

NEW MEXICO STATE LAND OFFICE
Guidelines for Requesting Commingling Approval

1. A commingling agreement from the New Mexico State Land Office is not required if the commingling operation does not contain New Mexico State Trust acreage.
2. If State Trust acreage will be part of a proposed commingling operation:
 - a. Commingling of production of all wells from the same pool within a single lease, communitized area, or unit area is permitted without additional Land Commissioner approval.
 - b. Surface commingling (including off-lease storage) from more than one pool, and/or from more than one lease, communitized area, unit area, or a combination of leases/communitized areas/unit areas, requires additional Land Commissioner approval.
 - c. Downhole commingling of multiple producing pools in a single well bore requires Land Commissioner approval unless the pools or the area in which the well is located are listed as pre-approved in NMAC 19.15.12.11(E).

The attached application form describes the process for submitting a commingling application to the New Mexico State Land Office.

**NEW MEXICO
STATE
LAND OFFICE**

**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 / DREW RENNER 14744
Well Name: BLACK SHEEP 4/33 B3MD FED COM #1H **API #:** 30-025-46395
Pool: [28430] GRAMA RIDGE, BONE SPRING

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.

Drew Renner
 Print or Type Name
Drew Renner
 Signature
6/9/2026
 Date

575-393-5905
 Phone Number
drenner@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.

MEWBOURNE OIL COMPANY

4801 Business Park Blvd

Hobbs, NM 88240

575-393-5905

June 9th, 2026

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

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

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

RE: Application for Lease Commingle / Central Tank Battery "CTB"

To: Whom It May Concern

Mewbourne Oil Company ("Mewbourne") is requesting permission to surface commingle production from six wells and all future wells located on state lease(s) V086900003 & VB22700004, federal lease(s) NMNM105452594, NMNM105731497, & NMNM105555060, and private land which comprise of portions of section 4, T22S, R34E, Lea County, New Mexico, and section 33, T21S, R34E, Lea County, New Mexico. All oil and gas production from each well is to be stored in a central tank battery and measured by a common gas sales meter (3 Bear MM #213008018 / #213008017) located in the SWSE of section 4, T22S, R34E. Information detailing each well is attached.

Please find the following enclosed:

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

Signed: 
Printed Name: Drew Renner
Title: Petroleum Engineer
Date: 6/9/2026

APPLICATION FOR LEASE COMMINGLING / CENTRAL TANK BATTERY**Commingling procedure for Black Sheep 4/33 leases:**

Mewbourne Oil Company is requesting approval for lease commingling for production from 6 wells located on state, federal, and private leases below in a Central Tank Battery "CTB":

Well Name	Location	API #	Pool #	MCFPD	Dry BTU @ 14.73 PSI
BLACK SHEEP 4/33 B3MD FED COM #1H	205' FSL & 450' FWL, Sec 4 T22S R34E	30-025-46395	[28430] GRAMA RIDGE, BONE SPRING	~470	~1260
BLACK SHEEP 4/33 B2NC FED COM #1H	205' FSL & 710' FWL, Sec 4 T22S R34E	30-025-49435	[28430] GRAMA RIDGE, BONE SPRING	~640	~1260
BLACK SHEEP 4/33 B3NC FED COM #1H	205' FSL & 480' FWL, Sec 4 T22S R34E	30-025-44859	[28430] GRAMA RIDGE, BONE SPRING	~350	~1260
BLACK SHEEP 4/33 B2OB FED COM #1H	222' FSL & 1878' FEL, Sec 4 T22S R34E	30-025-49437	[28430] GRAMA RIDGE, BONE SPRING	~780	~1260
BLACK SHEEP 4/33 B3OB FED COM #1H	222' FSL & 2108' FEL, Sec 4 T22S R34E	30-025-44939	[28430] GRAMA RIDGE, BONE SPRING	~290	~1260
BLACK SHEEP 4/33 B3PA FED COM #2H	222' FSL & 2078' FEL, Sec 4 T22S R34E	30-025-45601	[28430] GRAMA RIDGE, BONE SPRING	~350	~1260

Future Additions

Pursuant to Statewide Rule 19.15.12.10(C)(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 central tank battery is located in the SWSE of section 4, T22S, R34E, Lea County, New Mexico. The production from each well will come to its own separator. From the separator production will be allocated as follows:

Oil Metering:

Oil volumes from each well producing to the battery will be determined by using an allocation meter at the facility for each well. Oil from each separator will be metered and then sent to a heater treater (HT). Oil from the HT will then flow to a vapor recovery tower (VRT) and then to the 750 BBL oil tanks (OT). Oil production will be allocated on a daily basis based on the oil allocation meter downstream of the separator. This meter will be proven based on API, NMOC 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. Wells are allocated their proportionate share of the CTB's daily gas, oil, and water volumes based on their most recent well test. VRU gas volumes are measured using an orifice meter & allocated back to each well based on the well's respective percentage of the CTB's oil volume.

Gas Metering:

Gas volumes from each well producing to the 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. A 3 Bear common gas sales meter #213008018 / #213008017 will be located on the edge of the battery pad. 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: Drew Renner

Title: Petroleum Engineer

Date: 6/9/2026

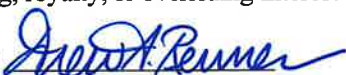
Economic Justification

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
BLACK SHEEP 4/33 B3MD FED COM #1H	~170	~42	~\$70	~470	~1260	~\$2.50
BLACK SHEEP 4/33 B2NC FED COM #1H	~140	~42	~\$70	~640	~1260	~\$2.50
BLACK SHEEP 4/33 B3NC FED COM #1H	~130	~42	~\$70	~350	~1260	~\$2.50
BLACK SHEEP 4/33 B2OB FED COM #1H	~140	~42	~\$70	~780	~1260	~\$2.50
BLACK SHEEP 4/33 B3OB FED COM #1H	~50	~42	~\$70	~290	~1260	~\$2.50
BLACK SHEEP 4/33 B3PA FED COM #2H	~80	~42	~\$70	~350	~1260	~\$2.50
CTB Combined	~710	~42	~\$70	~2880	~1260	~\$2.50

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: Drew Renner

Title: Petroleum Engineer

Date: 6/9/2026

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☒ AMENDED REPORT
AS DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-46395		2 Pool Code 28430		3 Pool Name Grama Ridge; Bone Spring	
4 Property Code 330831		5 Property Name BLACK SHEEP 4/33 B3MD FED COM			6 Well Number 1H
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3608'
10 Surface Location					
UL or lot no. M	Section 4	Township 22S	Range 34E	Lot Idn 205	Feet From the 205
North/South line SOUTH		Feet From the 450		East/West line WEST	
County LEA					
11 Bottom Hole Location If Different From Surface					
UL or lot no. D	Section 33	Township 21S	Range 34E	Lot Idn 90	Feet from the 1899
North/South line NORTH		Feet from the 1899		East/West line WEST	
County LEA					
12 Dedicated Acres 320.99		13 Joint or Infill		14 Consolidation Code	
15 Order No.					

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

		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division Signature: <u>Jackie Lathan</u> Date: <u>09/28/2021</u> Printed Name: <u>Jackie Lathan</u> E-mail Address: <u>jlathan@mewbourne.com</u>
18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: <u>09-21-2018</u> Signature and Seal of Professional Surveyor: <u>Robert M. Howett</u> 19680 Certificate Number REV: BH MOVE/NAME CHANGE 2/17/21		CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1913" N: 515193.7 - E: 803593.0 B: FOUND BRASS CAP "1913" N: 517831.6 - E: 803583.3 C: FOUND BRASS CAP "1913" N: 520510.0 - E: 803575.1 D: FOUND BRASS CAP "1913" N: 523150.6 - E: 803552.3 E: FOUND BRASS CAP "1913" N: 525791.1 - E: 803529.9 F: FOUND BRASS CAP "1913" N: 525824.2 - E: 806170.5 G: FOUND BRASS CAP "1913" N: 525857.8 - E: 808809.9 H: FOUND BRASS CAP "1913" N: 523214.9 - E: 808832.6 I: FOUND BRASS CAP "1913" N: 520568.2 - E: 808856.0 J: FOUND BRASS CAP "1913" N: 517880.2 - E: 808871.5 K: FOUND BRASS CAP "1913" N: 515239.1 - E: 808887.9 L: FOUND BRASS CAP "1913" N: 515219.3 - E: 806240.9 M: FOUND BRASS CAP "1913" N: 520539.1 - E: 806215.5

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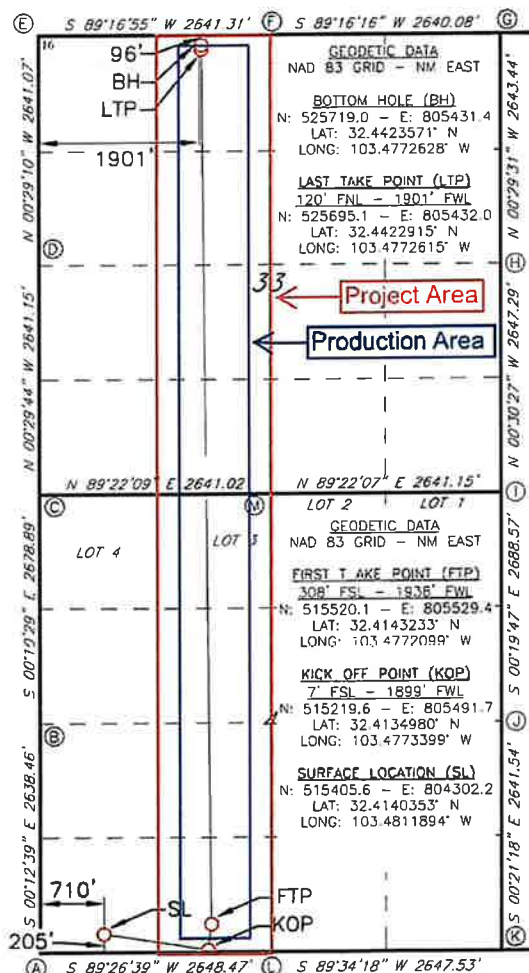
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49435		² Pool Code 28430		³ Pool Name GRAMA RIDGE; BONE SPRING					
⁴ Property Code 331607		⁵ Property Name BLACK SHEEP 4/33 B2NC FED COM						⁶ Well Number 1H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3609'	
¹⁰ Surface Location									
UL or lot no. M	Section 4	Township 22S	Range 34E	Lot Idn	Feet from the 205	North/South line SOUTH	Feet From the 710	East/West line WEST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. C	Section 33	Township 21S	Range 34E	Lot Idn	Feet from the 96	North/South line NORTH	Feet from the 1901	East/West line WEST	County LEA
¹² Dedicated Acres 321.12		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.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

CCW 08/23/2022

Signature
Christian Ward

Printed Name _____
E-mail Address cward@mewbourne.com

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

06/28/2022

Date of Survey _____

Signature and Seal of Principal Supervisor

19680

Certificate Number

Job No: LS21030223AD

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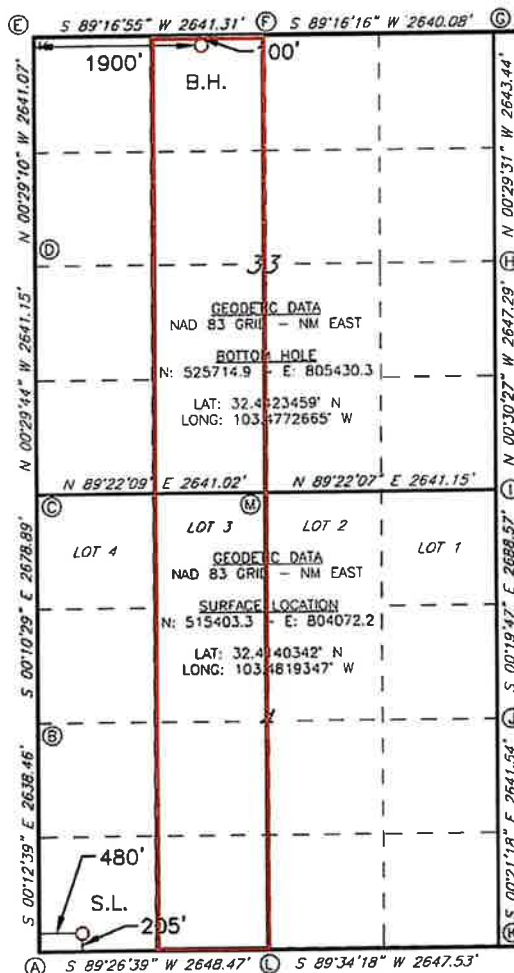
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-44859		2 Pool Code 28430		3 Pool Name Grama Ridge; Bone Spring					
4 Property Code 330322		5 Property Name BLACK SHEEP 4/33 B3NC FED COM						6 Well Number 1H	
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3608'	
10 Surface Location									
UL or lot no. M	Section 4	Township 22S	Range 34E	Lot Idn	Feet from the 205	North/South line SOUTH	Feet from the 480	East/West line WEST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. C	Section 33	Township 21S	Range 34E	Lot Idn	Feet from the 90	North/South line NORTH	Feet from the 1899	East/West line WEST	County LEA
12 Dedicated Acres 321.12		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913"
N: 515193.7 - E: 803593.0

B: FOUND BRASS CAP "1913"
N: 517831.6 - E: 803583.3

C: FOUND BRASS CAP "1913"
N: 520510.0 - E: 803575.1

D: FOUND BRASS CAP "1913"
N: 523150.6 - E: 803552.3

E: FOUND BRASS CAP "1913"
N: 525791.1 - E: 803529.9

F: FOUND BRASS CAP "1913"
N: 525824.2 - E: 806170.5

G: FOUND BRASS CAP "1913"
N: 525857.8 - E: 808809.9

H: FOUND BRASS CAP "1913"
N: 523214.9 - E: 808832.6

I: FOUND BRASS CAP "1913"
N: 520568.2 - E: 808856.0

J: FOUND BRASS CAP "1913"
N: 517880.2 - E: 808871.5

K: FOUND BRASS CAP "1913"
N: 515239.1 - E: 808887.9

L: FOUND BRASS CAP "1913"
N: 515219.3 - E: 806240.9

M: FOUND BRASS CAP "1913"
N: 520539.1 - E: 806215.5

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature: Jackie Lathan 09/08/2021
Printed Name: Jackie Lathan
E-mail Address: jlathan@mewbourne.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

09-21-2018

Date of Survey

Signature and Seal of Professional Surveyor

19680

Certificate Number

REV: BH MOVE/NAME CHANGE 2/17/21

Job No: LS18091088R

District I
1625 N. French Dr., Hobbs, NM 88240
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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49437		² Pool Code 28430		³ Pool Name GRAMA RIDGE; BONE SPRING					
⁴ Property Code 331608		⁵ Property Name BLACK SHEEP 4/33 B20B FED COM						⁶ Well Number 1H	
⁷ GRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3599'	
¹⁰ Surface Location									
UL or lot no. 0	Section 4	Township 22S	Range 34E	Lot Idn	Feet from the 222	North/South line SOUTH	Feet From the 1848	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 33	Township 21S	Range 34E	Lot Idn	Feet from the 77	North/South line NORTH	Feet from the 1907	East/West line EAST	County LEA
¹² Dedicated Acres 321.26		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.

GEODETIC DATA NAD 83 GRID - NM EAST BOTTOM HOLE (BH) N: 525756.9 - E: 806904.3 LAT: 32.4424288° N LONG: 103.4724877° W LAST TAKE POINT (LTP) 109° FNL - 1906° FEL N: 525725.0 - E: 806905.4 LAT: 32.4423410° N LONG: 103.4724851° W		Project Area Producing Area		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>CCW</i> 10/19/2022 Signature Date Christian Ward Printed Name cward@mewbourne.com E-mail Address	
GEODETIC DATA NAD 83 GRID - NM EAST FIRST TAKE POINT (FTP) 236° FSL - 1930° FEL N: 515480.9 - E: 806957.2 LAT: 32.4141290° N LONG: 103.4725851° W KICK OFF POINT (KOP) 26° FSL - 1901° FEL N: 515251.0 - E: 806986.9 LAT: 32.4135514° N LONG: 103.4724944° W SURFACE LOCATION (SL) N: 515447.3 - E: 807036.5 LAT: 32.4140897° N LONG: 103.4723220° W		CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1913" N: 515193.7 - E: 803593.0 B: FOUND BRASS CAP "1913" N: 517831.6 - E: 803583.3 C: FOUND BRASS CAP "1913" N: 520510.0 - E: 803575.1 D: FOUND BRASS CAP "1913" N: 523150.6 - E: 803552.3 E: FOUND BRASS CAP "1913" N: 525791.1 - E: 803529.9 F: FOUND BRASS CAP "1913" N: 525824.2 - E: 806170.5 G: FOUND BRASS CAP "1913" N: 525857.8 - E: 808809.9 H: FOUND BRASS CAP "1913" N: 523214.9 - E: 808832.6 I: FOUND BRASS CAP "1913" N: 520568.2 - E: 808856.0 J: FOUND BRASS CAP "1913" N: 517880.2 - E: 808871.5 K: FOUND BRASS CAP "1913" N: 515239.1 - E: 808887.9 L: FOUND BRASS CAP "1913" N: 515219.3 - E: 806240.9 M: FOUND BRASS CAP "1913" N: 520539.1 - E: 806215.5		18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 08/29/2022 Date of Survey Signature and Seal of Professional Surveyor 19680 Certificate Number	

Job No: LS21030221AD

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1625 N. French Dr., Hobbs, NM 88240
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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☒ AMENDED REPORT
AS DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-44939		² Pool Code 28430		³ Pool Name Grama Ridge; Bone Spring	
⁴ Property Code 322768		⁵ Property Name BLACK SHEEP 4/33 B30B FED COM			⁶ Well Number 1H
⁷ GRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3599'
¹⁰ Surface Location					
UL or lot no. 0	Section 4	Township 22S	Range 34E	Lot Idn	Feet from the 222
		North/South line SOUTH		Feet From the 2108	East/West line EAST
				County LEA	
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. B	Section 33	Township 21S	Range 34E	Lot Idn	Feet from the 85
		North/South line NORTH		Feet from the 1990	East/West line EAST
				County LEA	
¹² Dedicated Acres 321.26	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.

S 89°16'55" W 2641.31' E S 89°16'16" W 2640.06' E 100' B.H. 1980' GEODETIC DATA NAD 83 GRID - NM EAST BOTTOM HOLE N: 525732.6 E: 806831.3 LAT: 32.423636° N LONG: 103.4727250° W 33' GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 515442.7 E: 806779.9 LAT: 32.440828° N LONG: 103.4731628° W 222' S.L. 2108' S 89°26'39" W 2648.47' E S 89°34'18" W 2647.53'		CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1913" N: 515193.7 - E: 803593.0 B: FOUND BRASS CAP "1913" N: 517831.6 - E: 803583.3 C: FOUND BRASS CAP "1913" N: 520510.0 - E: 803575.1 D: FOUND BRASS CAP "1913" N: 525791.1 - E: 803529.9 E: FOUND BRASS CAP "1913" N: 525824.2 - E: 806170.5 F: FOUND BRASS CAP "1913" N: 525857.8 - E: 808809.9 G: FOUND BRASS "1918" N: 523214.9 - E: 808832.6 H: FOUND BRASS CAP "1913" N: 520568.2 - E: 808856.0 I: FOUND BRASS CAP "1913" N: 517880.2 - E: 808871.5 J: FOUND BRASS CAP "1913" N: 515239.1 - E: 808887.9 K: FOUND BRASS CAP "1913" N: 515219.3 - E: 806240.9 L: FOUND BRASS CAP "1913" N: 520539.1 - E: 806215.5	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Jackie Lathan</i> 03/02/2021 Signature Date Jackie Lathan Printed Name jlathan@mewbourne.com E-mail Address
S 89°22'09" E 2641.02' N 89°22'07" E 2641.15' LOT 4 40.99 AC. LOT 3 41.12 AC. LOT 2 41.26 AC. LOT 1 41.39 AC. S 00°12'39" E 2678.89' S 00°10'29" E 2678.89' S 00°12'39" E 2678.89'		18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 3-25-2019 Date of Survey Signature and Seal of Professional Surveyor 19680 Certificate Number REV:10-25-19 NAME/BHL LS1807939R	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

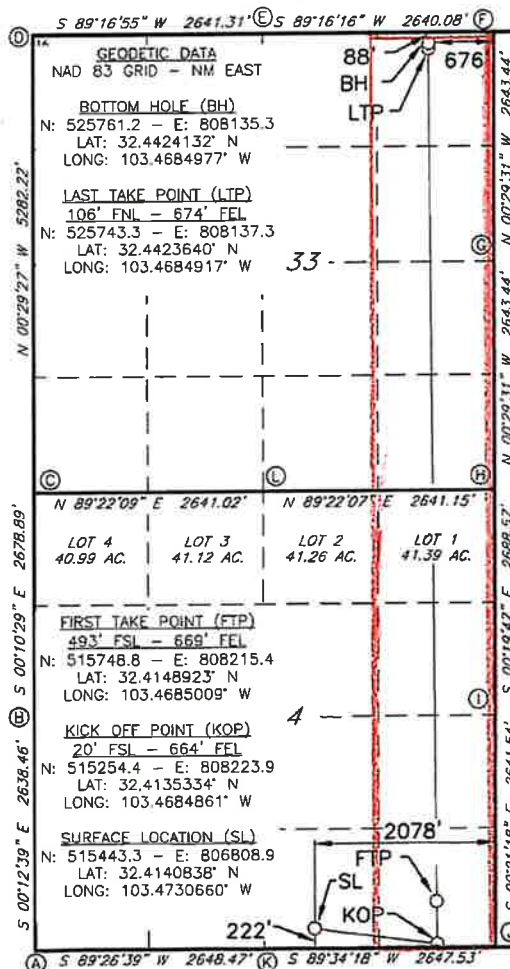
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45601		² Pool Code 28430		³ Pool Name GRAMA RIDGE; BONE SPRING	
⁴ Property Code 324984		⁵ Property Name BLACK SHEEP 4/33 B3PA FED COM			⁶ Well Number 2H
⁷ GRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3597'
¹⁰ Surface Location					
UL or lot no. 0	Section 4	Township 22S	Range 34E	Lot Idn 222	Feet From the 2078
			North/South line SOUTH	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. A	Section 33	Township 21S	Range 34E	Lot Idn 88	Feet from the 676
			North/South line NORTH	East/West line EAST	County LEA
¹² Dedicated Acres 321.39		¹³ Joint or Infill		¹⁴ Consolidation Code	
¹⁵ Order No.					

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



CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913"
N: 515193.7 - E: 803593.0
B: FOUND BRASS CAP "1913"
N: 517831.6 - E: 803583.3
C: FOUND BRASS CAP "1913"
N: 520510.0 - E: 803575.1
D: FOUND BRASS CAP "1913"
N: 525791.1 - E: 803529.9
E: FOUND BRASS CAP "1913"
N: 525824.2 - E: 806170.5
F: FOUND BRASS CAP "1913"
N: 525857.8 - E: 808809.9
G: FOUND BRASS "1918"
N: 523214.9 - E: 808832.6
H: FOUND BRASS CAP "1913"
N: 520568.2 - E: 808856.0
I: FOUND BRASS CAP "1913"
N: 517880.2 - E: 808871.5
J: FOUND BRASS CAP "1913"
N: 515239.1 - E: 808887.9
K: FOUND BRASS CAP "1913"
N: 515219.3 - E: 806240.9
L: FOUND BRASS CAP "1913"
N: 520539.1 - E: 806215.5

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Jackie Lathan Date: 6-1-2023
Printed Name: Jackie Lathan
E-mail Address: jathan@mewbourne.com

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

10/29/2020

Date of Survey

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

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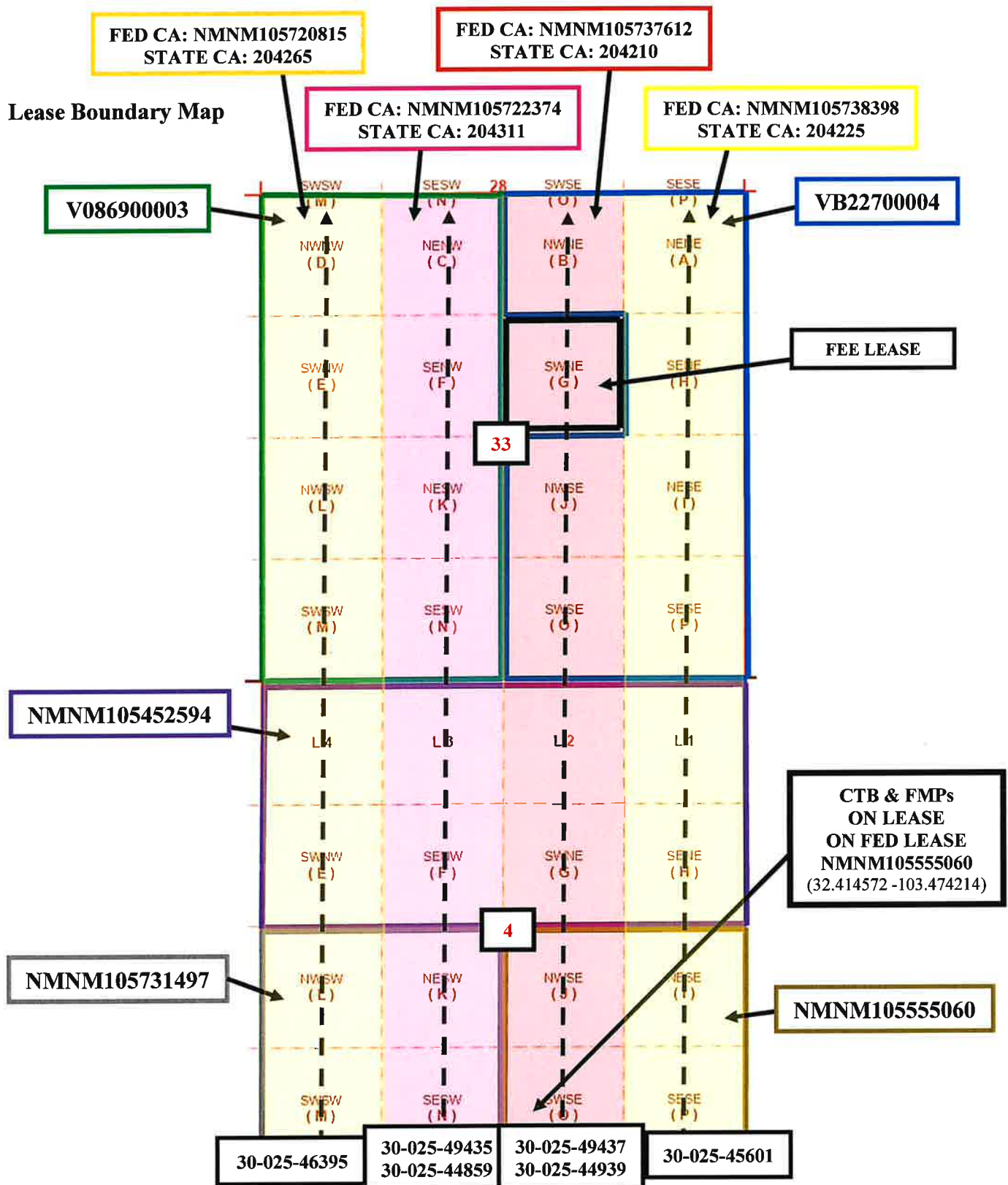
Signature and Seal of Professional Surveyor

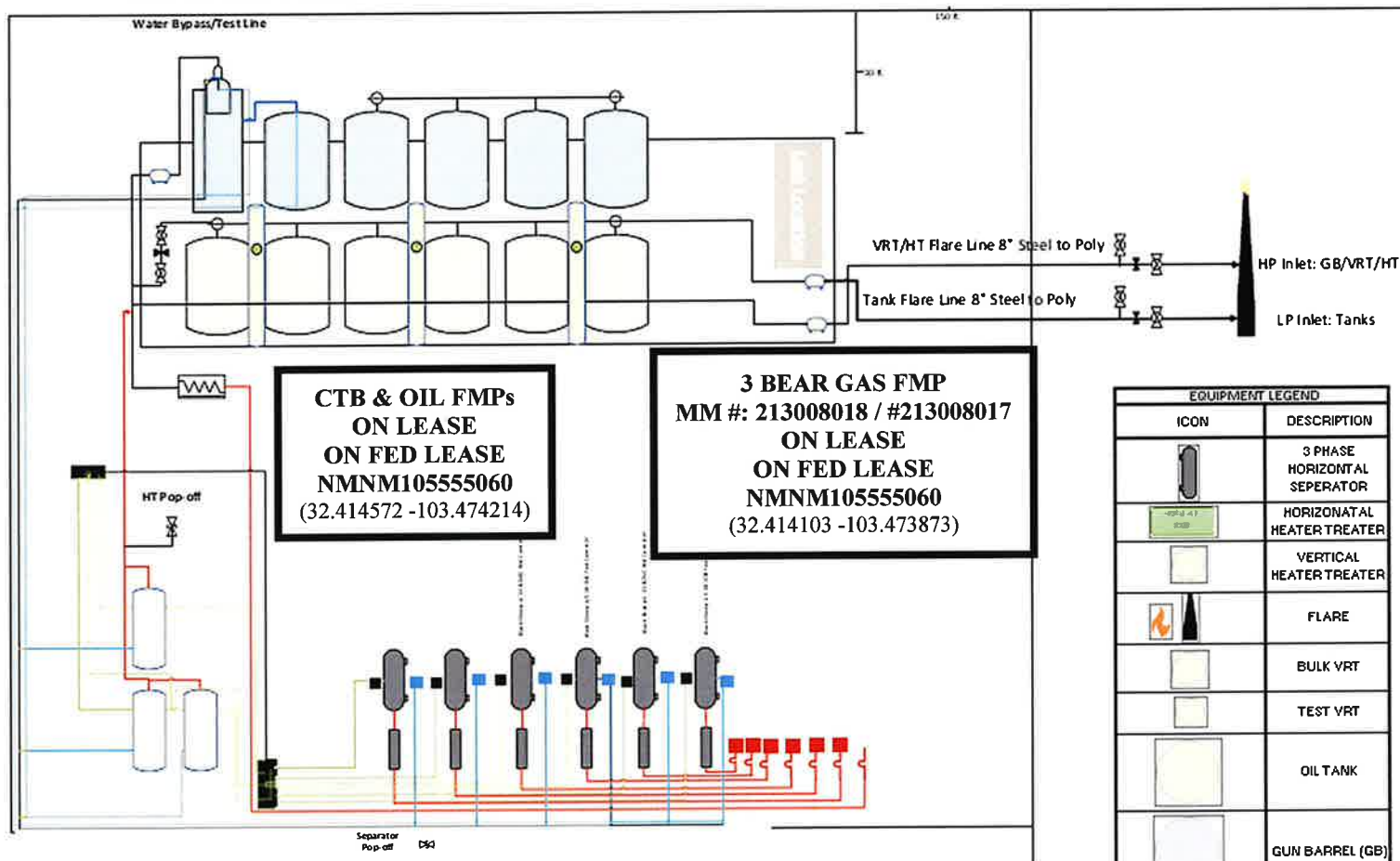
Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

LS1802134AD

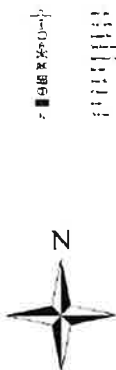


BATTERY DIAGRAM: BLACK SHEEP 4/33 B3OB FED COM 1H BATTERY

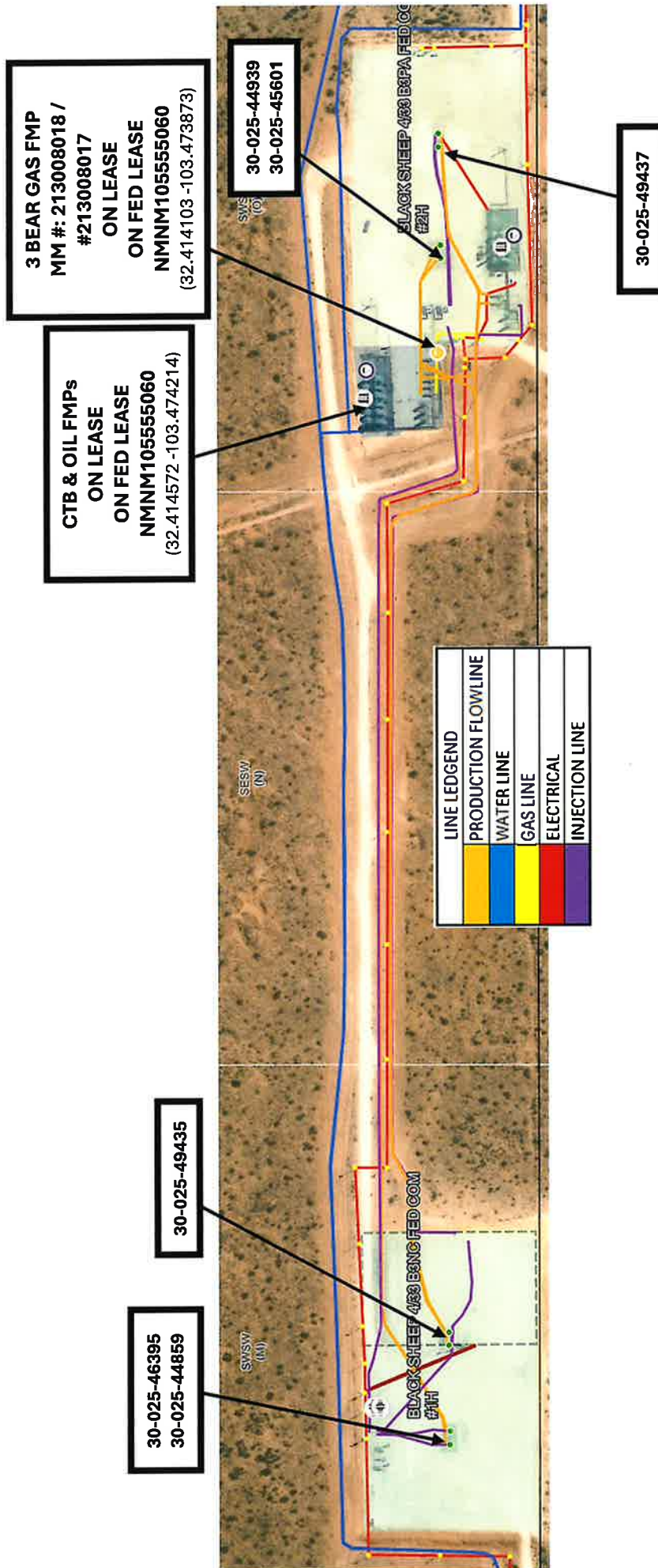
EQUIPMENT LEGEND	
ICON	DESCRIPTION
	3 PHASE HORIZONTAL SEPARATOR
	HORIZONTAL HEATER TREATER
	VERTICAL HEATER TREATER
	FLARE
	BULK VRT
	TEST VRT
	OIL TANK
	GUN BARREL (GB)
	WATER TANK
	METER TUBE
	AIR COMPRESSOR
	VRU
	LACT
	WATER ALLOCATION METER
	OIL ALLOCATION METER
	GAS ALLOCATION METER

Facility Diagram	
Operator	Mesa Petroleum Oil Company
Facility Name	BLACK SHEEP 4/33 B3OB FED COM 1H BATTERY
Facility Location	SW/4 SEC 34, T22N, R14E, Lea Co, NM
Lease Number	(100 ACRES NMNM 0051970)/(100 ACRES NMNM 0058678)/(320 ACRES V086900003) (50% FED/50% STATE) (1600 ACRES NMNM 0033312A)/(100 ACRES NMNM 0058678)/(200 ACRES V827700004)/(40 ACRES FEE) (50% FED/17.5% STATE/12.5% FEE)
Comm Agreement	
Field	1223001 (SHOULD BE 1223001) 1223001
Wells in Facility	BLACK SHEEP 4/33 B3OB FED CO BLACK SHEEP 4/33 B3OB FED CO BLACK SHEEP 4/33 B3OB FED CO BLACK SHEEP 4/33 B3OB FED CO BLACK SHEEP 4/33 B3OB FED CO BLACK SHEEP 4/33 B3OB FED CO BLACK SHEEP 4/33 B3OB FED CO

WELLS IN FACILITY
30-025-46395
30-025-49435
30-025-44859
30-025-49437
30-025-44939
30-025-45601



SATELLITE IMAGERY:



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

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

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

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

[B] ☐ Offset Operators, Leaseholders or Surface Owner

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

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

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

[F] ☐ Waivers are Attached

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

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no**

action will be taken on this application until the required information and notifications are submitted to the Division.

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

Drew Renner
6/9/2026

Print or Type Name
Date


Signature

Petroleum Engineer

Title

drenner@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 IV1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Mewbourne Oil Company

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

APPLICATION TYPE:

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

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

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-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:  TITLE: Petroleum Engineer DATE: 6/9/2026

TYPE OR PRINT NAME Drew Renner TELEPHONE NO.: 575-393-5905

E-MAIL ADDRESS: drenner@mewbourne.com

Central Tank Battery

Well Name	Location	API #	Pool #	MCFPD	Dry BTU @ 14.73 PSI
BLACK SHEEP 4/33 B3MD FED COM #1H	205' FSL & 450' FWL, Sec 4 T22S R34E	30-025-46395	[28430] GRAMA RIDGE, BONE SPRING	~470	~1260
BLACK SHEEP 4/33 B2NC FED COM #1H	205' FSL & 710' FWL, Sec 4 T22S R34E	30-025-49435	[28430] GRAMA RIDGE, BONE SPRING	~640	~1260
BLACK SHEEP 4/33 B3NC FED COM #1H	205' FSL & 480' FWL, Sec 4 T22S R34E	30-025-44859	[28430] GRAMA RIDGE, BONE SPRING	~350	~1260
BLACK SHEEP 4/33 B2OB FED COM #1H	222' FSL & 1878' FEL, Sec 4 T22S R34E	30-025-49437	[28430] GRAMA RIDGE, BONE SPRING	~780	~1260
BLACK SHEEP 4/33 B3OB FED COM #1H	222' FSL & 2108' FEL, Sec 4 T22S R34E	30-025-44939	[28430] GRAMA RIDGE, BONE SPRING	~290	~1260
BLACK SHEEP 4/33 B3PA FED COM #2H	222' FSL & 2078' FEL, Sec 4 T22S R34E	30-025-45601	[28430] GRAMA RIDGE, BONE SPRING	~350	~1260

MEWBOURNE OIL COMPANY

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

June 11, 2026

Via Certified Mail

See Attached Address List

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") has filed an application with the New Mexico Oil Conservation Division ("Division") seeking authorization for surface commingle production from the six wells described within the engineering packet attached hereto, and all future wells located on State Leases V086900003 & VB22700004, Federal Leases NMNM105452594, NMNM105731497, & NMNM105555060, and private land which comprise of portions of **Section 4, T22S, R34E, Lea County, New Mexico and Section 33, T21S, R34E, Lea County, New Mexico**. All oil and gas production from each well is to be stored in central tank battery and measured by a common gas sales meters (3 Bear MM #213008018 / #213008017) located in the SWSE of Section 4, T22S, R34E, Lea County, New Mexico. Information detailing each well, along with the engineering packet is attached hereto.

If you object to the either application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later. Should you have any questions regarding the above, please email Chad Cole at ccole@mewbourne.com call him at (575) 393-5905.

Sincerely,
Mewbourne Oil Company

Owner Name	ADDRESS	CITY	STATE_CD	ZIP	Reference	Tracking
ANACONDA ASSETS LP	1200 SMITH STREET STE 1950	HOUSTON	TX	77002	Black sheep	9414836208551302067163
BRAZOS ASSETS LP	1200 SMITH STREET STE 1950	HOUSTON	TX	77002	Black sheep	9414836208551302067156
BTA OIL PRODUCERS LLC	104 SOUTH PECOS STREET	MIDLAND	TX	79701	Black sheep	9414836208551302067170
NORTHERN OIL & GAS INC	4350 BAKER ROAD, SUITE 400	MINNETONKA	MN	55343	Black sheep	9414836208551302067187
OXY USA INC	5 GREENWAY PLAZA	HOUSTON	TX	77046	Black sheep	9414836208551302067194
RAY WESTALL	P O BOX 4	LOCO HILLS	NM	88255	Black sheep	9414836208551302067200
REG XI ASSETS LLC	1200 SMITH STREET STE 1950	HOUSTON	TX	77002	Black sheep	9414836208551302067224
BUREAU OF LAND MANAGEMENT	301 DINOSAUR TRAIL	SANTA FE	NM	87508	Black sheep	9414836208551302067248
NEW MEXICO STATE LAND OFFICE	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501	Black sheep	9414836208551302067231

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: Logan V. Schaaf
Printed Name: Logan Schaaf
Title: Petroleum Landman
Date: 6/11/2026



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>



In Reply Refer To:
NMNM 143879 (NMNM105722374)
3105.2 (NM920)

MAY 25 2023

Reference:
Communitization Agreement
Black Sheep 4-33 B3NC Fed Com #1H
T. 21 S., R. 34 E., N.M.P.M.
Section 33: E2W2.
T. 22 S., R. 34 E., N.M.P.M.
Section 4: Lot 3, SENW, E2SW.
Lea County, NM

Mewbourne Oil Company
500 W. Texas Avenue, Suite 1020
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM143879 involving 80.00 acres of Federal land in lease NMNM0381970, 81.12 acres of Federal land in lease NMNM058678, and 160.00 acres of State land, Lea County, New Mexico, which comprise a 321.12 acre well spacing unit.

The agreement communitizes all rights to all oil and associated casinghead gas from the Bone Spring formation beneath the E2W2 of sec. 33, T. 21 S., R. 34 E., and Lot 3, SENW, E2SW of sec. 4, T. 22 S., R. 34 E., NMPM, Lea County, NM, and is effective March 1, 2021. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

2

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

KYLE
PARADIS

Digitally signed by KYLE
PARADIS
Date: 2023.05.25
10:08:37 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NMP020, (CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM.

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM143879 involving Federal Leases NMNM0381970, NMNM058678, and State land. This Communitization Agreement is in Sec. 33, T. 21 S., R. 34 E., and Sec. 4, T. 22 S., R. 34 E., NMPM, Lea County, New Mexico, for production of oil and associated casinghead gas producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

KYLE
PARADIS

Digitally signed by
KYLE PARADIS
Date: 2023.05.25
11:39:35 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: March 1, 2021
Contract No.: NMNM143879

OCT -1 2021

Federal Communitization Agreement

BLM, NMSO
SANTA FE

Contract No. Nmnm 143879

THIS AGREEMENT entered into as of the 1st day of March 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

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

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

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

Township 22 South, Range 34 East, N.M.P.M.

E2SW4, SE4NW4, and Lot 3 (NE4NW4) of Section 4, Lea County, New Mexico

Township 21 South, Range 34 East, N.M.P.M.

E2W2 of Section 33, Lea County, New Mexico

Containing **321.12** 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, 500 W. Texas Avenue, Suite 1020, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each

communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

Mewbourne Oil Company
Operator

8/9/21
Date

By: Craig Mitchell
Operator/Attorney-in-Fact

[Signature]

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

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

8/9/2021
Date

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

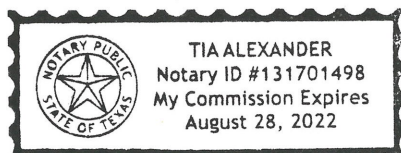
JM

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

On this 17 day of August, 2021, before me, a Notary Public for the State of Texas, personally appeared Corey Mitchell, known to me to be the Attorney-in-Fact for Mewbourne Oil Company, a Delaware corporation, on behalf of said corporation.

(SEAL)



8-28-22
My Commission Expires

Tia Alexander
Notary Public

EXHIBIT "A"

Plat of communitized area covering 321.12 acres in the E2SW4, SE4NW4 and Lot 3 (NE4NW4) of Section 4, T22S, R34E, Lea County, New Mexico and the E2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3NC Fed Com #1H

API #:30-025-44859

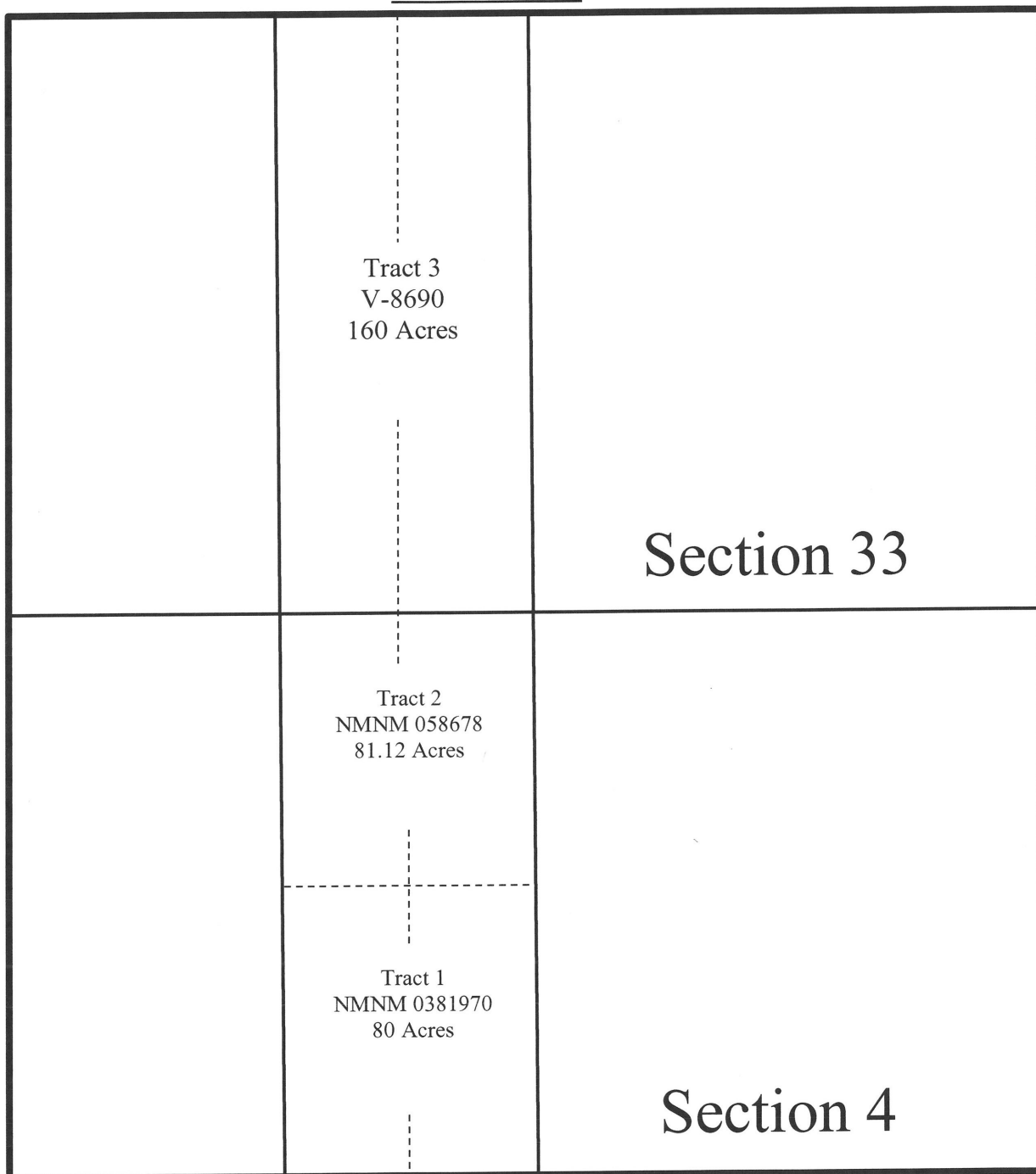


EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021 embracing the following described land in the E2SW4, SE4NW4, and Lot 3 (NE4NW4) of Section 4, T22S, R34E, Lea and the E2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 0381970.
Date:	May 1, 1963.
Recorded:	Book 1616, page 130, Lea County Records.
Lessor:	The United States of America.
Lessee:	Nancy Cecil Tonkin.
Description of Land Committed:	<u>Township 22 South, Range 34 East</u> <u>N.M.P.M., Lea County, New Mexico</u> Section 4: E2SW4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Nancy T. Cutter Revocable Trust dated August 24, 1995, Allen M. Tonkin, Jr. Revocable Trust dated May 12, 2005, Solari Luz, LLC

Tract No. 2

Lease Serial Number: NMNM 058678

Date: September 1, 1961.

Recorded: Book 1616, page 127, Lea County Records.

Lessor: The United States of America.

Lessee: Mrs. Eugenia Bate.

Description of Land Committed: **Township 22 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 4: SE4NW4, Lot 3 (NE4NW4)

Number of Acres: 81.12

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company, BTA Oil Producers, LLC

ORRI Owners: Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady, Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: V-8690

Date: March 1, 2010

Recorded: Unrecorded in Lea County, New Mexico.

Lessor: The State of New Mexico.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: **Township 21 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 33: E2W2

Number of Acres: 160.00.

Current Lessee of Record: Mewbourne Oil Company.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC,
EOG Resources, Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.9128%
2	81.12	25.2616%
3	160.00	49.8256%
Total	321.12	100.0000%

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Mewbourne Oil Co
Black Sheep 4 33 B3MD Federal Com #001H
Bone Spring
Township: 21 South, Range: 34 East, NMPM
Section 33: W2W2
Township: 22 South, Range: 34 East, NMPM
Section 4: W2SW4, SW4NW4, Lot 4

Lea 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 **March 1, 2021**, 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 **11th day of March, 2022**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised Feb. 2013

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land 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 the 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:

Subdivisions W2SW4, SW4NW4, and Lot 4 (NW4NW4) of Section 4, T22S, R34E and the W2W2 of

Sect 33, T 21S, R 34E, NMPM Lea County NM

containing 320.99 acres, more or less, and this agreement shall include only the

Bone Spring Formation

underlying said lands and the oil and associated casing head gas (hereinafter

referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of 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.

2021 SEP 27 AM 11:00

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2021 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of 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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Mewbourne Oil Company Lessees of Record _____

By Corey Mitchell _____

Print name of person _____

Corey Mitchell, Attorney-in-Fact _____

Type of authority JS _____

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 27 AM 11:40

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ss)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of Texas)

County of Midland) ss)

This instrument was acknowledged before me on 17 August 2021
DATE

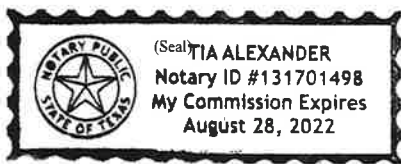
By Corey Mitchell

Name(s) of Person(s)

as Attorney-in-Fact of Mewbourne Oil Company

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



Signature of Notarial Officer

My commission expires: 8-28-22

2021 SEP 27 AM 11:40

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator _____

Lessees of Record

OXY USA INC.

By _____

Print name of person

Type of authority _____

John V. Schneider
John V. Schneider
 Attorney-in-Fact

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 27 AM 11:40

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of TEXAS _____)

County of HARRIS _____) SS)

This instrument was acknowledged before me on June 3, 2021

DATE

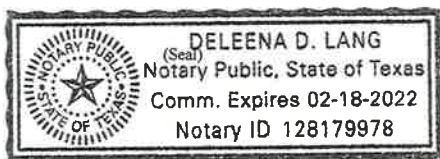
By John V. Schneider _____

Name(s) of Person(s)

as Attorney-in-Fact of OXY USA INC., a Delaware Corporation.

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



[Signature]
Signature of Notarial Officer

My commission expires: _____

2021 SEP 27 AM 11:40

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator _____

Lessees of Record _____

BTA OIL PRODUCERS, LLC

By _____

Print name of person

[Signature]
Barry Beal, Jr.

Type of authority

Managing Member

*12
VDP AE*

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 27 AM 11:40

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of Texas _____)

County of Midland _____) SS)

This instrument was acknowledged before me on 4/5/21 _____

DATE

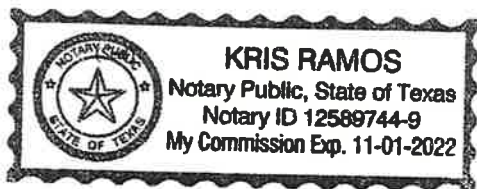
By Barry Beal, Jr. _____

Name(s) of Person(s)

as Managing Member _____ of BTA Oil Producers _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



Kris Ramos _____

Signature of Notarial Officer

My commission expires: 11-1-22

2021 SEP 27 AM 11:40

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator _____	Lessees of Record <u>CM RESOURCES, LLC</u>
By _____	
Print name of person _____	<u>Brandon Grayner</u>
Type of authority _____	<u>Senior Vice President</u>

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 27 AM 11:40

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of Texas)

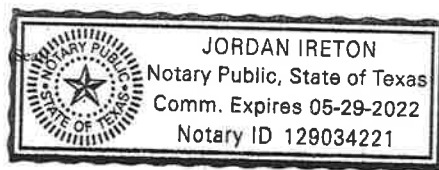
County of Midland) SS)

This instrument was acknowledged before me on August 3, 2021
DATE

By Brandon Graynor
Name(s) of Person(s)

as Senior Vice President of CM Resources, LLC

Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed



[Signature]
Signature of Notarial Officer

My commission expires: 5-29-2022

2021 SEP 27 14:11:40

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
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14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator _____

Lessees of Record _____

KAREN WESTALL

By _____

Print name of person

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 27 AM 11:40

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ss)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of New Mexico)

County of Eddy) ss)

This instrument was acknowledged before me on 3/22/21

DATE

By Karen Westfall

Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



April Rene Hope
Signature of Notarial Officer

My commission expires: 3/13/24

2021 SEP 27 AM 11:40

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator _____ Lessees of Record RAY WESTALL

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 27 AM 11:40

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ss)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of New Mexico)

County of Eddy) ss)

This instrument was acknowledged before me on 3/22/21

DATE

By Ray Westall

Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



Cyril [Signature]
Signature of Notarial Officer

My commission expires: 3/13/24

2021 SEP 27 AM 11:40

EXHIBIT "A"

Plat of communitized area covering 320.99 acres in the W2SW4, SW4NW4 and Lot 4 (NW4NW4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3MD Fed Com #1H

API #:30-025-46395

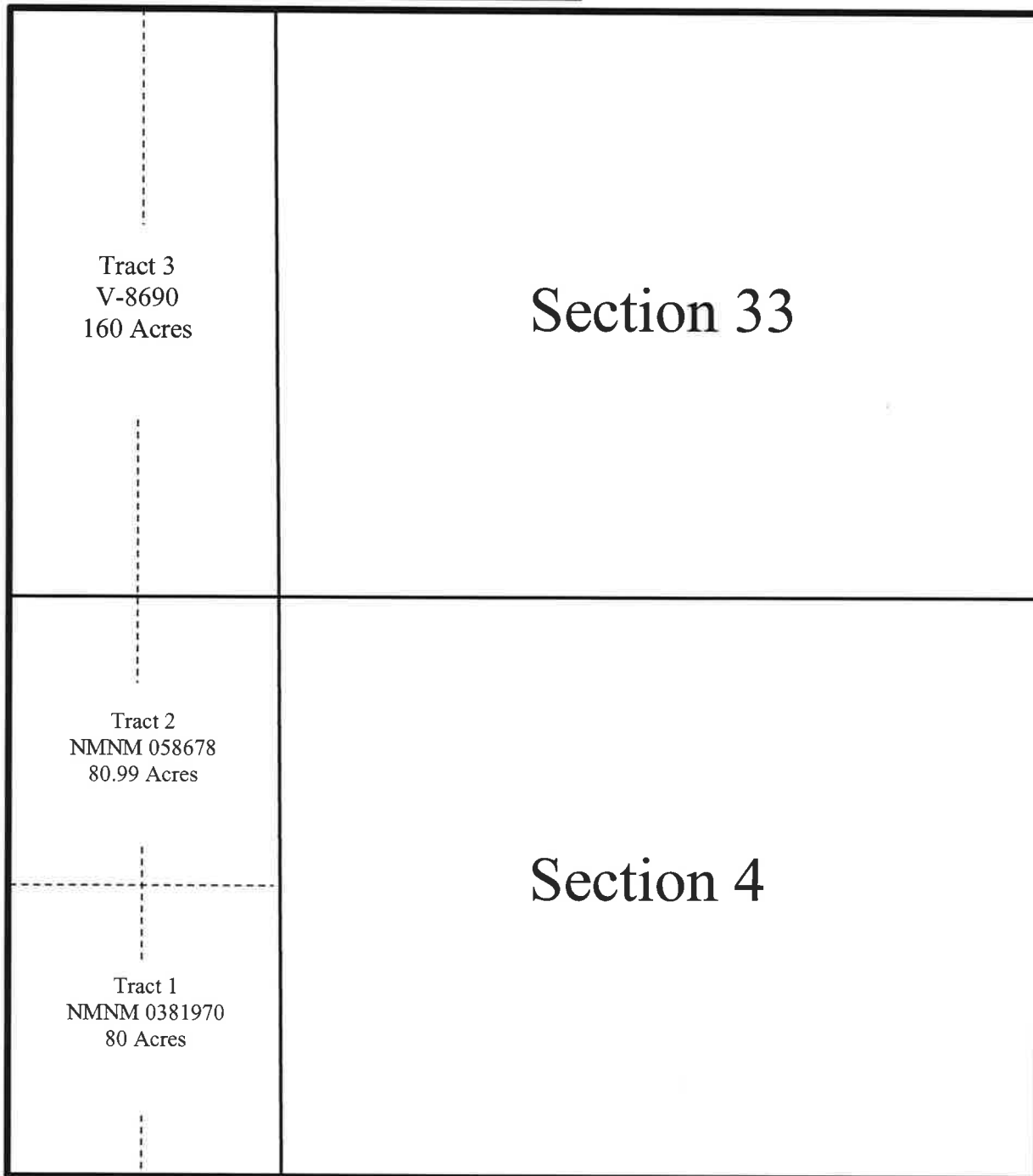


EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021 embracing the following described land in the W2SW4, SW4NW4, and Lot 4 (NW4NW4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 0381970.
Date:	May 1, 1963.
Recorded:	Book 1616, page 130, Lea County Records.
Lessor:	The United States of America.
Lessee:	Nancy Cecil Tonkin.
Description of Land Committed:	<u>Township 22 South, Range 34 East</u> <u>N.M.P.M., Lea County, New Mexico</u> Section 4: W2SW4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Nancy T. Cutter Revocable Trust dated August 24, 1995, Allen M. Tonkin, Jr. Revocable Trust dated May 12, 2005, Solari Luz, LLC

Tract No. 2

Lease Serial Number: NMNM 058678.

Date: September 1, 1961.

Recorded: Book 1616, page 127, Lea County Records.

Lessor: The United States of America.

Lessee: Mrs. Eugenia Bate.

Description of Land Committed: **Township 22 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 4: SW4NW4, Lot 4 (NW4NW4)

Number of Acres: 80.99

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company, BTA Oil Producers, LLC

ORRI Owners: Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady, Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: V-8690.

Date: March 1, 2010.

Recorded: Unrecorded in Lea County, New Mexico.

Lessor: The State of New Mexico.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: **Township 21 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
 Section 33: W2W2

Number of Acres: 160.

Current Lessee of Record: Centennial Resource Production, LLC.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC,
EOG Resources, Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.9229%
2	80.99	25.2313%
3	160.00	49.8458%
Total	320.99	100.0000%

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Mewbourne Oil Co
Black Sheep 4 33 B3NC Federal Com #001H
Bone Spring
Township: 21 South, Range: 34 East, NMPM
Section 33: E2W2
Township: 22 South, Range: 34 East, NMPM
Section 4: E2SW4, SE4NW4, Lot 3

Lea 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 **March 1, 2021**, 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 **11th day of March, 2022**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised Feb. 2013

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land 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 the 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:

Subdivisions E2SW4, SE4NW4, and Lot 3 (NE4NW4) of Section 4, T22S, R34E and the E2W2 of
Sect 33, T 21S, R 34E, NMPM Lea County NM
containing 321.12 acres, more or less, and this agreement shall include only the
Bone Spring Formation
underlying said lands and the oil and associated casing head gas (hereinafter
referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of 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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1 2021 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of 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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator Mewbourne Oil Company Lessees of Record _____
 By Corey Mitchell _____
Print name of person
 Corey Mitchell, Attorney-in-Fact
 Type of authority JO _____

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 29 AM 11:13

Acknowledgment in an Individual Capacity

State of _____)
County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of Texas)
County of Midland) SS)

This instrument was acknowledged before me on 17 August 2021
DATE

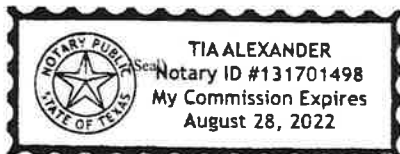
By Corey Mitchell

Name(s) of Person(s)

as Attorney-in-Fact of Mewbourne Oil Company

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



[Signature]
Signature of Notarial Officer

My commission expires: 8-28-22

2021 SEP 29 AM 11:13

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator _____

Lessees of Record **OXY USA INC.**

By _____

Print name of person

Type of authority

John V. Schneider
John V. Schneider
Attorney-in-Fact

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

County of _____) ss)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of TEXAS)

County of HARRIS) ss)

This instrument was acknowledged before me on June 3, 2021

DATE

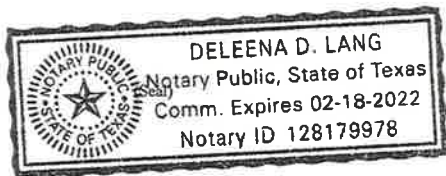
By John V. Schneider

Name(s) of Person(s)

as Attorney-in-Fact of OXY USA INC., a Delaware Corporation.

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



[Signature]

Signature of Notarial Officer

My commission expires: _____

2021 SEP 29 AM 11:13

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
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Operator _____

Lessees of Record **BTA OIL PRODUCERS, LLC**

By _____
Print name of person


Barry Beal, Jr.

Type of authority

Managing Member

WAP RFE

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 29 AM 11:13

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of Texas _____)

County of Midland _____) SS)

This instrument was acknowledged before me on 4/5/21

DATE

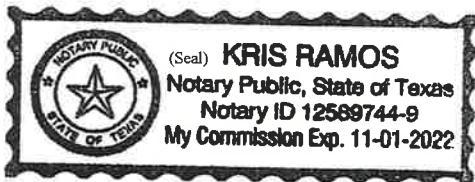
By Barry Beal, Jr. _____

Name(s) of Person(s)

as Managing member of BTA Oil Producers LLC

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



Kris Ramos

Signature of Notarial Officer

My commission expires: 11-1-22

2021 SEP 29 AM 11:13

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator _____

Lessees of Record _____

CM RESOURCES, LLC

By _____

Print name of person

Type of authority


Brandon Gaynor
Sr. VP

mu mpu

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 29 AM 11:13

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____
DATE

By _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of Texas)

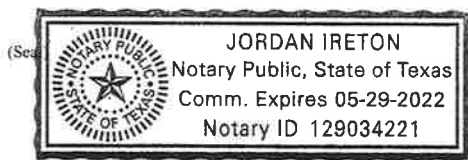
County of Midland) SS)

This instrument was acknowledged before me on August 3, 2021
DATE

By Brandon Graynor
Name(s) of Person(s)

as Senior Vice President of CM Resources, LLC

Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed



[Signature]
Signature of Notarial Officer

My commission expires: 5-29-2022

2021 SEP 29 AM 11:13

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator _____

Lessees of Record

KAREN WESTALL

By _____

Print name of person

Type of authority



Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of New Mexico)

County of Sandoz) SS)

This instrument was acknowledged before me on 3/22/21

DATE

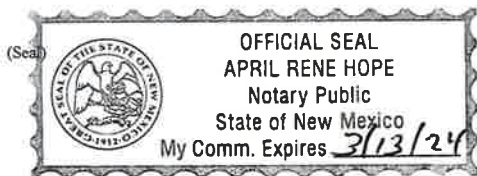
By Karen Westall

Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



April Rene Hope
Signature of Notarial Officer

My commission expires: 3/13/24

2021 SEP 29 AM 11:13

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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.
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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator _____

Lessees of Record _____

RAY WESTALL

By _____

Print name of person

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

2021 SEP 29 AM 11:13

Acknowledgment in an Individual Capacity

State of _____)

County of _____) SS)

This instrument was acknowledged before me on _____

DATE

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of New Mexico)

County of Eddy) SS)

This instrument was acknowledged before me on 3/22/21

DATE

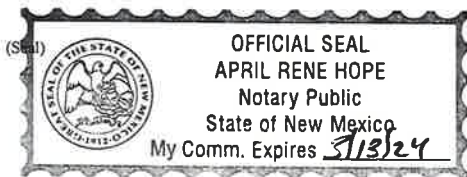
By Ray Westall

Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed



April Rene Hope
Signature of Notarial Officer

My commission expires: 3/13/24

2021 SEP 29 AM 11:14

EXHIBIT "A"

Plat of communitized area covering 321.12 acres in the E2SW4, SE4NW4 and Lot 3 (NE4NW4) of Section 4, T22S, R34E, Lea County, New Mexico and the E2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3NC Fed Com #1H

API #:30-025-44859

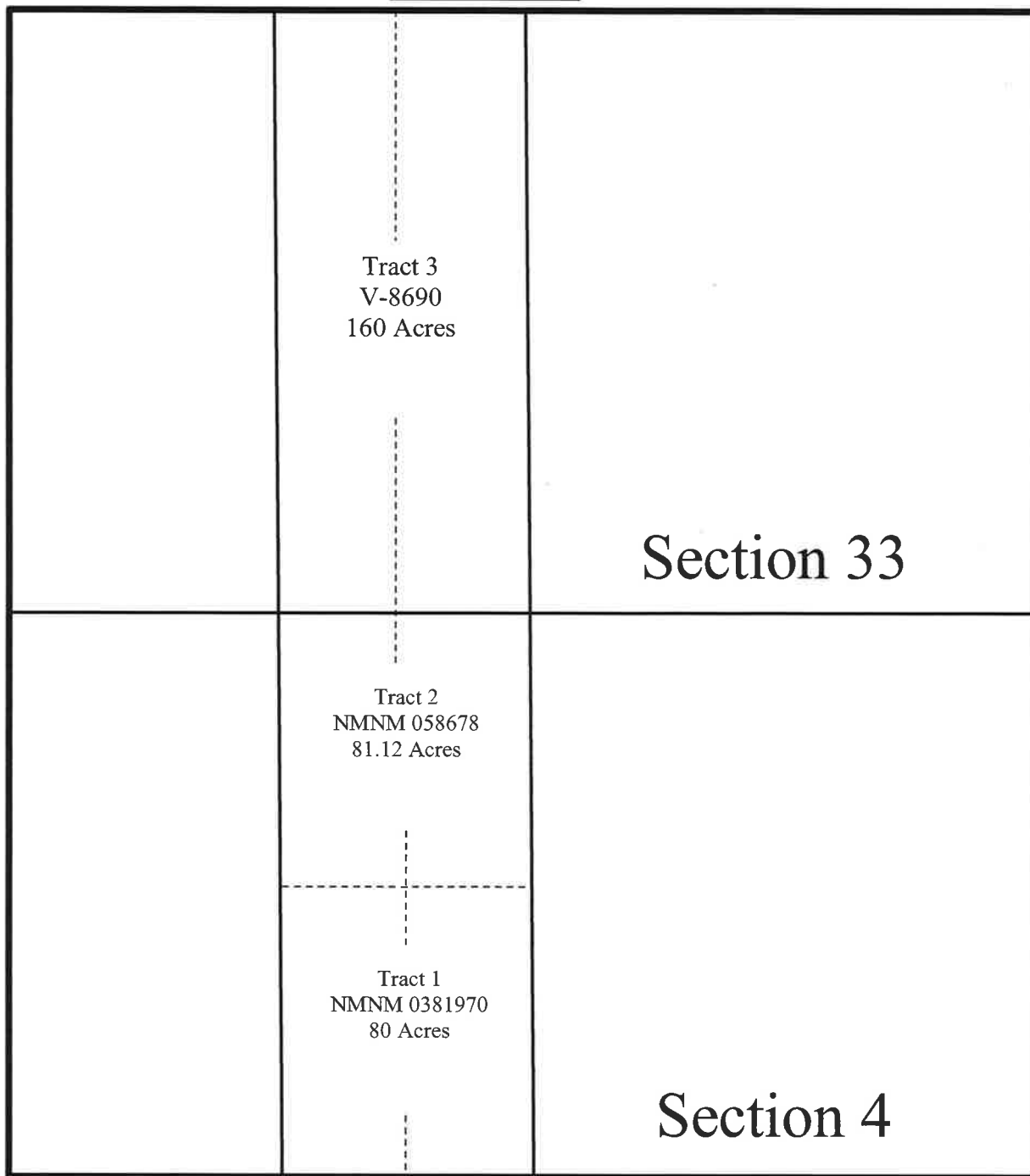


EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021 embracing the following described land in the E2SW4, SE4NW4, and Lot 3 (NE4NW4) of Section 4, T22S, R34E, Lea and the E2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 0381970.
Date:	May 1, 1963.
Recorded:	Book 1616, page 130, Lea County Records.
Lessor:	The United States of America.
Lessee:	Nancy Cecil Tonkin.
Description of Land Committed:	<u>Township 22 South, Range 34 East</u> <u>N.M.P.M., Lea County, New Mexico</u> Section 4: E2SW4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Nancy T. Cutter Revocable Trust dated August 24, 1995, Allen M. Tonkin, Jr. Revocable Trust dated May 12, 2005, Solari Luz, LLC

Tract No. 2

Lease Serial Number: NMNM 058678

Date: September 1, 1961.

Recorded: Book 1616, page 127, Lea County Records.

Lessor: The United States of America.

Lessee: Mrs. Eugenia Bate.

Description of Land Committed: **Township 22 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 4: SE4NW4, Lot 3 (NE4NW4)

Number of Acres: 81.12

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company, BTA Oil Producers, LLC

ORRI Owners: Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady, Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: V-8690

Date: March 1, 2010

Recorded: Unrecorded in Lea County, New Mexico.

Lessor: The State of New Mexico.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: Township 21 South, Range 34 East
N.M.P.M., Lea County, New Mexico
Section 33: E2W2

Number of Acres: 160.00.

Current Lessee of Record: Centennial Resource Production, LLC

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC,
EOG Resources, Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.9128%
2	81.12	25.2616%
<u>3</u>	<u>160.00</u>	<u>49.8256%</u>
Total	321.12	100.0000%



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office

301 Dinosaur Trail

Santa Fe, New Mexico 87508

<https://www.blm.gov/new-mexico>



In Reply Refer To:

NMNM143846 (NMNM105737612)

3105.2 (NM920)

JUN 07 2023

Reference:

Communitization Agreement

Black Sheep 4/33 B3MD Fed Com #1H

Section 33: W2W2.

T. 21 S., R. 34 E., N.M.P.M.

Section 4: Lot 4, SWNW, W2SW.

T. 22 S., R. 34 E., N.M.P.M.

Lea County, NM

Mewbourne Oil Company

500 W. Texas Avenue, Suite 1020

Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM143846 involving 80.00 acres of Federal land in lease NMNM0381970, 80.99 acres of Federal land in lease NMNM0058678, and 160.00 acres of State land, Lea County, New Mexico, which comprise a 320.99 acre well spacing unit.

The agreement communitizes all rights to all crude oil and associated natural gas from the Bone Spring formation, only through the wellbore of the Black Sheep 4/33 B3MD Fed Com #1H (API No. 30-025-46395), beneath the W2W2 of Sec. 33, T. 21 S., R. 34 E., and Lot 4, SWNW, W2SW of Sec. 4, T. 22 S., R. 34 E., NMPM, Lea County, NM, and is effective March 1, 2021. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

2

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Elizabeth Rivera by email at lriviera@blm.gov or by phone (505) 954-2162. Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

KYLE
PARADIS

Digitally signed by
KYLE PARADIS
Date: 2023.06.07
12:15:44 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM.

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM143846 involving Federal Lease(s) NMNM0381970, NMNM0058678, and State land. This Communitization Agreement is in Sec. 33, T. 21 S., R. 34 E., and Sec. 4, T. 22 S., R. 34 E., NMPM, Lea County, New Mexico, for production of crude oil and associated natural gas producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

KYLE
PARADIS

Digitally signed by
KYLE PARADIS
Date: 2023.06.07
12:28:06 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: March 1, 2021
Contract No.: NMNM143846

RECEIVED

MAY 24 2023

BLM, NMSO
SANTA FEFederal Communitization AgreementContract No. NMNM 143846

THIS AGREEMENT entered into as of the 1st day of March, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

WHEREAS, the parties have drilled a Bone Spring Oil well designated the Black Sheep 4/33 B3MD Fed Com #1H (API #30-025-46395) (Subject Well) in Section 4, T22S, R34E and Section 33, T21S, R34E, Lea County, New Mexico.

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 22 South, Range 34 East, N.M.P.M.
W2SW4, SW4NW4, and Lot 4 (NW4NW4) of Section 4

Township 21 South, Range 34 East, N.M.P.M.
W2W2 of Section 33

Lea County, New Mexico

Containing **320.99** acres, and this agreement shall include only the Bone Spring underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation and only through the wellbore of Black Sheep 4/33 B3MD Fed Com #1H (API #30-025-46395).

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mewbourne Oil Company, 500 W. Texas Avenue, Suite 1020, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the lessees of record and 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 insofar as the production from the Black Sheep 4/33 B3MD Fed Com #1H (API #30-025-46395) well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the Black Sheep 4/33 B3MD Fed Com #1H (API #30-025-46395) well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such

production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 the Black Sheep 4/33 B3MD Fed Com #1H (API #30-025-46395) well 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 March 1, 2021, 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 from the Black Sheep 4/33 B3MD Fed Com #1H (API #30-025-46395) well: 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 Black Sheep 4/33 B3MD Fed Com #1H (API #30-025-46395) well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

Mewbourne Oil Company
Operator

8/9/21

Date

By: Craig Mitchell

Operator/Attorney-in-Fact



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

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

8/9/2021
Date

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

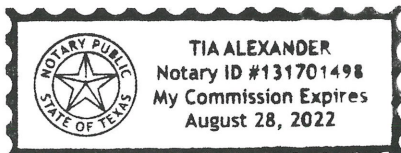
JS

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

On this 17 day of August, 2021, before me, a Notary Public for the State of Texas, personally appeared Corey Mitchell, known to me to be the Attorney-in-Fact for Mewbourne Oil Company, a Delaware corporation, on behalf of said corporation.

(SEAL)



8-28-22
My Commission Expires

Tia Alexander
Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.99 acres in the W2SW4, SW4NW4 and Lot 4 (NW4NW4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3MD Fed Com #1H

API #:30-025-46395

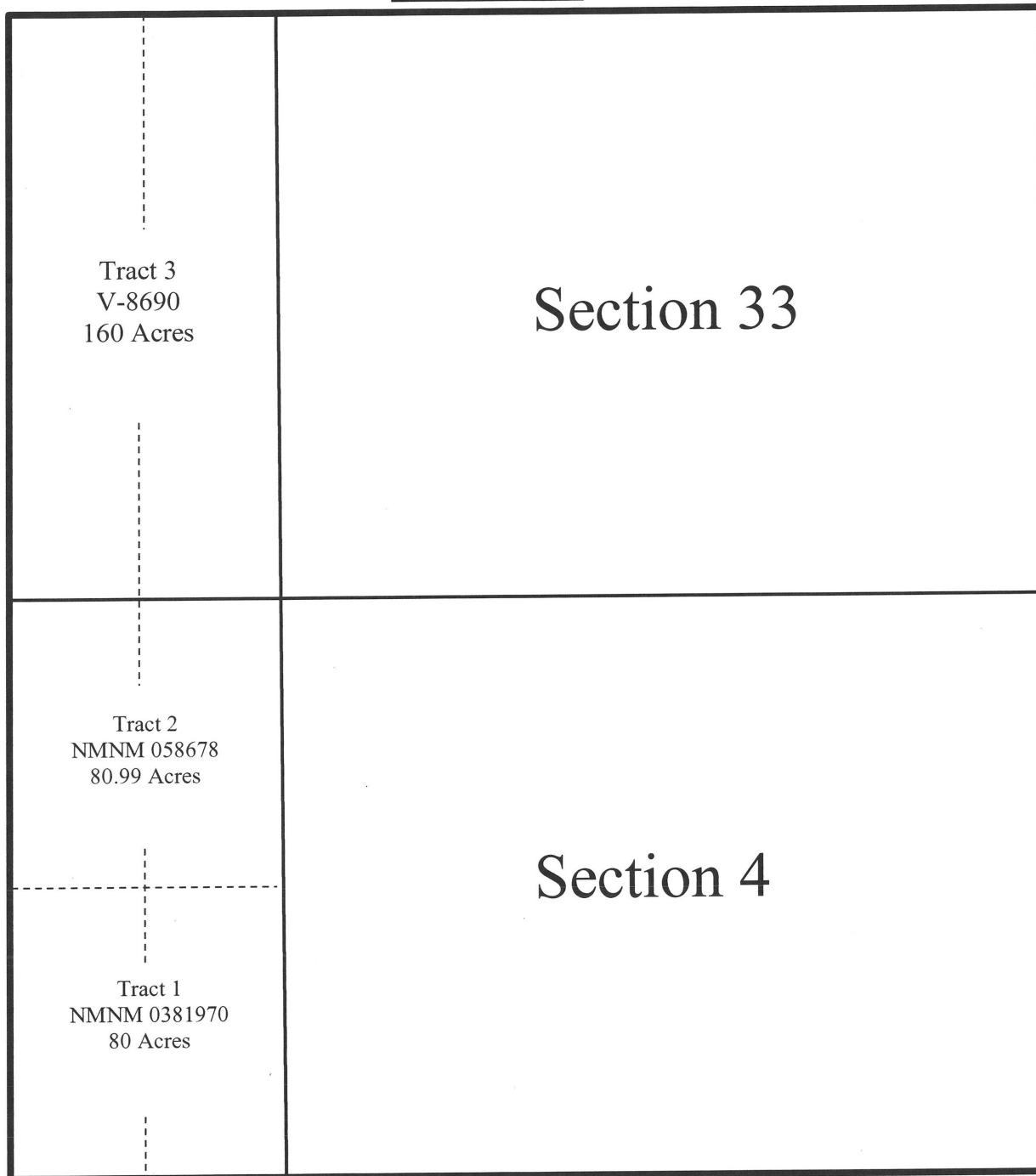


EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021 embracing the following described land in the W2SW4, SW4NW4, and Lot 4 (NW4NW4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2W2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMMN 0381970.
Date:	May 1, 1963.
Recorded:	Book 1616, page 130, Lea County Records.
Lessor:	The United States of America.
Lessee:	Nancy Cecil Tonkin.
Description of Land Committed:	<u>Township 22 South, Range 34 East</u> <u>N.M.P.M., Lea County, New Mexico</u> Section 4: W2SW4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Nancy T. Cutter Revocable Trust dated August 24, 1995, Allen M. Tonkin, Jr. Revocable Trust dated May 12, 2005, Solari Luz, LLC

Tract No. 2

Lease Serial Number: NMNM 058678.

Date: September 1, 1961.

Recorded: Book 1616, page 127, Lea County Records.

Lessor: The United States of America.

Lessee: Mrs. Eugenia Bate.

Description of Land Committed: **Township 22 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 4: SW4NW4, Lot 4 (NW4NW4)

Number of Acres: 80.99

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company, BTA Oil Producers, LLC

ORRI Owners: Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady, Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: V-8690.

Date: March 1, 2010.

Recorded: Unrecorded in Lea County, New Mexico.

Lessor: The State of New Mexico.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: **Township 21 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 33: W2W2

Number of Acres: 160.

Current Lessee of Record: Centennial Resource Production, LLC.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC,
EOG Resources, Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.9229%
2	80.99	25.2313%
3	160.00	49.8458%
Total	320.99	100.0000%

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM143740 involving Federal Leases NMNM033312-A, NMNM058678, State and Fee lands. This Communitization Agreement is in Sec. 33, T. 21 S., R. 34 E., and Sec. 4, T. 22 S., R. 34 E., NMPM, Lea County, New Mexico, for production of oil and associated casinghead gas producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

KYLE
PARADIS

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KYLE PARADIS
Date: 2023.05.09
12:41:42 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: October 1, 2020
Contract No.: NMNM143740

SEP 10 2021

BLM, NMSO
SANTA FEFederal Communitization AgreementContract No. Nmmn 143740

THIS AGREEMENT entered into as of the 1st day of October 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

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

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

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

Township 22 South, Range 34 East, N.M.P.M.**W2SE4, SW4NE4, and Lot 2 (NW4NE4) of Section 4
Lea County, New Mexico****Township 21 South, Range 34 East, N.M.P.M.****W2E2 of Section 33, Lea County, New Mexico**

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Containing **321.26** 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, 500 W. Texas Avenue, Suite 1020, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each

communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

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

9/8/21
Date

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

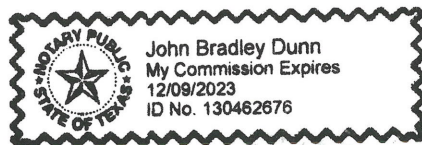
[Signature]

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

On this 8TH day of September 2021, before me, a Notary Public for the State of Texas, personally appeared Corey Mitchell, known to me to be the Attorney-in-Fact for Mewbourne Oil Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



12/09/2023
My Commission Expires

[Signature]
Notary Public

EXHIBIT "A"

Plat of communitized area covering **321.26** acres in the W2SE4, SW4NE4 and Lot 2 (NW4NE4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3OB Fed Com #1H

API #: 30-025-44939

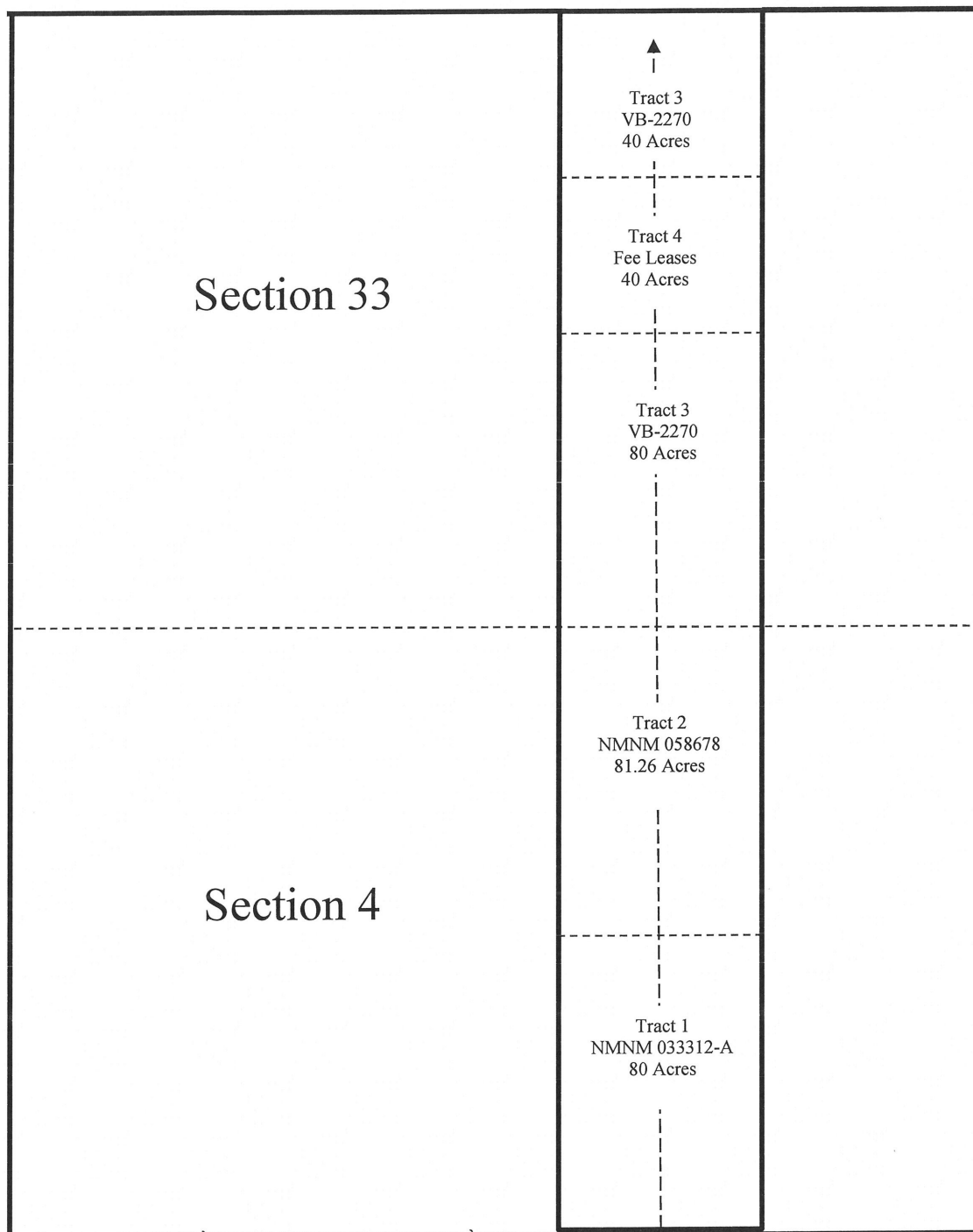


EXHIBIT "B"

To Communitization Agreement Dated October 1, 2020 embracing the following described land in the W2SE4, SW4NE4, and Lot 2 (NW4NE4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 033312-A.
Date:	April 1, 1958.
Recorded:	Book 1616, page 124, Lea County Records.
Lessor:	The United States of America.
Lcssee:	Mary W. Goodpasture.
Description of Land Committed:	<u>Township 22 South, Range 34 East</u> <u>N.M.P.M., Lea County, New Mexico</u> Section 4: W2SE4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Philip L. White, Thomas E. Jennings

Tract No. 2

Lease Serial Number:	NMNM 058678
Date:	September 1, 1961.
Recorded:	Book 1616, page 127, Lea County Records.

Lessor: The United States of America.

Lessee: Mrs. Eugenia Bate.

Description of Land Committed: **Township 22 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 4: SW4NE4, Lot 2 (NW4NE4)

Number of Acres: 81.26

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company, BTA Oil Producers, LLC

ORRI Owners: Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady, Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: VB-2270.

Date: May 1, 2013.

Recorded: Unrecorded in Lea County, New Mexico.

Lessor: The State of New Mexico.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: **Township 21 South, Range 34 East**
N.M.P.M., Lea County, New Mexico

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Section 33: W2SE4 and NW4NE4

Number of Acres: 120.00.

Current Lessee of Record: Mewbourne Oil Company.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC,
EOG Resources, Inc.

Tract No. 4

Lease 1:

Date: December 15, 2015.

Recorded: Book 2000, page 954, Lea County Records.

Lessor: The Merchant Livestock Co., Inc.

Lessee: GMT Exploration Company, LLC.

Description of Land Committed: **Township 21 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 33: SW4NE4

Number of Acres: 40.00.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC.

Lease 2:

Date: March 3, 2014.

Recorded: Book 1888, page 663, Lea County Records.

Lessor: Randall Harris and Teresa Harris, husband
and wife.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: **Township 21 South, Range 34 East**

N.M.P.M., Lea County, New Mexico

Section 33: SW4NE4

Number of Acres: 40.00.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.9019%
2	81.26	25.2942%
3	120.00	37.3529%
4	40.00	12.4510%
Total	321.39 <i>26 m</i>	100.0000%

2021 APR 20 AM 8:34

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM143779 involving Federal Leases NMNM033312-A, NMNM058678, and State land. This Communitization Agreement is in Sec 33, T. 21 S., R. 34 E., and Sec. 4, T. 22 S., R. 34 E., NMPM, Lea County, New Mexico, for production of crude oil and associated natural gas producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

KYLE
PARADIS

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KYLE PARADIS
Date: 2023.09.07
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Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: October 1, 2020
Contract No.: NMNM143779

RECEIVED

SEP 13 2021

BLM, NMSO
SANTA FE

RECEIVED

MAY 24 2023

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. NMNM 143779

THIS AGREEMENT entered into as of the 1st day of October, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

WHEREAS, the parties have drilled a Bone Spring Oil well designated the Black Sheep 4/33 B3PA Fed Com #2H (API #30-025-45601) (Subject Well) in Section 4, T22S, R34E and Section 33, T21S, R34E, Lea County, New Mexico.

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 22 South, Range 34 East, N.M.P.M.
E2SE4, SE4NE4, and Lot 1 (NE4NE4) of Section 4

Township 21 South, Range 34 East, N.M.P.M.
E2E2 of Section 33

Lea County, New Mexico

Containing **321.39** acres, and this agreement shall include only the Bone Spring underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation and only through the wellbore of Black Sheep 4/33 B3PA Fed Com #2H (API #30-025-45601).

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mewbourne Oil Company, 500 W. Texas Avenue, Suite 1020, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the lessees of record and 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 insofar as the production from the Black Sheep 4/33 B3PA Fed Com #2H (API #30-025-45601) well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the Black Sheep 4/33 B3PA Fed Com #2H (API #30-025-45601) well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such

production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 the Black Sheep 4/33 B3PA Fed Com #2H (API #30-025-45601) well 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 October 1, 2020, 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 from the Black Sheep 4/33 B3PA Fed Com #2H (API #30-025-45601) well: 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 Black Sheep 4/33 B3PA Fed Com #2H (API #30-025-45601) well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

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

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

9/8/21
Date

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

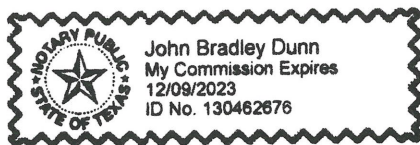
JS

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

On this 8TH day of September 2021, before me, a Notary Public for the State of Texas, personally appeared Corey Mitchell, known to me to be the Attorney-in-Fact for Mewbourne Oil Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



12/09/2023
My Commission Expires

John Bradley Dunn
Notary Public

EXHIBIT "A"

Plat of communitized area covering **321.39** acres in the E2SE4, SE4NE4, and Lot 1 (NE4NE4) of Section 4, T22S, R34E and the E2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3PA Fed Com #2H

API #: 30-025-45601

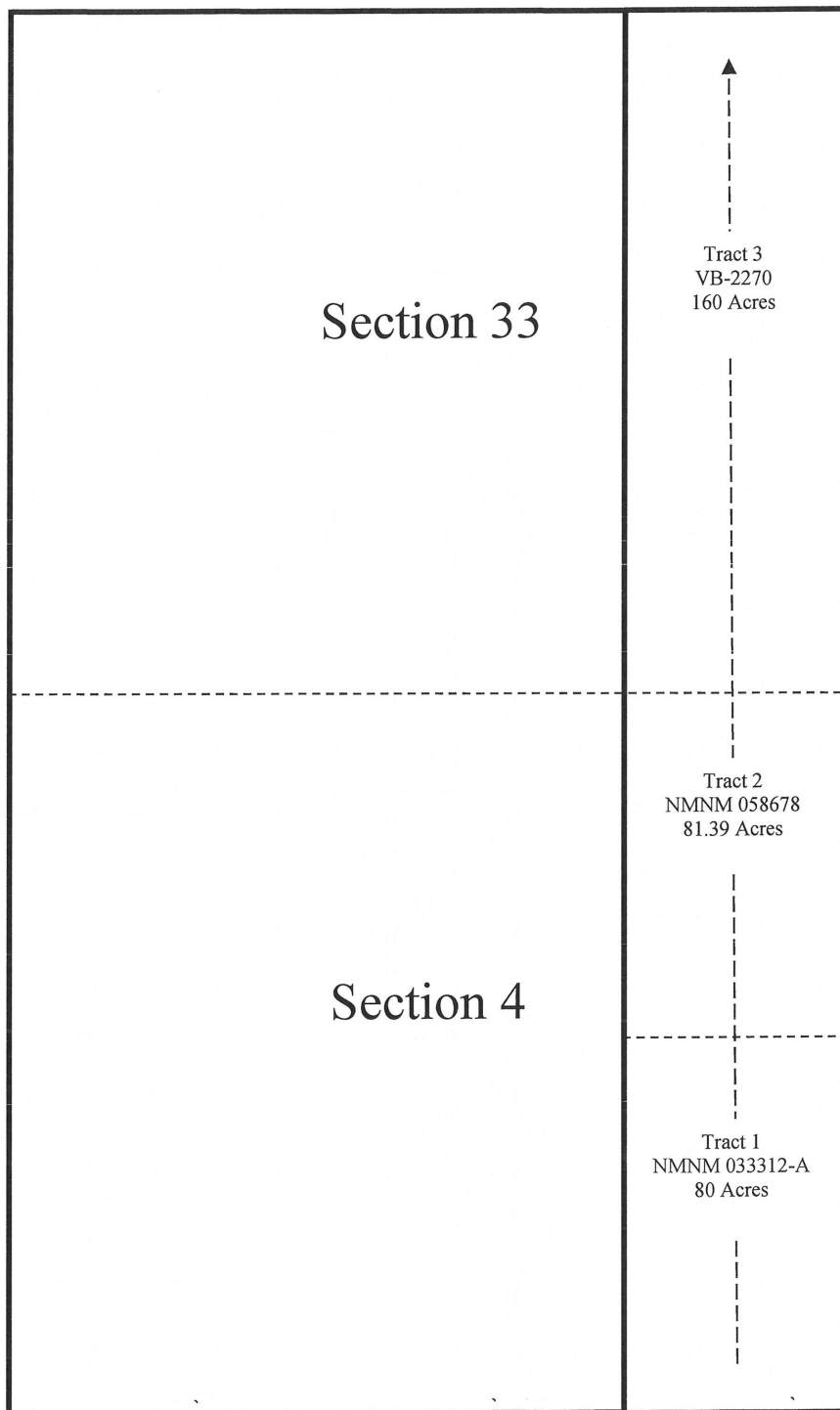


EXHIBIT "B"

To Communitization Agreement Dated October 1, 2020 embracing the following described land in the E2SE4, SE4NE4, and Lot 1 (NE4NE4) of Section 4, T22S, R34E, Lea and the E2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 033312-A
Date:	April 1, 1958.
Recorded:	Book 1616, page 124, Lea County Records.
Lessor:	The United States of America.
Lessee:	Mary W. Goodpasture.
Description of Land Committed:	<u>Township 22 South, Range 34 East</u> <u>N.M.P.M., Lea County, New Mexico</u> Section 4: E2SE4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Philip L. White, Thomas E. Jennings

Tract No. 2

Lease Serial Number:	NMNM 058678
Date:	September 1, 1961.
Recorded:	Book 1616, page 127, Lea County Records.

Lessor: The United States of America.

Lessee: Mrs. Eugenia Bate.

Description of Land Committed: **Township 22 South, Range 34 East**
N.M.P.M., Lea County, New Mexico
Section 4: SE4NE4, Lot 1 (NE4NE4)

Number of Acres: 81.39

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company, BTA Oil Producers, LLC

ORRI Owners: Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady, Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: VB-2270

Date: May 1, 2013.

Recorded: Unrecorded in Lea County, New Mexico.

Lessor: The State of New Mexico.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: **Township 21 South, Range 34 East**
N.M.P.M., Lea County, New Mexico

Section 33: E2E2

Number of Acres: 160.00.

Current Lessee of Record: Mewbourne Oil Company.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC,
EOG Resources, Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.8919%
2	81.39	25.3244%
3	<u>160.00</u>	<u>49.7837%</u>
Total	321.39	100.0000%

2021 APR 20 AM 0:32

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

Mewbourne Oil Co
Black Sheep 4 33 B3OB Federal Com #001H
Bone Spring
Township: 21 South, Range: 34 East, NMPM
Section 33: W2E2
Township: 22 South, Range: 34 East, NMPM
Section 4: W2E2

Lea 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 **October 15, 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 **15th day of December, 2021**.

Stephanne Corwin Richard /ss
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

2021 JUL 13 AM 10:39

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised Feb. 2013

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land 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 the 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:

Subdivisions W2SE4, SW4NE4, and Lot 2 (NW4NE4) of Section 4, T22S, R34E, and W2E2 of
Sect 33, T 21S, R 34E, NMPM Lea County NM
containing 321.26 acres, more or less, and this agreement shall include only the
Bone Spring Formation
underlying said lands and the oil and associated casinghead gas (hereinafter
referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of 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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 15 2020 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of 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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Mewbourne Oil Company Lessees of Record _____

By Corey Mitchell _____

Print name of person

Corey Mitchell, Attorney-In-Fact

Type of authority

CS

Attach additional page(s) if needed.

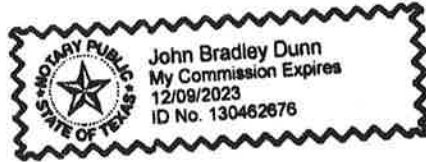
[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of TEXAS
 County of MIDLAND) ss)
 This instrument was acknowledged before me on 04/12/2021
 DATE

By CORY MITCHELL, ATTORNEY-IN-FACT
 Name(s) of Person(s)

(Seal)



[Signature]
 Signature of Notarial Officer

My commission expires: 12/09/2023

Acknowledgment in a Representative Capacity

State of _____)
 County of _____) ss)
 This instrument was acknowledged before me on _____
 DATE

By _____
 Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

 Signature of Notarial Officer

My commission expires: _____

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Mewbourne Oil Company

Lessees of Record

OXY USA Inc.

By

Print name of person

Corey Mitchell, Attorney-in-Fact

Type of authority

John V. Schneider
John V. Schneider
Attorney-in-Fact

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

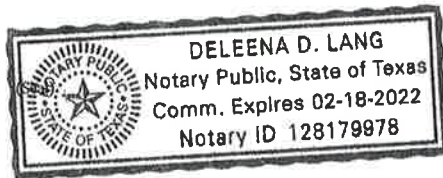
County of _____) ss)

This instrument was acknowledged before me on _____
DATEBy _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

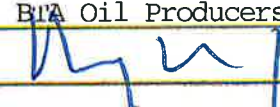
Acknowledgment in a Representative CapacityState of TEXAS _____)County of HARRIS _____) ss)This instrument was acknowledged before me on 11/12/2020
DATEBy John V. Schneider
Name(s) of Person(s)as Attorney-in-Fact of OXI USA Inc, a Delaware corporation.
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

 A handwritten signature in blue ink, appearing to read "Deleena D. Lang", written over a horizontal line.

Signature of Notarial Officer
My commission expires: 02/18/2022

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator <u>Mewbourne Oil Company</u>	Lessees of Record <u>BIA Oil Producers, LLC</u>
By _____	
Print name of person Corey Mitchell, Attorney-in-Fact	Barry Beal, Jr.
Type of authority	Managing Member PL WDP

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____
 County of _____ ss)

This instrument was acknowledged before me on _____
 DATE

By _____
 Name(s) of Person(s)

(Seal)

 Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

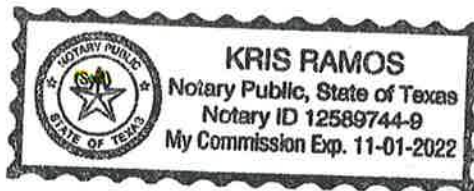
State of TX Texas
 County of midland ss)

This instrument was acknowledged before me on 12-16-20
 DATE

By Barry Beal, Jr.
 Name(s) of Person(s)

as Managing Member of BTA Oil Producers, LLC

Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed



Kris Ramos
 Signature of Notarial Officer

My commission expires: 11-1-22

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. **Nondiscrimination:** In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator **Mewbourne Oil Company**

Lessees of Record

By

Print name of person

Corey Mitchell, Attorney-in-Fact

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of New Mexico)
 County of Solds) ss)

This instrument was acknowledged before me on 10/19/20
 DATE

By Ray Westall and Karen Westall
 Name(s) of Person(s)



April Rene Hope
 Signature of Notarial Officer

My commission expires: 3/13/24

Acknowledgment in a Representative Capacity

State of _____)
 County of _____) ss)

This instrument was acknowledged before me on _____
 DATE

By _____
 Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

 Signature of Notarial Officer

My commission expires: _____

EXHIBIT "A"

Plat of communitized area covering **321.26** acres in the W2SE4, SW4NE4 and Lot 2 (NW4NE4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3OB Fed Com #1H

API #: 30-025-44939

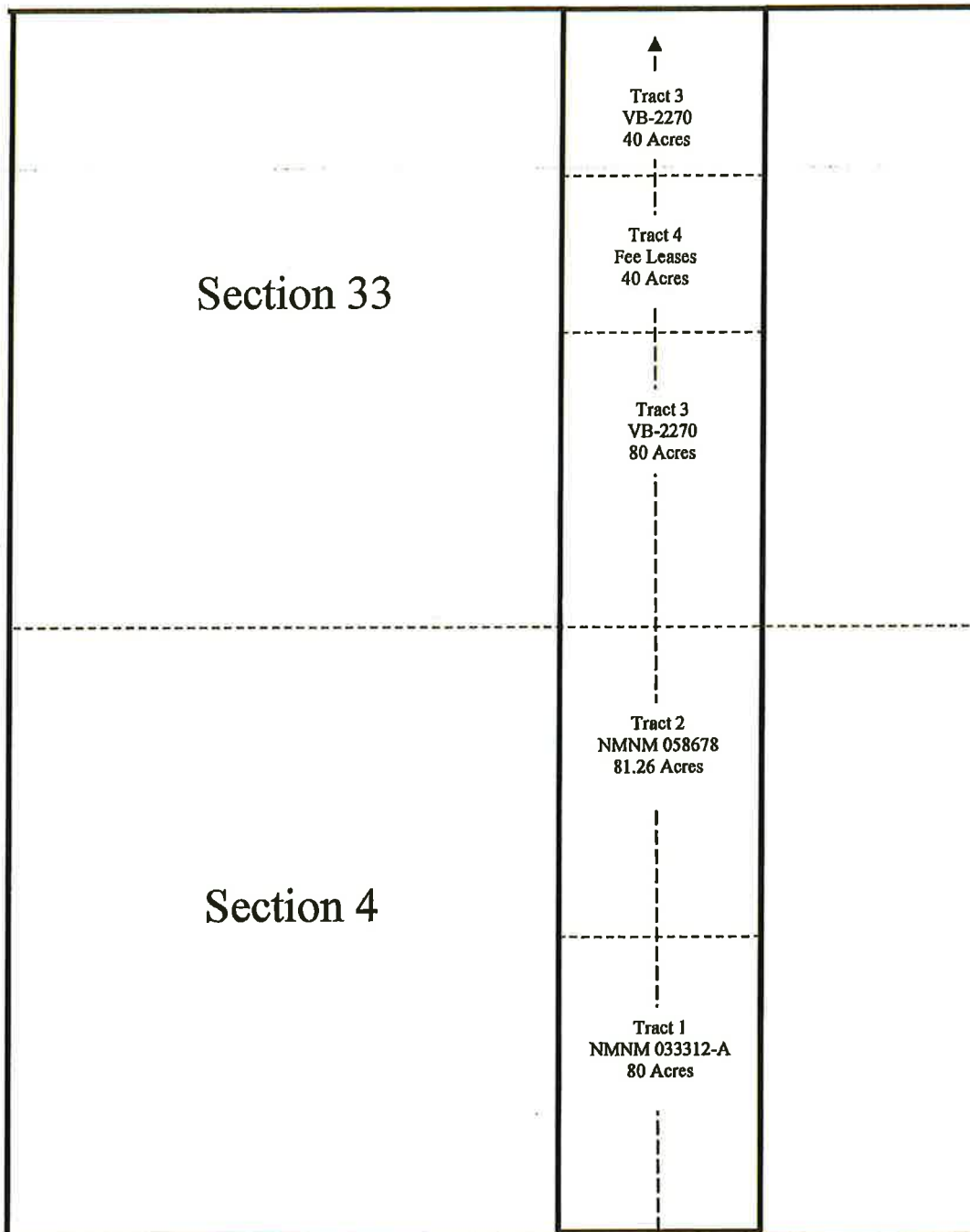


EXHIBIT "B"

To Communitization Agreement Dated October 15, 2020 embracing the following described land in the W2SE4, SW4NE4, and Lot 2 (NW4NE4) of Section 4, T22S, R34E, Lea County, New Mexico and the W2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 033312-A.
Date:	April 1, 1958.
Recorded:	Book 1616, page 124, Lea County Records.
Lessor:	The United States of America.
Lessee:	Mary W. Goodpasture.
Description of Land Committed:	<u>Township 22 South, Range 34 East</u> <u>N.M.P.M., Lea County, New Mexico</u> Section 4: W2SE4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Philip L. White, Thomas E. Jennings

Tract No. 2

Lease Serial Number:	NMNM 058678
Date:	September 1, 1961.
Recorded:	Book 1616, page 127, Lea County Records.

Lessor: The United States of America.

Lessee: Mrs. Eugenia Bate.

Description of Land Committed: Township 22 South, Range 34 East
N.M.P.M., Lea County, New Mexico
Section 4: SW4NE4, Lot 2 (NW4NE4)

Number of Acres: 81.26

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company, BTA Oil Producers, LLC

ORRI Owners: Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady, Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: VB-2270.-0004⁽⁸⁾

Date: May 1, 2013.

Recorded: Unrecorded in Lea County, New Mexico.

Lessor: The State of New Mexico.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: Township 21 South, Range 34 East
N.M.P.M., Lea County, New Mexico

Section 33: W2SE4 and NW4NE4

Number of Acres: 120.00.

Current Lessee of Record: Mewbourne Oil Company.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC,
EOG Resources, Inc.

Tract No. 4

Lease 1:

Date: December 15, 2015.

Recorded: Book 2000, page 954, Lea County Records.

Lessor: The Merchant Livestock Co., Inc.

Lessee: GMT Exploration Company, LLC.

Description of Land Committed: Township 21 South, Range 34 East
N.M.P.M., Lea County, New Mexico
Section 33: SW4NE4

Number of Acres: 40.00.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC.

Lease 2:

Date: March 3, 2014.

Recorded: Book 1888, page 663, Lea County Records.

Lessor: Randall Harris and Teresa Harris, husband
and wife.

Lessee: Yates Petroleum Corporation.

Description of Land Committed: Township 21 South, Range 34 East

N.M.P.M., Lea County, New Mexico
Section 33: SW4NE4

Number of Acres: 40.00.

Name of Working Interest Owners: Mewbourne Oil Company, OXY USA Inc.

ORRI Owners: GMT New Mexico Royalty Company, LLC.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.9019%
2	81.26	25.2942%
3	120.00	37.3529%
4	40.00	12.4510%
Total	321.39	100.0000%

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Mewbourne Oil Co
Black Sheep 4 33 B3PA Federal Com #002H
Bone Spring
Township: 21 South, Range: 34 East, NMPM
Section 33: E2E2
Township: 22 South, Range: 34 East, NMPM
Section 4: E2E2

Lea 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 **October 15, 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 15th day of December, 2021.

Stephanne Courcier Richard BS
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

2021 JUL 13 AM 10:39

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised Feb. 2013

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land 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 the 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:

Subdivisions E2SE4, SE4NE4, and Lot 1 (NE4NE4) of Section 4, T22S, R34E and E2E2 of

Sect 33, T 21S, R 34E, NMPM Lea County NM

containing 321.39 acres, more or less, and this agreement shall include only the

Bone Spring Formation

underlying said lands and the oil and associated casinghead gas (hereinafter

referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of 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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 15 2020 Month 15 Day, 2020 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of 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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Mewbourne Oil Company Lessees of Record _____

By Corey Mitchell _____

Print name of person

Corey Mitchell, Attorney-in-Fact

Type of authority

CS

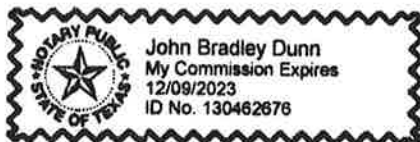
Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of TEXAS)
 County of MEDLAND) ss)
 This instrument was acknowledged before me on 04/12/2021
 DATE
 By CORBY MITCHELL, Attorney-IN-FACT
 Name(s) of Person(s)

(Seal)



[Signature]
 Signature of Notarial Officer
 My commission expires: 12/09/2023

Acknowledgment in a Representative Capacity

State of _____)
 County of _____) ss)
 This instrument was acknowledged before me on _____
 DATE

By _____
 Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

 Signature of Notarial Officer

My commission expires: _____

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Mewbourne Oil Company

Lessees of Record OXY USA Inc.

By _____

Print name of person

Corey Mitchell, Attorney-In-Fact

Type of authority

John V. Schneider
John V. Schneider
Attorney-in-fact

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____)

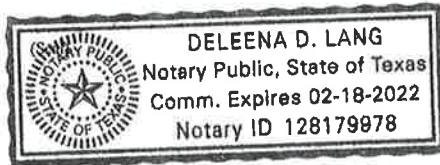
County of _____) SS)

This instrument was acknowledged before me on _____
DATEBy _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative CapacityState of TEXAS _____)County of HARRIS _____) SS)This instrument was acknowledged before me on 11/12/2020
DATEBy John V. Schneider _____
Name(s) of Person(s)as Attorney-in-Fact of OXY USA Inc., a Delaware Corporation
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

 A handwritten signature in blue ink, appearing to read 'Deleena D. Lang', written over a horizontal line.

Signature of Notarial Officer
My commission expires: 02/18/2022

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Mewbourne Oil Company

Lessees of Record ETA Oil Producers, LLC

By _____

Print name of person

Corey Mitchell, Attorney-in-Fact

Type of authority

Barry Beal, Jr.

Managing Member WDP

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of _____

County of _____ ss)

This instrument was acknowledged before me on _____
DATEBy _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

State of TexasCounty of Midland ss)This instrument was acknowledged before me on 12-11-20
DATEBy Barry Beal, Jr.
Name(s) of Person(s)as Managing Member of BTA Oil Producers, LLC

Type of authority, e.g., officer, trustee, etc. Name of party on behalf of whom instrument was executed

Kris Ramos
Signature of Notarial OfficerMy commission expires: 11-1-22

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. **Nondiscrimination:** In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator **Mewbourne Oil Company**

Lessees of Record

By

Print name of person

Corey Mitchell, Attorney-in-Fact

Type of authority

Attach additional page(s) if needed.

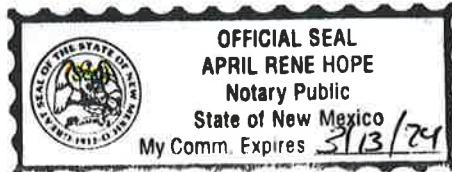
[Acknowledgments are on following page.]

Acknowledgment in an Individual Capacity

State of New Mexico
 County of Eddy ss)

This instrument was acknowledged before me on 10/19/20
 DATE

By Ray Westall and Karen Westall
 Name(s) of Person(s)



April Rene Hope
 Signature of Notarial Officer

My commission expires: 3/13/24

Acknowledgment in a Representative Capacity

State of _____
 County of _____ ss)

This instrument was acknowledged before me on _____
 DATE

By _____
 Name(s) of Person(s)

as _____ of _____

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

 Signature of Notarial Officer

My commission expires: _____

EXHIBIT "A"

Plat of communitized area covering 321.39 acres in the E2E2 of Section 4, T22S, R34E, Lea County, New Mexico and the E2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Black Sheep 4-33 B3PA Fed Com #2H

API #: 30-025-45601

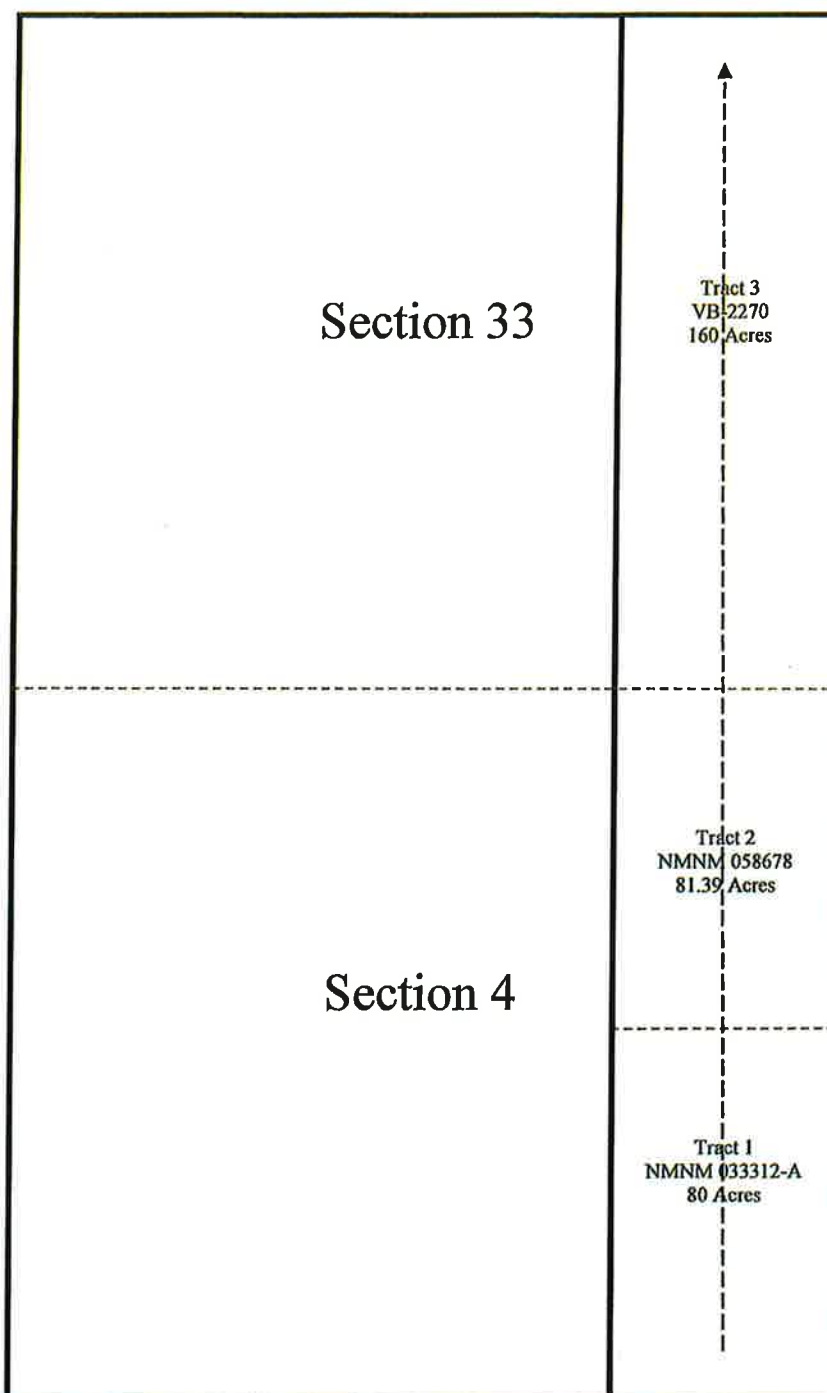


EXHIBIT "B"

To Communitization Agreement Dated October 1, 2020 embracing the following described land in the E2E2 of Section 4, T22S, R34E, Lea County, New Mexico and the E2E2 of Section 33, T21S, R34E, Lea County, New Mexico.

Operator of Communitized Area: Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 033312-A
Description of Land Committed:	Township 22 South, Range 34 East, Section 4: E2SE4
Number of Acres:	80.00
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Philip L. White, Thomas E. Jennings

Tract No. 2

Lease Serial Number:	NMNM 058678
Description of Land Committed:	Township 22 South, Range 34 East, Section 4: SE4NE4, Lot 1 (NE4NE4)
Number of Acres:	81.39
Current Lessee of Record:	Mewbourne Oil Company
Name of Working Interest Owners:	Mewbourne Oil Company, BTA Oil Producers, LLC
ORRI Owners:	Barbara Talento, Erin E. Brady Trustee of the Erin E. Brady Living Trust, Daniel Brady,

Trustee of the Daniel Brady Living Trust, Patrick Brady and Kimberly Brady, Co-Trustees of the Patrick Brady and Kimberly Brady Living Trust, The heirs and devisees of Deborah Bate McDaniels, Mary Spencer, Nancy Seaton Widener, Trustee of the Nancy Seaton Widener Living Trust, Carlsbad National Bank, Personal Representative of the Estate of Robert S. Light on behalf of Wills Royalty, Inc., Virginia W. Hess, and Wills Royalty, Inc.

Tract No. 3

Lease Serial Number: VB-2270-0004 (65)

Description of Land Committed: Township 21 South, Range 34 East, Section 33: E2E2

Number of Acres: 160.00

Current Lessee of Record: Mewbourne Oil Company

Name of Working Interest Owners: Mewbourne Oil Company

ORRI Owners: GMT New Mexico Royalty Company, LLC, EOG Resources, Inc.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.8919%
2	81.39	25.3244%
3	<u>160.00</u>	<u>49.7837%</u>
Total	321.39	100.0000%

Owner Name	ADDRESS	CITY	STATE_CD	ZIP	Reference	Tracking
ANACONDA ASSETS LP	1200 SMITH STREET STE 1950	HOUSTON	TX	77002	Black sheep	9414836208551302067163
BRAZOS ASSETS LP	1200 SMITH STREET STE 1950	HOUSTON	TX	77002	Black sheep	9414836208551302067156
BTA OIL PRODUCERS LLC	104 SOUTH PECOS STREET	MIDLAND	TX	79701	Black sheep	9414836208551302067170
NORTHERN OIL & GAS INC	4350 BAKER ROAD, SUITE 400	MINNETONKA	MN	55343	Black sheep	9414836208551302067187
OXY USA INC	5 GREENWAY PLAZA	HOUSTON	TX	77046	Black sheep	9414836208551302067194
RAY WESTALL	P O BOX 4	LOCO HILLS	NM	88255	Black sheep	9414836208551302067200
REG XI ASSETS LLC	1200 SMITH STREET STE 1950	HOUSTON	TX	77002	Black sheep	9414836208551302067224
BUREAU OF LAND MANAGEMENT	301 DINOSAUR TRAIL	SANTA FE	NM	87508	Black sheep	9414836208551302067248
NEW MEXICO STATE LAND OFFICE	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501	Black sheep	9414836208551302067231
ALLIANCE LAND AND MINERALS LLC	P O BOX 809	ARTESIA	NM	88211	Black sheep	9414836208551303467542
BARBARA TALENTO	3785 MAUNA LOA ST	BREA	CA	92823	Black sheep	9414836208551303467535
COLGATE ENERGY MANAGEMENT LLC	300 N MARIENFELD STREET, STE 1000	MIDLAND	TX	79701	Black sheep	9414836208551303467559
DANIEL BRADY LIVING TRUST	518 PIER AVE #7	SANTA MONICA	CA	90405	Black sheep	9414836208551303467566
EOG RESOURCES INC	5509 CHAMPIONS DR	MIDLAND	TX	79706	Black sheep	9414836208551303467573
ERIN E BRADY LIVING TRUST	4629 CLYBOURN AVE	TOLUCA LAKE	CA	91602	Black sheep	9414836208551303467597
GMT NEW MEXICO ROYALTY COMPANY	4949 NIAGARA ST., STE 250	DENVER	CO	80237	Black sheep	9414836208551303467610
GR- WIDENER O&G LLC	P O BOX 47836	PHOENIX	AZ	85068	Black sheep	9414836208551303467634
MARY TAYLOR MORGAN CRAIGHEAD	13350 CR 100 W	VERNON	TX	76384	Black sheep	9414836208551303467627
MCCOMBS ENERGY LTD	755 EAST MULBERRY AVE, STE 600	SAN ANTONIO	TX	78212	Black sheep	9414836208551303467641
PANHANDLE PROPERTIES LLC	P O BOX 647	ARTESIA	NM	88211	Black sheep	9414836208551303467665
PATRICK & KIMBERLY BRADY LIVING	330 CHERRY HILL COURT	THOUSAND OAKS	CA	91320	Black sheep	9414836208551303467689
PRP DELAWARE BASIN LLC	4020 MAPLE AVENUE STE 200	DALLAS	TX	75219	Black sheep	9414836208551303467672
SPENCER FAMILY HOLDINGS LLC	3379 S LOS ALTOS STREET	MILLCREEK	UT	84109	Black sheep	9414836208551303467696
TEXAS PACIFIC ROYALTY ACQUISITIONS	1700 PACIFIC AVE, STE 2900	DALLAS	TX	75201	Black sheep	9414836208551303467719
WILLIAM W HESS DECLARATION TRUST	PO BOX 1004	SAUGATUCK	MI	49453	Black sheep	9414836208551303467733
WILLS ROYALTY INC	P O BOX 1359	CARLSBAD	NM	88221	Black sheep	9414836208551303467726

ALERT: IMPACTS FROM FLOODING IN TEXAS, IMPACTS FROM WILDFIRES IN THE PACIFIC N...

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FAQs >

Tracking Number:

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Latest Update

Your item was delivered to the front desk, reception area, or mail room at 12:50 pm on June 20, 2026 in HOUSTON, TX 77002.

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USPS Tracking Plus®

Delivered

Delivered, Front Desk/Reception/Mail Room

HOUSTON, TX 77002
June 20, 2026 12:50 PM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates	✓
Return Receipt Electronic	✓
USPS Tracking Plus®	✓
Product Information	✓

See Less ^

Feedback

Tracking Number:

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Latest Update

Your item was delivered to the front desk, reception area, or mail room at 12:50 pm on June 20, 2026 in HOUSTON, TX 77002.

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Delivered

Delivered, Front Desk/Reception/Mail Room

HOUSTON, TX 77002
June 20, 2026 12:50 PM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates	▼
Return Receipt Electronic	▼
USPS Tracking Plus®	▼
Product Information	▼

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Tracking Number:

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Latest Update

Your item was picked up at a postal facility at 7:39 am on June 18, 2026 in MIDLAND, TX 79701.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Individual Picked Up at Postal Facility

MIDLAND, TX 79701
June 18, 2026 7:39 AM

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What Do USPS Tracking Statuses Mean?

Text & Email Updates



Return Receipt Electronic



USPS Tracking Plus®



Product Information



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Tracking Number:

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Latest Update

Your item was delivered to the front desk, reception area, or mail room at 11:16 am on June 22, 2026 in HOPKINS, MN 55343.

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USPS Tracking Plus®

Delivered

Delivered, Front Desk/Reception/Mail Room

HOPKINS, MN 55343

June 22, 2026 11:16 AM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates	▼
Return Receipt Electronic	▼
USPS Tracking Plus®	▼
Product Information	▼

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Tracking Number:

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Latest Update

Your item was picked up at the post office at 9:32 pm on June 20, 2026 in HOUSTON, TX 77227.

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USPS Tracking Plus®

Delivered

Delivered, Individual Picked Up at Post Office
HOUSTON, TX 77227
June 20, 2026 9:32 PM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates	▼
Return Receipt Electronic	▼
USPS Tracking Plus®	▼
Product Information	▼

See Less ^

Tracking Number:

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9414836208551302067200

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Latest Update

Your item has been delivered and is available at a PO Box at 11:23 am on June 17, 2026 in LOCO HILLS, NM 88255.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, PO Box
LOCO HILLS, NM 88255
June 17, 2026 11:23 AM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates	▼
Return Receipt Electronic	▼
USPS Tracking Plus®	▼
Product Information	▼

See Less ^

Tracking Number:

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Latest Update

Your item was delivered to the front desk, reception area, or mail room at 12:50 pm on June 22, 2026 in HOUSTON, TX 77002.

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Delivered, Front Desk/Reception/Mail Room

HOUSTON, TX 77002
June 22, 2026 12:50 PM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates	▼
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Return Receipt Electronic



USPS Tracking Plus®



Product Information



See Less ^

Tracking Number:

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Latest Update

Your item was delivered to the front desk, reception area, or mail room at 10:11 am on June 18, 2026 in SANTA FE, NM 87508.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Front Desk/Reception/Mail Room

SANTA FE, NM 87508
June 18, 2026 10:11 AM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates



Return Receipt Electronic



USPS Tracking Plus®



Product Information



See Less ^

Tracking Number:

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9414836208551302067231

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Latest Update

Your item was picked up at the post office at 9:29 am on June 18, 2026 in SANTA FE, NM 87501.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Individual Picked Up at Post Office

SANTA FE, NM 87501
June 18, 2026 9:29 AM

See All Tracking History

What Do USPS Tracking Statuses Mean?

Text & Email Updates



Return Receipt Electronic



USPS Tracking Plus®



Product Information



See Less ^

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Tracking Number:

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Tracking Not Available

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FAQs

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

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

ORDER NO. CTB-1001-A

ORDER

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

FINDINGS OF FACT

1. Mewbourne Oil Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools 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 oil and 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, oil and 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 oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) NMAC and 19.15.12.10(C)(4)(h) NMAC.
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 oil and gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and 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 oil and 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 oil and 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 oil and 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. This Order supersedes Order CTB-1001.
3. The allocation of oil and 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 oil and 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.

4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. If Applicant recovers oil or 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.
6. 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.
7. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
8. 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.
9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
10. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
11. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
12. 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.
13. 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 oil or 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 oil and gas production to it, and the location(s) that commingling of its production will occur.

14. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
15. 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).
16. 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 C. S. CHANG
DIRECTOR**

DATE: 07/24/2026

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1001-A**

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

Central Tank Battery: **Black Sheep Battery**

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

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

Pools

Pool Name	Pool Code
GRAMA RIDGE;BONE SPRING	28430

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105720815 (143846)	W2W2	33-21S-34E
	W2W2	04-22S-34E
CA Bone Spring NMNM 105722374 (143879)	E2W2	33-21S-34E
	E2W2	04-22S-34E
CA Bone Spring NMNM 105737612 (143740)	W2E2	33-21S-34E
	W2E2	04-22S-34E
CA Bone Spring NMNM 105782858	E2E2	33-21S-34E
	E2E2	04-22S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-44939	BLACK SHEEP 4 33 B3OB FEDERAL COM #001H	W2E2	33-21S-34E	28430
		W2E2	04-22S-34E	
30-025-45601	BLACK SHEEP 4 33 B3PA FEDERAL COM #002H	E2E2	33-21S-34E	28430
		E2E2	04-22S-34E	
30-025-46395	BLACK SHEEP 4 33 B3MD FEDERAL COM #001H	W2W2	33-21S-34E	28430
		W2W2	04-22S-34E	
30-025-49435	BLACK SHEEP 4 33 B2NC FEDERAL COM #001H	E2W2	33-21S-34E	28430
		E2W2	04-22S-34E	
30-025-44859	BLACK SHEEP 4 33 B3NC FEDERAL COM #001H	E2W2	33-21S-34E	28430
		E2W2	04-22S-34E	
30-025-49437	BLACK SHEEP 4 33 B2OB FEDERAL COM #001H	W2E2	33-21S-34E	28430
		W2E2	04-22S-34E	

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 597811

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88240	OGRID: 14744
	Action Number: 597811
	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 .	7/27/2026