

# **United States Department of the Interior**



BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

IN REPLY REFER TO: NM135035 3105.2 (P0220)

Reference:

Jester 19/30 W2DE Fed Com 1H

T. 23 S., R. 27 E.

Sec. 19: Lots 1-4, E2W2

Sec. 30: Lots 1-2, E2NW Eddy County, NM

August 25, 2015

Mewbourne Oil Company P.O. Box 7698 Tyler, TX 75711

#### Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135035 involving 157.56 acres of Federal land in lease NMNM0275360, 157.32 acres of Fee land, and 157 acres of State land, NMPM, Eddy County, New Mexico, which comprise a 471.88 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath Lots 1-4 and E2W2 of Sec. 19, and beneath Lots 1-2 and E2NW of Sec. 30, T 23 S, R 27 E, NMPM, and is effective 04/01/2015. 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.

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 Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

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

Sincerely,

Stephen Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreraz, Stacey Kaiser) NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room)

### <u>Determination - Approval - Certification</u>

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering Lots 1-4 and E2W2 of Sec. 19, Lots 1-2 and E2NW of Sec. 30, T 23 S, R 27 E, NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
  - Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

Authorized Officer Stephen Caffey Asst. Field Mgr.

Effective: 04/01/2015

Contract No.: Com. Agr. NM135035

## United States Department of the Interior



#### BUREAU OF LAND MANAGEMENT



Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.nm.blm.gov

In Reply Refer to NM135035 3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM135035

Date of Completion: 07/11/2015

Date of First Production: 07/11/2015

Field: Forehand Ranch

Operator, Well Name & No, API Number: Mewbourne Oil; Jester 19/30 W2DE Fed Com 1H;

3001542831

Surface Location: Sec. 19, T. 23 S., R. 27 E. Bottom Location: Sec. 30, T. 23 S., R. 27 E.

Total Depth: 16,565 MD; 9,484 TVD

Surface Elevation: 3,218 GL

Producing Formation: Wolfcamp (8,800 – 16,565)

Well Capable of Production in Paying Quantities: Yes

Initial Daily Production: Oil 96 BBL; Gas 92 MCF; Water 2,068 BBL

Current Status: Producing Oil Well

Remarks: CA NMNM135035, effective 04/01/2015, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 19: Lots 1-4, and E2W2, and sec. 30: Lots 1-2, and E2NW, T. 23 S., R. 27 E., NMPM, and comprises 157.56 acres of Federal land in lease NMNM0275360, 157.32 acres of Fee land, and 157.00 acres of State land, for a 471.88 acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum please email Deborah Ham at dham@blm.gov.

/S/ Deborah Ham 8/25/2015

cc:
ONRR
First Production File
LLNM (P0220, File Room)