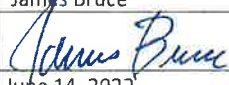
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Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	N/A
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2--F
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-F
Overhead Rates in Proposal Letter	
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	N/A
Spacing Unit Schematic	N/A
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	N/A
Target Formation	Wolfcamp
HSU Cross Section	N/A
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2

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Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	N/A
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	N/A
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	June 14, 2022

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Mewbourne Oil Co
Sapphire 11 12 B3EF State Com #002H
Bone Spring
Township: 19 South, Range: 29 East, NMPM
Section 11: S2N2
Section 12: S2NW4**

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 01, 2020**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **13th** day of **November, 2023**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE

Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name:

Sapphire 11-12 B3EF State Com #2H

STATE OF NEW MEXICO)
 SS)

API #: 30 - 15 - 46295

COUNTY OF)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **January 1**, 20 **20** by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version
March, 2017

State/State
State/Fee

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NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions **S/2N/2; S/2NW/4**

Of Sect(s) ^{11 & 12, Respectively} Twnshp **19South Rng 29 East** NMPM **Eddy** County, NM

containing **240** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Mewbourne Oil Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Mewbourne Oil Company**

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.


13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: 
Print Name: Ellen Svestad
Title: CEO

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lillie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Working Interest Owner)

By: _____
Print Name: Sean Johnson
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: 

Print Name: Keith Lilie

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____

Print Name: Mark A. Carter

Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____

Print Name: Roland Sledge

Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____

Print Name: Keith Lillie

Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By:  _____

Print Name: Sean Johnson

Title: Attorney-in-Fact

MW

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____

Print Name: _____

Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: P. Nick Maxwell
Print Name: P. Nick Maxwell
Title: CEO

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Ellen Svestad
Title: CEO

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Sean Johnson
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: C. Rule
Print Name: Clayton Rule
Title: Attorney-in-Fact

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

CHISOS, LTD

(Record Title, Working Interest and ORRI Owner)

By: _____
Print Name: Roland Sledge
Title: Vice President

BEXP I, LP

(Working Interest Owner and ORI Owner)

By: _____
Print Name: Keith Lilie
Title: President and Chief Executive Officer

COG OPERATING LLC

(Record Title Owner and Working Interest Owner)

By: _____
Print Name: Mark A. Carter
Title: Attorney-in-Fact

ALPHA ENERGY PARTNERS, LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

MARATHON OIL PERMIAN LLC

(Working Interest Owner)

By: _____
Print Name: _____
Title: _____

JOEL R. MILLER ENERGY, LP

(Working Interest Owner)

By: Brian K. Miller
Print Name: Brian K. Miller
Title: Manager

CIMAREX ENERGY COMPANY

(Working Interest Owner)

By: 
Print Name: Michael DeShazer *Ecm DEP*
Title: Attorney-in-Fact

~~**PURE ENERGY GROUP, INC.**~~

~~(Record Title Owner)~~

~~By: _____
Print Name: _____
Title: _____~~

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

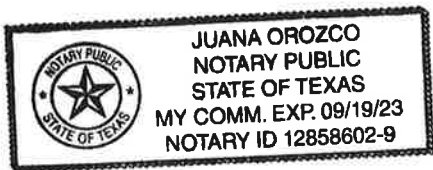
This instrument was acknowledged before me on _____ 2020, by Corey Mitchell, Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this on 16th April 2020, by Ellen Svestad as CEO of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.



[Handwritten Signature]

Notary Public
09/19/2023

My Commission expires

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on _____ 2020, by Keith Lilie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership, on behalf of said limited partnership.

Notary Public

My Commission expires

STATE OF TEXAS)
)ss
COUNTY OF MIDLAND)

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

Notary Public

My Commission expires

STATE OF TEXAS
COUNTY OF HARRIS

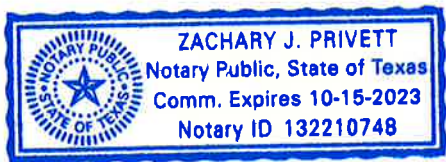
This instrument was acknowledged before me this on _____ 2020, by Roland Sledge as Vice President of **Chisos, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public

My Commission expires

TEXAS
~~STATE OF OKLAHOMA~~
TRAVIS
COUNTY OF OKLAHOMA

This instrument was acknowledged before me this on March 4 2020, by Keith Lillie as President and Chief Executive Officer on behalf of **BEXP I, LP**, a Texas limited partnership, on behalf of said limited partnership.



[Signature]

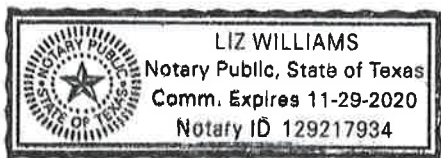
Notary Public
10-15-2023

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on march 2 2020, by Sean Johnson as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.



Liz Williams
Notary Public
11-29-20
My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.*

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2020, by Mark A. Carter as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 19 day of February 2020 by P. Nick Maxwell as CEO of **Alpha Energy Partners, LLC** a Texas corporation on behalf of said corporation.



Jared M. Forisha
Notary Public
02-19-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Marathon Oil Permian LLC**, a _____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this on _____ 2020, by Sean Johnson as Attorney-in-Fact on behalf of **COG Operating LLC**, a Delaware limited liability company on behalf of said limited liability company.

Notary Public

My Commission expires

STATE OF _____

COUNTY OF _____

*This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Alpha Energy Partners, LLC** a _____ corporation on behalf of said corporation.*

Notary Public

My Commission expires

STATE OF TEXAS

COUNTY OF HARRIS

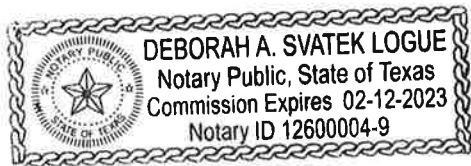
*This instrument was acknowledged before me this 13th day of July 2020 by Clayton Rule as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company on behalf of said limited liability company.*

Deborah A Svatek Logue

Notary Public

2/12/2023

My Commission expires



STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 18th day of March 2020 by Brian K. Miller as Manager of Joel R. Miller Energy, LP, a Texas ~~corporation~~ partnership on behalf of said ~~corporation~~ partnership.



[Signature]
Notary Public
11-12-2022
My Commission expires

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Cimarex Energy Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission expires

~~STATE OF _____~~

~~COUNTY OF _____~~

~~This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Pure Energy Group, Inc.**, a _____ corporation on behalf of said corporation.~~

~~_____
Notary Public~~

~~_____
My Commission expires~~

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Joel R. Miller Energy, LP**, a _____ corporation on behalf of said corporation.

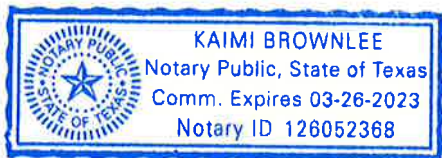
Notary Public

My Commission expires

STATE OF Texas

COUNTY OF Midland

This instrument was acknowledged before me this 28th day of September 2020 by Michael Deshazer as Attorney-In-Fact of Cimarex Energy Company, a Delaware corporation on behalf of said corporation.



Kaimi Brownlee
Notary Public
3/26/2023
My Commission expires

~~STATE OF _____~~

~~COUNTY OF _____~~

~~This instrument was acknowledged before me this _____ day of _____ 2020 by _____ as _____ of **Pure Energy Group, Inc.**, a _____ corporation on behalf of said corporation.~~

~~_____
Notary Public~~

~~_____
My Commission expires~~

EXHIBIT "A"

Plat of communitized area covering:

S/2N/2 of Section 11 and the S/2NW/4 of Section 12, T19S, R29E, N.M.P.M., Eddy County, New Mexico,
containing 240.00 acres, more or less.

Sapphire 11/12 B3EF State Com No. 2H

API# 30-015-46295

SECTION 11

SECTION 12

	<u>Tract No. 2</u>	<u>Tract No. 3</u>
<u>Tract No. 1</u> State Lease B-9739	State Lease L- 2634	State Lease B-7717
<div style="display: flex; justify-content: space-between;"> SL BHL </div> <p style="text-align: center;">Chisos, Ltd., et al 100% (S/2NE/4 & S/2NW/4)</p> <p style="text-align: center;">160 Acres</p> <p style="text-align: center;">S/2N/2</p>	<p style="text-align: center;">COG Operating LLC 100%</p> <p style="text-align: center;">40 Acres</p> <p style="text-align: center;">SW/4NW/4</p>	<p style="text-align: center;">Chisos, Ltd., et al 100% 40 Acres</p> <p style="text-align: center;">SE/4NW/4</p>

EXHIBIT "B"

To Communitization Agreement Dated January 1, 2020 embracing the following described land:

Township 19 South, Range 29 East, N.M.P.M.
 Section 11: S/2N/2; and
 Section 12: S/2NW/4
 Eddy County, New Mexico
 Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

	<u>Tract No. 1</u>
Lease Serial Number:	B-9739
Lease Date:	July 10, 1942
Lease Term:	Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.
Recorded:	Book 964, page 764, Eddy County Records.
Original Lessee:	Bernice R. Piatt.
Current Lessee:	Chisos, Ltd., et al (S/2NE/4 & S/2NW/4)
Description of Land Committed:	<u>Township 19 South, Range 29 East, N.M.P.M.</u> Section 11: S/2NW/4 and S/2NE/4, among other lands not covered hereby.
Number of Acres:	160.00
Basic Royalty Rate:	1/8 th on oil and gas
Name and Percent ORRI Owners:	Chisos, LTD., et al-12.50%
Name and Percent WI Owners:	1) <u>SW/4NW/4 of Section 11:</u>
	Alpha Energy Partners LLC 22.4375%
	Cimarex Energy Company 60.6250%
	Chisos, LTD. 5.0000%
	Bexp I, LP 11.3750%
	<u>Joel R. Miller Energy, LP 0.5625%</u>
	TOTAL 100.000000%
	2) <u>S/2NE/4 of Section 11:</u>
	Mewbourne Oil Company 48.7500%
	Alpha Energy Partners LLC 22.4375%
	Marathon Oil Permian, LLC 16.8750%
	Bexp I, LP 11.3750%
	<u>Joel R. Miller Energy, LP 0.5625%</u>
	TOTAL 100.000000%
	3) <u>SE/4NW/4 of Section 11:</u>
	Mewbourne Oil Company 5.0000%
	Alpha Energy Partners LLC 44.3125%

Marathon Oil Permian, LLC	38.7500%
Bexp I, LP	11.3750%
Joel R. Miller Energy, LP	0.5625%
TOTAL	100.000000%

Tract No. 2

Lease Serial Number: L-2634
 Lease Date: March 18, 1969
 Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.

Recorded: Book 67, page 376, Miscellaneous Records.
 Original Lessee: James A. O'Neill
 Current Lessee: COG Operating LLC.
 Description of Land Committed: **Township 19 South, Range 29 East, N.M.P.M.**
 Section 12: SW/4NW/4, among other lands not covered hereby.

Number of Acres: 40.00
 Basic Royalty Rate: 1/8th on oil and gas.
 Name and Percent ORRI Owners: Lowe Royalty Partners, LP, et al-14%
 Name and Percent WI Owners: COG Operating LLC. 100.00%

Tract No. 3

Lease Serial Number: B-7717
 Lease Date: April 10, 1938
 Lease Term: Two fixed terms of five years each or a total fixed term of ten years and so long thereafter as oil and gas is produced in commercial quantities.

Recorded: Book 964, page 761, Eddy County Records.
 Original Lessee: Humble Oil & Refining Company
 Current Lessee: Chisos, LTD., et al
 Description of Land Committed: **Township 19 South, Range 29 East, N.M.P.M.**
 Section 12: SE/4NW/4, among other lands not covered hereby.

Number of Acres: 40.00
 Basic Royalty Rate: 1/8th on oil and gas.
 Name and Percent ORRI Owners: Chisos, LTD, et al-12.50%
 Name and Percent WI Owners: Mewbourne Oil Company 55.00%
 Alpha Energy Partners 25.00%
 Marathon Oil Permian LLC 20.00%
TOTAL 100.000000%

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	66.67%
2	40.00	16.67%
3	<u>40.00</u>	<u>16.67%</u>
Total	240.00	100.00%

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 22677
ORDER NO. R-22299**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 16, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22677
ORDER NO. R-22299

Page 2 of 7

- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 10/3/22

CASE NO. 22677
ORDER NO. R-22299

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Exhibit A

Page 32 of 34

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	22677
Date	June 16, 2022
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Sapphire Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Turkey Track; Bone Spring /Pool Code 60660
Well Location Setback Rules:	Current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	S/2N/2 §11 and S/2NW/4 §12-19S-29E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	N/A (pooling a Record Title Owner only)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Sapphire 11/12 B3EH State Com. Well No. 2H API No. 30-015-46295 SHL: 1495 FNL & 360 FWL §11 BHL: 1986 FNL & 2550 FWL §12 FTP: 1980 FNL & 100 FWL §11 LTP: 1986 FNL & 2550 FWL §12 Third Bone Spring/TVD 9187 feet/MD 16282 feet

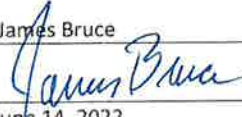
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CASE NO. 22677
ORDER NO. R-22299

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Points	
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	N/A
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2--F
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-F
Overhead Rates in Proposal Letter	
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	N/A
Spacing Unit Schematic	N/A
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	N/A
Target Formation	Wolfcamp
HSU Cross Section	N/A
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2

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ORDER NO. R-22299

Received by: OCD: 6/14/2022 8:17:10 PM (n)	N/A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	N/A
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	N/A
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	June 14, 2022

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Mewbourne Oil Co
Zircon 2 1 B3LI State Com #001H
Bone Spring
Township: 19 South, Range: 29 East, NMPM
Section 01: N2S2
Section 02: N2S2**

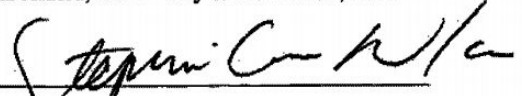
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 15, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

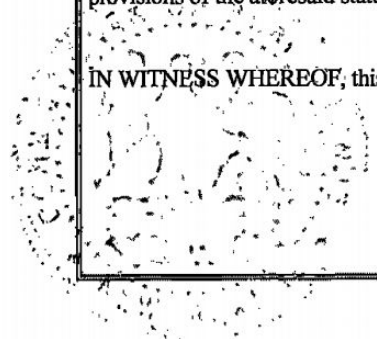
- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd day of November, 2022.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico



**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS: API #: 30-0 15 - 49829

STATE OF NEW MEXICO) Well Name: Zircon 2/1 B3LI State Com #1H
SS)

COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) September 15, 2022, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE
version
December 9, 2021

State/State

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: N2S2

Of Sect(s): 1 & 2 Twp: 19S Rng: 29E NMPM Eddy County, NM

Containing 320.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Mewbourne Oil Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Mewbourne Oil Company.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Mewbourne Oil Company

Lease # and Lessee of Record: (B0-7717-0010) Snow Operating Company Inc.

BY: Gene Snow, President (Name and Title of Authorized Agent)

[Handwritten Signature]
(Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)

SS)

County of)

This instrument was acknowledged before me on _____ Date

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of Texas)

SS)

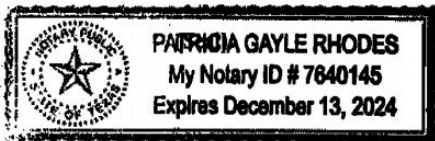
County of Tarrant)

This instrument was acknowledged before me on _____ Date: 9-28-22

By: Gene Snow, President of Snow Operating Company Inc.

Name(s) of Person(s) Title of Authorized Agent

[Handwritten Signature: Patricia Gayle Rhodes]
Signature of Notarial Officer



My commission expires: 12-13-24

Lease # and Lessee of Record: (B0-7717-0013) Chisos, Ltd.

BY: MARSHALL BAKER, CEO (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
 SS)
County of _____)

This instrument was acknowledged before me on _____ Date

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of Texas)
 SS)
County of Harris)

This instrument was acknowledged before me on _____ Date: 8/4/22
By: Marshall Baker CEO of Chisos, Ltd.

Name(s) of Person(s)

Title of Authorized Agent

(Seal)



[Signature]
Signature of Notarial Officer

My commission expires: 7/10/2024

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in N2S2 of Section 2 and N2S2 of Section 1, Township 19 South, Range 29 East, Eddy County, New Mexico.

Zircon 2/1 B3LI State Com #1H (API #30-015-49829)

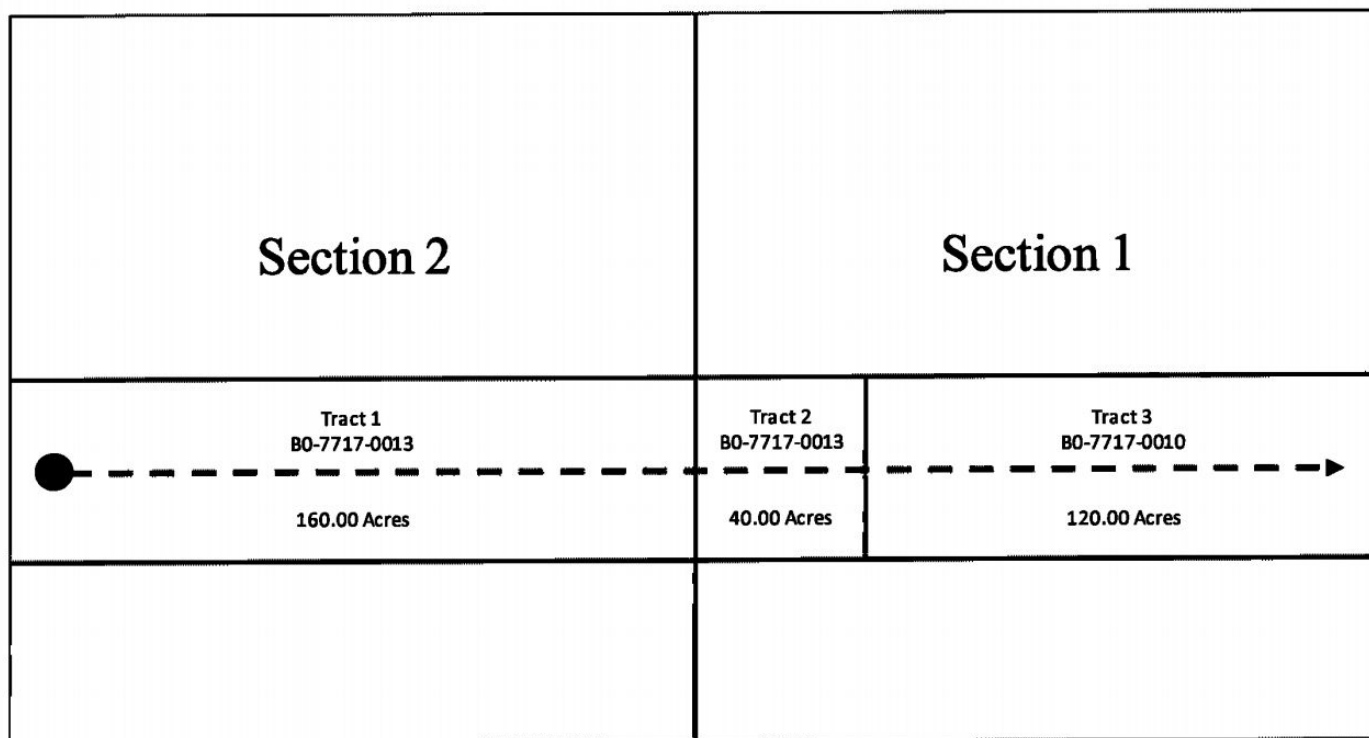


EXHIBIT "B"

To Communitization Agreement Dated September 15, 2022 embracing the following described land in N2S2 of Section 2 and N2S2 of Section 1, Township 19 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Number:	B0-7717-0013.
Date:	August 10, 1938.
Recorded:	Unrecorded.
Lessor:	State of New Mexico acting by and through its Commissioner of Public Lands.
Lessee:	Humble Oil and Refining Company.
Description of Land Committed:	<u>Township 19 South, Range 29 East</u> <u>N.M.P.M., Eddy County, New Mexico</u> Section 2: N2S2
Number of Acres:	160.00 acres, more or less.
Current Lessee of Record:	Chisos, Ltd. (100%).
Name of Working Interest Owners:	Mewbourne Oil Company, Snow Operating Company, Inc, Alpha Energy Partners, LLC, JKM Energy, Inc.
ORRI Owners:	Manix Royalty, Ltd., Cross Border Resources, Inc..

Tract No. 2

Lease Number: B0-7717-0013.
Date: August 10, 1938.
Recorded: Unrecorded.
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands.
Lessee: Humble Oil and Refining Company.
Description of Land Committed: Township 19 South, Range 29 East
N.M.P.M., Eddy County, New Mexico
Section 1: NW4SW4
Number of Acres: 40.00 acres, more or less.
Current Lessee of Record: Chisos, Ltd. (100%).
Name of Working Interest Owners: Mewbourne Oil Company, Snow Operating Company, Inc.
ORRI Owners: Snow Operating Company, Inc..

Tract No. 3

Lease Number: B0-7717-0010.
Date: August 10, 1938.
Recorded: Unrecorded.
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands.
Lessee: Humble Oil and Refining Company.
Description of Land Committed: Township 19 South, Range 29 East
N.M.P.M., Eddy County, New Mexico
Section 1: NE4SW4 & N2SE4

Number of Acres: 120.00 acres, more or less.
Current Lessee of Record: Snow Operating Company, Inc. (100%).
Name of Working Interest Owners: Mewbourne Oil Company, Snow Operating Company, Inc.
ORRI Owners: Curtis A. Anderson and Edna I. Anderson as joint tenants, Manix Royalty, Ltd., EOG Resources, Inc..

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	50.000000%
2	40.00	12.500000%
3	120.00	37.500000%
Total	320.00	100.000000%

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Mewbourne Oil Co
Zircon 2 1 B3MP State Com #001H
Bone Spring
Township: 19 South, Range: 29 East, NMPM
Section 01: S2S2
Section 02: S2S2**

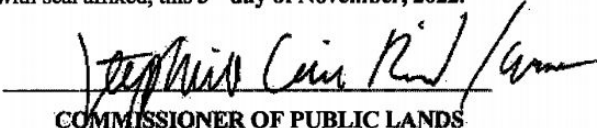
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 15, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd day of November, 2022.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico



**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS: API #: 30-0 15 - 49830

STATE OF NEW MEXICO) Well Name: Zircon 2/1 B3MP State Com #1H
SS)

COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) September 15 , 2022, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: S2S2

Of Sect(s): 1 & 2 Twp: 19S Rng: 29E NMPM Eddy County, NM

Containing 320.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Mewbourne Oil Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Mewbourne Oil Company.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Mewbourne Oil Company

Lease # and Lessee of Record: (B0-7717-0010) Snow Operating Company Inc.

BY: Gene Snow, President (Name and Title of Authorized Agent)

[Handwritten Signature] (Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of)

SS)

County of)

This instrument was acknowledged before me on _____ Date

By
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of Texas)

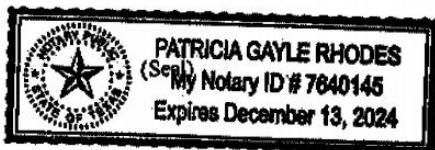
SS)

County of Tarrant)

This instrument was acknowledged before me on _____ Date: 9-28-22

By: Gene Snow, President of Snow Operating Company Inc.

Name(s) of Person(s) Title of Authorized Agent



[Handwritten Signature]
Signature of Notarial Officer

My commission expires: 12-13-24

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in S2S2 of Section 2 and S2S2 of Section 1, Township 19 South, Range 29 East, Eddy County, New Mexico.

Zircon 2/1 B3MP State Com #1H (API #30-015-49830)

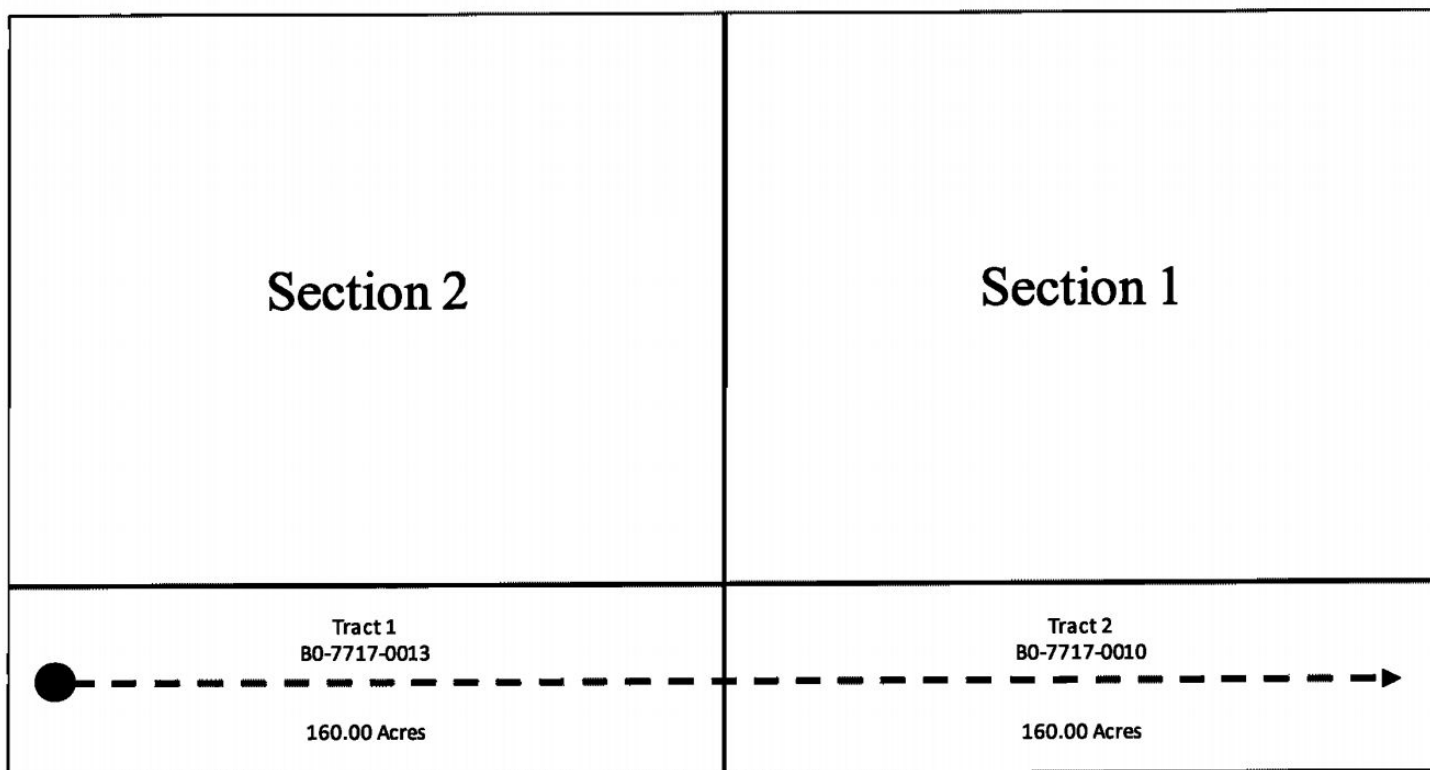


EXHIBIT "B"

To Communitization Agreement Dated September 15, 2022 embracing the following described land in S2S2 of Section 2 and S2S2 of Section 1, Township 19 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Number:	B0-7717-0013.
Date:	August 10, 1938.
Recorded:	Unrecorded.
Lessor:	State of New Mexico acting by and through its Commissioner of Public Lands.
Lessee:	Humble Oil and Refining Company.
Description of Land Committed:	<u>Township 19 South, Range 29 East</u> <u>N.M.P.M., Eddy County, New Mexico</u> Section 2: S2S2
Number of Acres:	160.00 acres, more or less.
Current Lessee of Record:	Chisos, Ltd. (100%).
Name of Working Interest Owners:	Mewbourne Oil Company, Snow Operating Company, Inc, Alpha Energy Partners, LLC, JKM Energy, Inc.
ORRI Owners:	Manix Royalty, Ltd., Cross Border Resources, Inc..

Tract No. 2

Lease Number: B0-7717-0010.

Date: August 10, 1938.

Recorded: Unrecorded.

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands.

Lessee: Humble Oil and Refining Company.

Description of Land Committed: Township 19 South, Range 29 East
N.M.P.M., Eddy County, New Mexico
Section 1: S2S2

Number of Acres: 160.00 acres, more or less.

Current Lessee of Record: Snow Operating Company, Inc. (100%).

Name of Working Interest Owners: Mewbourne Oil Company, Snow Operating Company, Inc.

ORRI Owners: Curtis A. Anderson and Edna I. Anderson as joint tenants, Manix Royalty, Ltd., EOG Resources, Inc..

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.000000%
2	160.00	50.000000%
Total	320.00	100.000000%

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Mewbourne Oil Co
Zircon 2 1 State Com #613H
Bone Spring
Township: 19 South, Range: 29 East, NMPM
Section 01: S2N2
Section 02: S2N2**

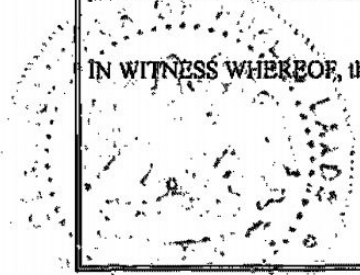
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **August 01, 2023**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 18th day of August, 2023.



[Handwritten Signature]

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico



**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS: API #: 30-0 15 - 49815

STATE OF NEW MEXICO) Well Name: Zircon 2/1 State Com #613H
SS)

COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) August 1, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE
version
December 9, 2021

State/State

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: S2N2

Of Sect(s): 1 & 2 Twp: 19S Rng: 29E NMPM Eddy County, NM

Containing 320.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Mewbourne Oil Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Mewbourne Oil Company.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Mewbourne Oil Company

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in S2N2 of Section 2 and S2N2 of Section 1, Township 19 South, Range 29 East, Eddy County, New Mexico.

Zircon 2/1 State Com #613H (API #30-015-49815)

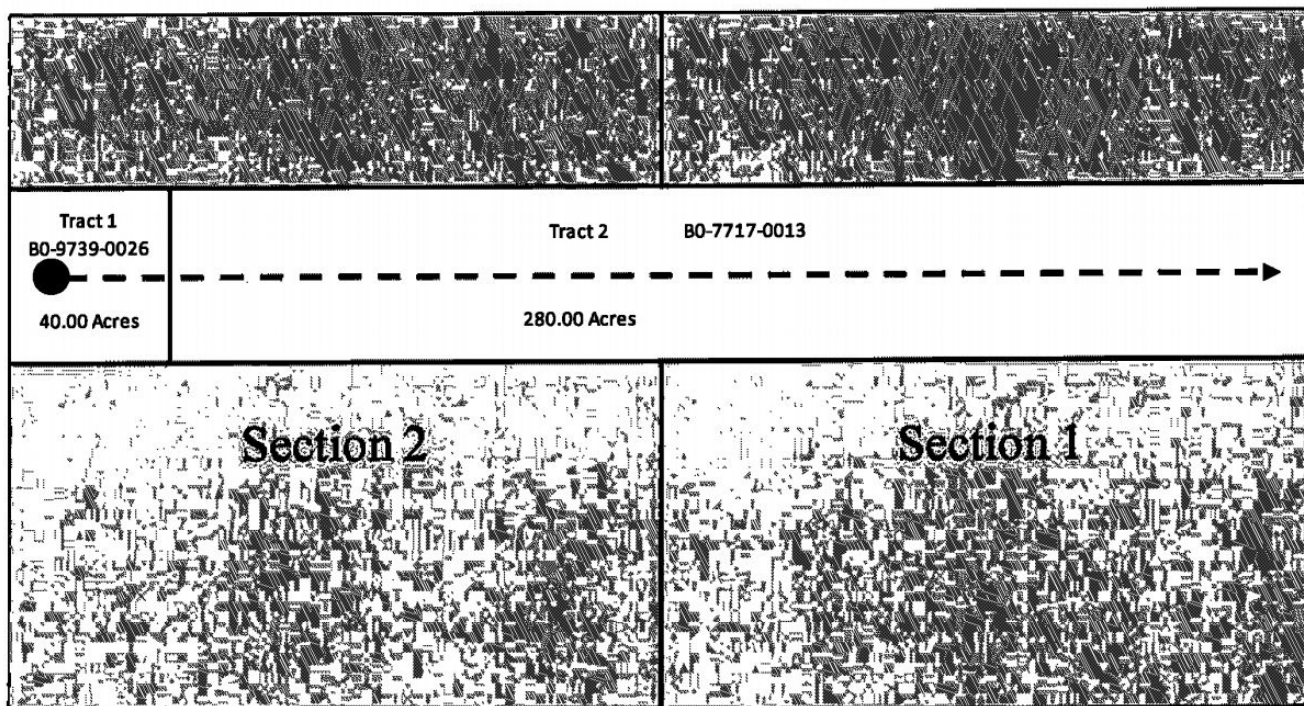


EXHIBIT "B"

To Communitization Agreement Dated August 1, 2023 embracing the following described land in S2N2 of Section 2 and S2N2 of Section 1, Township 19 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Number: B0-9739-0026.

Description of Land Committed: **Township 19 South, Range 29 East
N.M.P.M., Eddy County, New Mexico**
Section 2: SW4NW4

Number of Acres: 40.00 acres, more or less.

Current Lessee of Record: Chisos, Ltd. (100%).

Name of Working Interest Owners: Mewbourne Oil Company, Alpha Energy Partners, LLC, Northern Oil & Gas Inc., JKM Energy, Inc.

ORRI Owners: John & Theresa Hillman Family Properties, LP, Manix Royalty, Ltd., Alpha Royalty Partners, LLC, Collins Permian, LP, Wallace Family Partnership, LP.

Tract No. 2

Lease Number: B0-7717-0013.

Description of Land Committed: **Township 19 South, Range 29 East
N.M.P.M., Eddy County, New Mexico**
Section 2: SE4NW4, S2NE4
Section 1: S2N2

Number of Acres: 280.00 acres, more or less.

Current Lessee of Record: Chisos, Ltd. (100%).

Name of Working Interest Owners:

SE4NW4 (Sec 2): Mewbourne Oil Company, Alpha Energy Partners, LLC, Northern Oil & Gas Inc., JKM Energy, Inc.

S2NE4 (Sec 2): Mewbourne Oil Company, Snow Operating Co. Inc.

S2S2 (Sec 1): McCombs Energy, Ltd., ABO Petroleum, LLC, Chi Energy, Inc, Murchison Oil & Gas, Inc, Pocahontas Oil Co., Inc, O.D. Albright, III and Trina Albright, Gary Van Green, Norma Green, Daniel Energy, Inc

ORRI Owners: Snow Operating Co. Inc, John & Theresa Hillman Family Properties, LP, Manix Royalty, Ltd., Alpha Royalty Partners, LLC, Collins Permian, LP, Wallace Family Partnership, LP.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	12.5000%
2	280.00	87.5000%
Total	320.00	100.000000%

APPLICATION FOR LEASE/ SURFACE GAS COMMINGLE**Commingling Procedure for Sapphire & Zircon Leases:**

Mewbourne Oil Company is requesting approval for lease & surface gas commingling for production from 12 wells located on State leases below:

Well Name	Location	API #	Pool #	MCFPD	Dry BTU @ 14.73 PSI
Sapphire 11/12 B3DC St Com 2H	1465' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46296	[60660] TURKEY TRACK; BONE SPRING	275	~1250
Sapphire 11/12 B3EF St Com 2H	1495' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46295	[60660] TURKEY TRACK; BONE SPRING	285	~1250
Zircon 2/1 B3LI St Com 1H	1830' FSL & 380' FWL, Sec 12, T19S, R29E	30-015-49829	[60660] TURKEY TRACK; BONE SPRING	630	~1250
Zircon 2/1 B3MP St Com 1H	1800' FSL & 380' FWL, Sec 2, T19S, R29E	30-015-49830	[60660] TURKEY TRACK; BONE SPRING	850	~1250
Zircon 2/1 State #611H (B3DA)	1350' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49814	[60660] TURKEY TRACK; BONE SPRING	760	~1250
Zircon 2/1 State #613H (B3EH)	1380' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49815	[60660] TURKEY TRACK; BONE SPRING	665	~1250
Sapphire 11/12 St Com #521H (B2CC)	1310' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55082	[60660] TURKEY TRACK; BONE SPRING	750	~1250
Sapphire 11/12 St Com #523H (B2FF)	1340' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55083	[60660] TURKEY TRACK; BONE SPRING	900	~1250
SAPPHIRE 11/12 B2KK ST COM #1H	500' FSL & 1470' FWL, Sec 11, T19S, R29E	30-015-45020	[60660] TURKEY TRACK; BONE SPRING	75	1250
SAPPHIRE 11/12 B2NN ST COM #1H	500' FSL & 1500' FWL, Sec 11, T19S, R29E	30-015-44053	[60660] TURKEY TRACK; BONE SPRING	140	1250
SAPPHIRE 11/12 B3LK ST COM #2H	1350' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45559	[60660] TURKEY TRACK; BONE SPRING	350	1250
SAPPHIRE 11/12 B3MN ST COM #2H	1300' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45560	[60660] TURKEY TRACK; BONE SPRING	530	1250

Future Additions

Pursuant to Statewide Rule 19.15.12.10©(4)(g) Mewbourne Oil Company respectfully requests the option to include additional leases or pools within the defined parameters set forth in the Order for future additions.

Gas metering

The Sapphire 11/12 B3DC St Com 2H Battery is in the SWNW of Section 11, T19S, R29E, Eddy County, New Mexico. The Sapphire 11/12 B2NN St Com 1H Battery is in the SWSW of Section 11, T19S, R29E, Eddy County, New Mexico. Production for all twelve wells will come to its own separator. From the separator production will be allocated as follows:

Gas Metering:

Gas volumes from each well producing to these battery will be determined by using an allocation gas meter after the separator at the facility for each well. The gas production from all wells listed above will be measured, commingled, and then sold on lease using the 24 hr. well test method to an Enterprise gas meter (6882901) located on state lease B097390026 in the SWNE of section 11, T19S, R29E. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Additional Application Components

Enclosed is a site facility diagram that shows the flow of production in detail. Also enclosed is a map detailing the lease boundaries, well(s), battery, and FMP location(s).

The oil and gas meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

Mewbourne Oil Company understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Signed: Chad Cole

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 7/18/2025

Economic Justification

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl.	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
Sapphire 11/12 B3DC St Com 2H	50	48	\$77	275	~1250	\$2.53
Sapphire 11/12 B3EF St Com 2H	35	48	\$77	285	~1250	\$2.53
Zircon 2/1 B3LI St Com 1H	150	48	\$77	630	~1250	\$2.53
Zircon 2/1 B3MP St Com 1H	200	48	\$77	850	~1250	\$2.53
Zircon 2/1 State #611H (B3DA)	200	48	\$77	760	~1250	\$2.53
Zircon 2/1 State #613H (B3EH)	200	48	\$77	665	~1250	\$2.53
Sapphire 11/12 St Com #521H (B2CC)	225	48	\$77	750	~1250	\$2.53
Sapphire 11/12 St Com #523H (B2FF)	225	48	\$77	900	~1250	\$2.53
SAPPHIRE 11/12 B2KK ST COM #1H	30	48	\$77	75	~1250	\$2.53
SAPPHIRE 11/12 B2NN ST COM #1H	40	48	\$77	140	~1250	\$2.53
SAPPHIRE 11/12 B3LK ST COM #2H	60	48	\$77	350	~1250	\$2.53
SAPPHIRE 11/12 B3MN ST COM #2H	60	48	\$77	530	~1250	\$2.53
	1,475	48	\$77	6,210	1250	\$2.53

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: Chad Cole

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 7/18/2025

From: [Chad Cole](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: [EXTERNAL] RE: Action ID 498823
Date: Thursday, May 14, 2026 1:50:58 PM

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

Hi Sarah,

This application is for Gas Only. Let me know if I need to resubmit a new summary excluding the Oil allocation.

From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Thursday, May 14, 2026 11:07 AM
To: Chad Cole <ccole@mewbourne.com>
Subject: Action ID 498823

To whom it may concern (c/o Chad Cole for Mewbourne Oil Company),

The Division is reviewing the following application:

Action ID	498823
Admin No.	
Applicant	Mewbourne Oil Company
Title	
Sub. Date	08/25/2025

Please provide the following additional supplemental documents:

- Application states this is for gas commingle, but in summary it talks about the allocation for oil production. Is this application for Oil and Gas, Oil Only or Gas Only?

Please provide additional information regarding the following:

-

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made 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 it is prepared to address each of the topics raised.

COMMENT

Approval from Division is required prior to conducting work which modifies the well design.

Please contact the Environmental Bureau at OCD.Enviro@emnrd.nm.gov for instructions regarding the submittal process for applications of this type.

Thanks,

Sarah Clelland

Petroleum Specialist

State of New Mexico

Energy, Minerals, and Natural Resources Department

Oil Conservation Division

Cell: (505) 537-0627

Sarah.Clelland@emnrd.nm.gov

Operator	OGRID	Action ID	Submittal Date
Mewbourne	14744	185829	44971
Mewbourne	14744	191469	2/28/2023
Mewbourne	14744	200566	3/24/2023
Mewbourne	14744	307397	1/24/2024
Mewbourne	14744	310749	2/2/2024
Mewbourne	14744	310755	2/2/2024
Mewbourne	14744	316256	2/21/2024
Mewbourne	14744	316300	2/21/2024
Mewbourne	14744	317684	2/26/2024
Mewbourne	14744	317701	2/26/2024
Mewbourne	14744	317722	02/26/204
Mewbourne	14744	330640	4/5/2024
Mewbourne	14744	341742	5/7/2024
Mewbourne	14744	352366	6/10/2024
Mewbourne	14744	376253	8/21/2024
Mewbourne	14744	376639	8/22/2024
Mewbourne	14744	376769	8/23/2024
Mewbourne	14744	384042	9/16/2024
Mewbourne	14744	390134	10/4/2024
Mewbourne	14744	396250	10/28/2024

Mewbourne	14744	397155	10/30/2024
Mewbourne	14744	403209	11/14/2024
Mewbourne	14744	498823	

Operator Notes

~~SAPPHIRE / ZIRCON WELLS: PENDING DON'T NEED: SUBMISSION ID: 310749 , SUBMISSION ID: 185829, SUBMISSION ID: 376253~~

HOT SHOTS / ROCKHOUND: GOOD TO REVIEW

CHICAGO 9/8 WELLS: GOOD TO REVIEW

BONANZA 22/15 W0GB: PENDING DO NOT NEED: SUBMISSION ID: 307397

~~SAPPHIRE / ZIRCON WELLS: DO NOT NEED. SEE OPERATOR NOTE 1~~

BELGIAN BLUE WELLS: DO NOT NEED SUBMISSION ID: 310755.

CHAROLAIS 33/21 WELLS: NEED TO RE-SUBMIT

DOLLY VARDEN / STEELHEAD WELLS: GOOD TO REVIEW

RIO GRAND / WOODFORD SG COMMINGLE: GOOD TO REVIEW

RIO GRAND OIL COMMINGLE: GOOD TO REVIEW

WOODFORD OIL COMMINGLE: NO NOT NEED SUBMISSION ID: 317722.

SUNDOWN: GOOD TO REVIEW

VIPER 32/33: GOOD TO REVIEW

CASAMIGOS: DO NOT NEED SUBMISSION ID: 352366

~~SAPPHIRE / ZIRCON WELLS: DO NOT NEED. SEE OPERATOR NOTE 1~~

CASAMIGOS: GOOD TO REVIEW

BONANZA 22/15 W0GB: GOOD TO REVIEW

BELGIAN BLUE WELLS: GOOD TO REVIEW

PAPA GRANDE 22/21 & TOMMY BOY WELLS: GOOD TO REVIEW

WOODFORD OIL COMMINGLE: GOOD TO REVIEW

LONG DRAW / GUNSMOKE: GOOD TO REVIEW

HEREFORD: GOOD TO REVIEW

SAPPHIRE / ZIRCON WELLS: DO NOT NEED. SEE OPERATOR NOTE 1

Division Notes

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

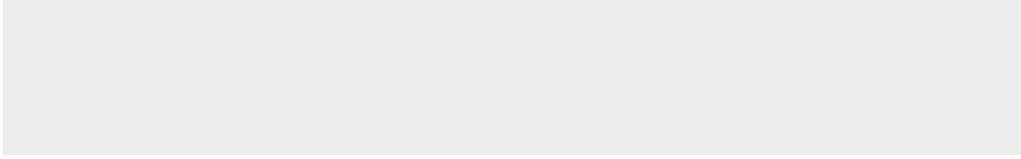
[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



Updated Action ID

~~NEED: SUBMISSION ID:
498823 (COMMINGLE) /
SUBMISSION ID: 498823
(SURFACE GAS)~~

NEED: SUBMISSION ID:
191469

NEED: SUBMISSION ID:
200566

NEED: SUBMISSION ID:
376769

~~NEED: SUBMISSION ID:
498823 (COMMINGLE) /
SUBMISSION ID: 498823
(SURFACE GAS)~~

NEED: SUBMISSION ID:
384042

NEED SUBMISSION ID:
316300

NEED SUBMISSION ID:
317684

NEED SUBMISSION ID:
317701

NEED SUBMISSION ID:
396250

NEED SUBMISSION ID:
330640

NEED SUBMISSION ID:
341742

NEED SUBMISSION ID:
376639

NEED: SUBMISSION ID:
498823 (COMMINGLE) /
SUBMISSION ID: 498823
(SURFACE GAS)

NEED SUBMISSION ID:
376639

NEED SUBMISSION ID:
376769

NEED: SUBMISSION ID:
384042

NEED SUBMISSION ID:
390134

NEED SUBMISSION ID:
396250

NEED SUBMISSION ID:

397155

NEED SUBMIMSSION ID:

403209

NEED: SUBMISSION ID:

498823 (COMMINGLE) /

SUBMISSION ID: 498823

(SURFACE GAS)

APPLICATION FOR LEASE/ SURFACE GAS COMMINGLE**Commingling Procedure for Sapphire & Zircon Leases:**

Mewbourne Oil Company is requesting approval for lease & surface gas commingling for production from 12 wells located on State leases below:

Well Name	Location	API #	Pool #	MCFPD	Dry BTU @ 14.73 PSI
Sapphire 11/12 B3DC St Com 2H	1465' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46296	[60660] TURKEY TRACK; BONE SPRING	275	~1250
Sapphire 11/12 B3EF St Com 2H	1495' FNL & 360' FWL, Sec 11, T19S, R29E	30-015-46295	[60660] TURKEY TRACK; BONE SPRING	285	~1250
Zircon 2/1 B3LI St Com 1H	1830' FSL & 380' FWL, Sec 12, T19S, R29E	30-015-49829	[60660] TURKEY TRACK; BONE SPRING	630	~1250
Zircon 2/1 B3MP St Com 1H	1800' FSL & 380' FWL, Sec 2, T19S, R29E	30-015-49830	[60660] TURKEY TRACK; BONE SPRING	850	~1250
Zircon 2/1 State #611H (B3DA)	1350' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49814	[60660] TURKEY TRACK; BONE SPRING	760	~1250
Zircon 2/1 State #613H (B3EH)	1380' FNL & 300' FWL, Sec 2, T19S, R29E	30-015-49815	[60660] TURKEY TRACK; BONE SPRING	665	~1250
Sapphire 11/12 St Com #521H (B2CC)	1310' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55082	[60660] TURKEY TRACK; BONE SPRING	750	~1250
Sapphire 11/12 St Com #523H (B2FF)	1340' FNL & 1290' FWL, Sec 11, T19S, R29E	30-015-55083	[60660] TURKEY TRACK; BONE SPRING	900	~1250
SAPPHIRE 11/12 B2KK ST COM #1H	500' FSL & 1470' FWL, Sec 11, T19S, R29E	30-015-45020	[60660] TURKEY TRACK; BONE SPRING	75	1250
SAPPHIRE 11/12 B2NN ST COM #1H	500' FSL & 1500' FWL, Sec 11, T19S, R29E	30-015-44053	[60660] TURKEY TRACK; BONE SPRING	140	1250
SAPPHIRE 11/12 B3LK ST COM #2H	1350' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45559	[60660] TURKEY TRACK; BONE SPRING	350	1250
SAPPHIRE 11/12 B3MN ST COM #2H	1300' FSL & 285' FWL, Sec 11, T19S, R29E	30-015-45560	[60660] TURKEY TRACK; BONE SPRING	530	1250

Future Additions

Pursuant to Statewide Rule 19.15.12.10©(4)(g) Mewbourne Oil Company respectfully requests the option to include additional leases or pools within the defined parameters set forth in the Order for future additions.

Gas metering

The Sapphire 11/12 B3DC St Com 2H Battery is in the SWNW of Section 11, T19S, R29E, Eddy County, New Mexico. The Sapphire 11/12 B2NN St Com 1H Battery is in the SWSW of Section 11, T19S, R29E, Eddy County, New Mexico. Production for all twelve wells will come to its own separator. From the separator production will be allocated as follows:

Gas Metering:

Gas volumes from each well producing to these battery will be determined by using an allocation gas meter after the separator at the facility for each well. The gas production from all wells listed above will be measured, commingled, and then sold on lease using the 24 hr. well test method to an Enterprise gas meter (6882901) located on state lease B097390026 in the SWNE of section 11, T19S, R29E. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Additional Application Components

Enclosed is a site facility diagram that shows the flow of production in detail. Also enclosed is a map detailing the lease boundaries, well(s), battery, and FMP location(s).

The oil and gas meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

Mewbourne Oil Company understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Signed: Chad Cole

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 7/18/2025

Economic Justification

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl.	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
Sapphire 11/12 B3DC St Com 2H	50	48	\$77	275	~1250	\$2.53
Sapphire 11/12 B3EF St Com 2H	35	48	\$77	285	~1250	\$2.53
Zircon 2/1 B3LI St Com 1H	150	48	\$77	630	~1250	\$2.53
Zircon 2/1 B3MP St Com 1H	200	48	\$77	850	~1250	\$2.53
Zircon 2/1 State #611H (B3DA)	200	48	\$77	760	~1250	\$2.53
Zircon 2/1 State #613H (B3EH)	200	48	\$77	665	~1250	\$2.53
Sapphire 11/12 St Com #521H (B2CC)	225	48	\$77	750	~1250	\$2.53
Sapphire 11/12 St Com #523H (B2FF)	225	48	\$77	900	~1250	\$2.53
SAPPHIRE 11/12 B2KK ST COM #1H	30	48	\$77	75	~1250	\$2.53
SAPPHIRE 11/12 B2NN ST COM #1H	40	48	\$77	140	~1250	\$2.53
SAPPHIRE 11/12 B3LK ST COM #2H	60	48	\$77	350	~1250	\$2.53
SAPPHIRE 11/12 B3MN ST COM #2H	60	48	\$77	530	~1250	\$2.53
	1,475	48	\$77	6,210	1250	\$2.53

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: Chad Cole

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 7/18/2025

OWNER NAME	ADDRESS 1	CITY	STATE	ZIP	CERTIFIED NUMBER
ABO PETROLEUM LLC	P.O. BOX 900	Artesia	NM	88211	9414800208551111970044
ALPHA ROYALTY PARTNERS,	P O BOX 10701	MIDLAND	TX	79702	9414800208551111970037
BEXP I MAC LLC	5914 W COURTYARD DRIVE, STE 340	AUSTIN	TX	78730	9414800208551111970068
BEXP I OG LLC	5914 W COURTYARD DRIVE, STE 340	AUSTIN	TX	78730	9414800208551111970051
BLACK SHALE MINERALS LLC	P O BOX 2243	LONGVIEW	TX	75606	9414800208551111970075
CHI ENERGY INC.	P O BOX 1799	MIDLAND	TX	79702	9414800208551111970099
CHISOS LTD	3355 W ALABAMA STE 1200 B	HOUSTON	TX	77098	9414800208551111970082
COG OPERATING LLC	P O BOX 7500	BARTLESVILLE	OK	74005	9414800208551111970105
COLLINS PERMIAN LP	3824 CEDAR SPRINGS ROAD #414	DALLAS	TX	75219	9414800208551111970112
COTERRA ENERGY OPERATING	P O BOX 4544	HOUSTON	TX	77210	9414800208551111970129
DANIEL ENERGY INC	5932 HENSLEE CT.	GRANBURY	TX	76049	9414800208551111970136
DURANGO PRODUCTION CORP	P O BOX 4848	WICHITA FALLS	TX	76308	9414800208551111970143
EDNA & CURTIS ANDERSON	6820 MUIRFIELD DRIVE	RAPID CITY	SD	57702	9414800208551111970150
FLOYD ENERGY LTD	P O BOX 52107	MIDLAND	TX	79710	9414800208551111970204
GARY V GREEN	154 LAKESIDE DRIVE	LIPAN	TX	76462	9414800208551111970167
JKM ENERGY LLC	26 E COMPRESS ROAD	ARTESIA	NM	88210	9414800208551111970198
JOEL R MILLER ENERGY LP	P O BOX 3003	MIDLAND	TX	79702	9414800208551111970174
JOHN & THERESA HILLMAN	P O BOX 50187	MIDLAND	TX	79710	9414800208551111970228
LOWE ROYALTY PARTNERS LP	P O BOX 4887	HOUSTON	TX	77210	9414800208551111970181
MANIX ROYALTY LTD	P O BOX 2818	MIDLAND	TX	79702	9414800208551111970211
MARATHON OIL PERMIAN LLC	315 S JOHNSTONE AVE 810	BARTLESVILLE	OK	74004	9414800208551111970235
MATTHEWS PROPERTIES LLC	26 E COMPRESS ROAD	ARTESIA	NM	88210	9414800208551111970273
MCCOMBS EXPLORATION LLC	755 E MULBERRY AVE, Suite 600	SAN ANTONIO	TX	78212	9414800208551111970242
NEW MEXICO STATE LAND OFFICE	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501	9414800208551111970280

NORMA D GREEN	5121 KING RICHARDS ROW	MIDLAND	TX	79707	9414800208551111970259
NORTHERN OIL & GAS INC	4350 BAKER ROAD, SUITE 400	MINNETONKA	MN	55343	9414800208551111970297
O D ALBRIGHT III & TRINA ALBRIGHT	P O BOX 515	AUBREY	TX	76227	9414800208551111970266
POCAHONTAS OIL CO INC	P O BOX 52667	MIDLAND	TX	79710	9414800208551111970303
RAISA FUNDING I LLC	6465 S GREENWOOD PLAZA BLVD Suite 1000	CENTENNIAL	CO	80111	9414800208551111970310
RIDGE RUNNER ASSETCO II LLC	20405 STATE HWY 249, STE 820	HOUSTON	TX	77070	9414800208551111970334
SNOW OPERATING COMPANY INC	6300 MIDWAY ROAD	FORT WORTH	TX	76117	9414800208551111970327
WALLACE FAMILY PARTNERSHIP	508 W WALL ST SUITE 1200	MIDLAND	TX	79701	9414800208551111970341

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From: [Chad Cole](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: [EXTERNAL] RE: Action ID 498823
Date: Thursday, May 14, 2026 1:50:58 PM

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

Hi Sarah,

This application is for Gas Only. Let me know if I need to resubmit a new summary excluding the Oil allocation.

From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Thursday, May 14, 2026 11:07 AM
To: Chad Cole <ccole@mewbourne.com>
Subject: Action ID 498823

To whom it may concern (c/o Chad Cole for Mewbourne Oil Company),

The Division is reviewing the following application:

Action ID	498823
Admin No.	
Applicant	Mewbourne Oil Company
Title	
Sub. Date	08/25/2025

Please provide the following additional supplemental documents:

- Application states this is for gas commingle, but in summary it talks about the allocation for oil production. Is this application for Oil and Gas, Oil Only or Gas Only?

Please provide additional information regarding the following:

-

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made 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 it is prepared to address each of the topics raised.

COMMENT

Approval from Division is required prior to conducting work which modifies the well design.

Please contact the Environmental Bureau at OCD.Enviro@emnrd.nm.gov for instructions regarding the submittal process for applications of this type.

Thanks,

Sarah Clelland

Petroleum Specialist

State of New Mexico

Energy, Minerals, and Natural Resources Department

Oil Conservation Division

Cell: (505) 537-0627

Sarah.Clelland@emnrd.nm.gov

Operator	OGRID	Action ID	Submittal Date
Mewbourne	14744	185829	44971
Mewbourne	14744	191469	2/28/2023
Mewbourne	14744	200566	3/24/2023
Mewbourne	14744	307397	1/24/2024
Mewbourne	14744	310749	2/2/2024
Mewbourne	14744	310755	2/2/2024
Mewbourne	14744	316256	2/21/2024
Mewbourne	14744	316300	2/21/2024
Mewbourne	14744	317684	2/26/2024
Mewbourne	14744	317701	2/26/2024
Mewbourne	14744	317722	02/26/204
Mewbourne	14744	330640	4/5/2024
Mewbourne	14744	341742	5/7/2024
Mewbourne	14744	352366	6/10/2024
Mewbourne	14744	376253	8/21/2024
Mewbourne	14744	376639	8/22/2024
Mewbourne	14744	376769	8/23/2024
Mewbourne	14744	384042	9/16/2024
Mewbourne	14744	390134	10/4/2024
Mewbourne	14744	396250	10/28/2024

Mewbourne	14744	397155	10/30/2024
Mewbourne	14744	403209	11/14/2024
Mewbourne	14744	498823	

Operator Notes

~~SAPPHIRE / ZIRCON WELLS: PENDING DON'T NEED: SUBMISSION ID: 310749 , SUBMISSION ID: 185829, SUBMISSION ID: 376253~~

HOT SHOTS / ROCKHOUND: GOOD TO REVIEW

CHICAGO 9/8 WELLS: GOOD TO REVIEW

BONANZA 22/15 W0GB: PENDING DO NOT NEED: SUBMISSION ID: 307397

~~SAPPHIRE / ZIRCON WELLS: DO NOT NEED. SEE OPERATOR NOTE 1~~

BELGIAN BLUE WELLS: DO NOT NEED SUBMISSION ID: 310755.

CHAROLAIS 33/21 WELLS: NEED TO RE-SUBMIT

DOLLY VARDEN / STEELHEAD WELLS: GOOD TO REVIEW

RIO GRAND / WOODFORD SG COMMINGLE: GOOD TO REVIEW

RIO GRAND OIL COMMINGLE: GOOD TO REVIEW

WOODFORD OIL COMMINGLE: NO NOT NEED SUBMISSION ID: 317722.

SUNDOWN: GOOD TO REVIEW

VIPER 32/33: GOOD TO REVIEW

CASAMIGOS: DO NOT NEED SUBMISSION ID: 352366

~~SAPPHIRE / ZIRCON WELLS: DO NOT NEED. SEE OPERATOR NOTE 1~~

CASAMIGOS: GOOD TO REVIEW

BONANZA 22/15 W0GB: GOOD TO REVIEW

BELGIAN BLUE WELLS: GOOD TO REVIEW

PAPA GRANDE 22/21 & TOMMY BOY WELLS: GOOD TO REVIEW

WOODFORD OIL COMMINGLE: GOOD TO REVIEW

LONG DRAW / GUNSMOKE: GOOD TO REVIEW

HEREFORD: GOOD TO REVIEW

SAPPHIRE / ZIRCON WELLS: DO NOT NEED. SEE OPERATOR NOTE 1

Division Notes

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

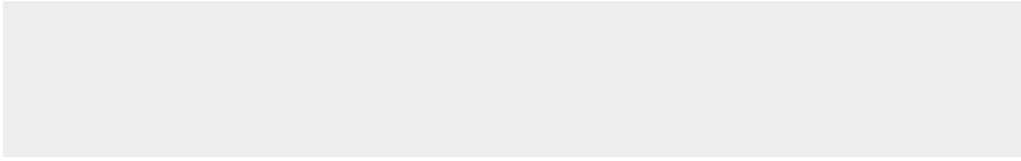
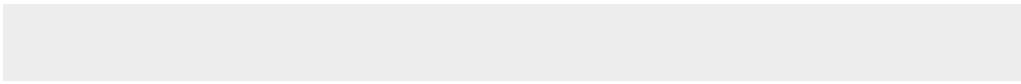
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Updated Action ID

~~NEED: SUBMISSION ID:
498823 (COMMINGLE) /
SUBMISSION ID: 498823
(SURFACE GAS)~~

NEED: SUBMISSION ID:
191469

NEED: SUBMISSION ID:
200566

NEED: SUBMISSION ID:
376769

~~NEED: SUBMISSION ID:
498823 (COMMINGLE) /
SUBMISSION ID: 498823
(SURFACE GAS)~~

NEED: SUBMISSION ID:
384042

NEED SUBMISSION ID:
316300

NEED SUBMISSION ID:
317684

NEED SUBMISSION ID:
317701

NEED SUBMISSION ID:
396250

NEED SUBMISSION ID:
330640

NEED SUBMISSION ID:
341742

NEED SUBMISSION ID:
376639

NEED: SUBMISSION ID:
498823 (COMMINGLE) /
SUBMISSION ID: 498823
(SURFACE GAS)

NEED SUBMISSION ID:
376639

NEED SUBMISSION ID:
376769

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NEED SUBMISSION ID:
390134

NEED SUBMISSION ID:
396250

NEED SUBMISSION ID:

397155

NEED SUBMIMSSION ID:

403209

NEED: SUBMISSION ID:

498823 (COMMINGLE) /

SUBMISSION ID: 498823

(SURFACE GAS)

Affidavit of Publication

Copy of Publication:

No. 79500

State of New Mexico

County of Eddy:

Adrian Hedden

being duly sworn, says that he is the Publisher

of the Carlsbad Current Argus, a weekly newspaper of general circulation, published in English at Carlsbad, said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said Carlsbad Current Argus, a weekly newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication	January 10, 2026
Second Publication	
Third Publication	
Fourth Publication	
Fifth Publication	
Sixth Publication	
Seventh Publication	
Eighth Publication	

Subscribed and sworn before me this

12th day of January 2026

LATISHA ROMINE
 Notary Public, State of New Mexico
 Commission No. 1076338
 My Commission Expires
 05-12-2027

Latisha Romine
 Latisha Romine
 Notary Public, Eddy County, New Mexico

To: All affected parties, including all heirs, devisees, and successors of: ABO PETROLEUM LLC; Abo Petroleum LLC; Alpha Royalty Partners, LLC; BEXP I MAC LLC; BEXP I OG LLC; Black Shale Minerals LLC; Chi Energy Inc.; Chisos Ltd; COG Operating LLC; Collins Permian Lp; Coterra Energy Operating Co; Daniel Energy Inc; Durango Production Corporation; Edna & Curtis Anderson Revocable Trust; Floyd Energy Ltd; Gary V Green; Jkm Energy LLC; Joel R Miller Energy Lp; John & Theresa Hillman Family; Lowe Royalty Partners Lp; Manix Royalty Ltd; Marathon Oil Permian LLC; Matthews Properties LLC; Mccombs Exploration LLC; New Mexico State Land ; Norma D Green; Northern Oil & Gas Inc; O D Albright III & Trina Albright; Pocahontas Oil Co Inc; Raisa Funding I LLC; Ridge Runner Asset co II LLC; Snow Operating Company Inc; and Wallace Family Partnership.

Application of Mewbourne Oil Company for administrative approval to surface commingle (lease) gas production from spacing units comprised of Lots 1-4, S/2 N/2 and S/2 (All equivalent) of irregular Sections 1 and 2, All of Section 11, and W/2 of Section 12, Township 19 South, Range 29 East, NMPM, Eddy 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 gas production at the designated gas meter insofar as all existing and future infill wells drilled in the following spacing units:

- (a) The 320.4-acre spacing unit comprised of Lots 1-4 of Sections 1 and 2, in the Turkey Track; Bone Spring [60660] currently dedicated to the Zircon 2/1 State Com 611H (API No. 30-015-49814);
- (b) The 320-acre spacing unit comprised of the S/2 N/2 of Sections 1 and 2, in the Turkey Track; Bone Spring [60660] currently dedicated to the Zircon 2/1 State Com 613H (API No. 30-015-49815);
- (c) The 320-acre spacing unit comprised of the N/2 S/2 of Sections 1 and 2, in the Turkey Track; Bone Spring [60660] currently dedicated to the Zircon 2/1 B3LI State Com 1H (API No. 30-015-49829);
- (d) The 320-acre spacing unit comprised of the S/2 S/2 of Sections 1 and 2, in the Turkey Track; Bone Spring [60660] currently dedicated to the Zircon 2/1 B3MP State Com 1H (API No. 30-015-49830);
- (e) The 200-acre spacing unit comprised of the NE/4 NW/4 and N/2 NE/4 of Section 11, and the N/2 NW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 State Com 521H (API No. 30-015-55082);
- (f) The 200-acre spacing unit comprised of the SE/4 NW/4 and S/2 NE/4 of Section 11, and the S/2 NW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 State Com 523H (API No. 30-015-55083);
- (g) The 240-acre spacing unit comprised of the N/2 N/2 of Section 11, and N/2 NW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 B3DC State Com 2H (API No. 30-015-46296);
- (h) The 240-acre spacing unit comprised of the S/2 N/2 of Section 11, and S/2 NW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 B3EF State Com 2H (API No. 30-015-46295);
- (i) The 240-acre spacing unit comprised of the N/2 S/2 of Section 11, and N/2 SW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 B3LK State Com 2H (API No. 30-015-45559);
- (j) The 240-acre spacing unit comprised of the S/2 S/2 of Section 11, and S/2 SW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 B3MN State Com 2H (API No. 30-015-45560);
- (k) The 200-acre spacing unit comprised of the NE/4 SW/4 and N/2 SE/4 of Section 11, and the N/2 SW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 B2KK State Com 1H (API No. 30-015-45020);
- (l) The 200-acre spacing unit comprised of the SE/4 SW/4 and S/2 SE/4 of Section 11, and the S/2 SW/4 of Section 12, in the Turkey Track; Bone Spring [60660] currently dedicated to the Sapphire 11/12 B2NN State Com 1H (API No. 30-015-44053);
- (m) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools connected to the designated gas meter (located in the SW/4 NE/4 of Section 11, T19S-R29E) with notice provided only to the owners of interests to be added.

**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-1233

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 gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the gas production to the pools, leases, and wells to be commingled.
4. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools and leases in accordance with 19.15.12.10(C)(4)(g) NMAC.
5. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
6. 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.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. 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.
9. 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.

10. 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.
11. 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.
12. Commingling of 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.
13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
14. 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 gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

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

Applicant is authorized to surface commingle gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure gas production off-lease, as applicable, from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

3. The gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. If Applicant recovers gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
5. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
6. 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.
7. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure gas production.
9. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 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.
10. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10(C)(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
11. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of gas production to it, and the location(s) that commingling of its production will occur.

12. Applicant shall not commence commingling gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. 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).
14. 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**

Albert Chang

DATE: 5-18-26

**ALBERT C. S. CHANG
DIRECTOR**

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1233
Operator: Mewbourne Oil Company (14744)
Central Tank Battery: Sapphire 11/12 Central Tank Battery (GAS ONLY)
Central Tank Battery: Sapphire 11/12 B3DC State Com 2 H Battery (GAS ONLY)
Central Tank Battery Location: UL M, Section 02, Township 19 South, Range 29 East
Central Tank Battery: Sapphire 11/12 B2NN State Com 1H Battery (GAS ONLY)
Central Tank Battery Location: UL E, Section 11, Township 19 South, Range 29 East
Gas Title Transfer Meter Location: UL G, Section 11, Township 19 South, Range 29 East

Pools

Pool Name	Pool Code
TURKEY TRACK;BONE SPRING	60660

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 204457 PUN 1396716	S2S2	01-19S-29E
	S2S2	02-19S-29E
CA Bone Spring SLO 204466 PUN 1396974	N2S2	01-19S-29E
	N2S2	02-19S-29E
CA Bone Spring SLO 204653 PUN 1400092	S2N2	01-19S-29E
	S2N2	02-19S-29E
CA Bone Spring SLO 203851 PUN 1374716	NESW, N2SE	11-19S-29E
	N2SW	12-19S-29E
CA Bone Spring SLO 203850 PUN 1375993	SESW, S2SE	11-19S-29E
	S2SW	12-19S-29E
CA Bone Spring SLO 203953 PUN 1377628	N2S2	11-19S-29E
	N2SW	12-19S-29E
CA Bone Spring SLO 203952 PUN 1377630	S2S2	11-19S-29E
	S2SW	12-19S-29E
CA Bone Spring SLO 204091 PUN 1384832	N2N2	11-19S-29E
	N2NW	12-19S-29E
CA Bone Spring SLO 204990 PUN 1405804	NENW, N2NE	11-19S-29E
	N2NW	12-19S-29E
CA Bone Spring SLO 204991 PUN 1405859	SENW	11-19S-29E
	S2NW	12-19S-29E
CA Bone Spring SLO 204090 PUN 1384829	S2N2	11-19S-29E
	S2NW	12-19S-29E
SLO Lease B0-7717-0013	N2, NWSW	01-19S-29E
	All Minus UL E	02-19S-29E
	N2NW, NWNE, SENW, S2NE, S2SW	12-19S-29E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46296	SAPPHIRE 11 12 B3DC STATE COM #002H	N2N2 N2NW	11-19S-29E 12-19S-29E	60660
30-015-55082	SAPPHIRE 11 12 STATE COM #521H	NENW, N2NE N2NW	11-19S-29E 12-19S-29E	60660
30-015-46295	SAPPHIRE 11 12 B3EF STATE COM #002H	S2N2 S2NW	11-19S-29E 12-19S-29E	60660
30-015-55083	SAPPHIRE 11 12 STATE COM #523H	SENW, S2NE S2NW	11-19S-29E 12-19S-29E	60660
30-015-49829	ZIRCON 2 1 B3LI STATE COM #001H	N2S2 N2S2	01-19S-29E 02-19S-29E	60660
30-015-45020	SAPPHIRE 11 12 B2KK STATE COM #001H	NESW, N2SE N2SW	11-19S-29E 12-19S-29E	60660
30-015-49830	ZIRCON 2 1 B3MP STATE COM #001H	S2S2 S2S2	01-19S-29E 02-19S-29E	60660
30-015-44053	SAPPHIRE 11 12 B2NN STATE COM #001H	SESW, S2SE S2SW	11-19S-29E 12-19S-29E	60660
30-015-49814	ZIRCON 2 1 STATE #611H	N2N2 N2N2	01-19S-29E 02-19S-29E	60660
30-015-45559	SAPPHIRE 11 12 B3LK STATE COM #002H	N2S2 N2SW	11-19S-29E 12-19S-29E	60660
30-015-49815	ZIRCON 2 1 STATE #613H	S2N2 S2N2	01-19S-29E 02-19S-29E	60660
30-015-45560	SAPPHIRE 11 12 B3MN STATE COM #002H	S2S2 S2SW	11-19S-29E 12-19S-29E	60660

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 498823

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88240	OGRID: 14744
	Action Number: 498823
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov .	5/19/2026