



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:
NM136550
3105.2 (P0220)

Reference:
Communitization Agreement
Fuller 13/24 B2LM Federal Com 1H
Section 13: W2SW
Section 24: W2W2
T. 26 S., R. 29 E.
Eddy County, NM

12/05/2016

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136550 involving 80 acres of Federal land in lease NMLC061497 and 160 acres of Federal land in lease NMLC061581, Eddy County, New Mexico, which comprise a 240 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2SW of Sec. 13 and the W2W2 of Sec. 24, T. 26 S., R. 29 E., NMPM, Eddy County, NM, and is effective 12/01/2015. 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.

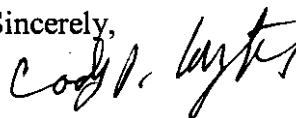
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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

If you have any questions regarding this approval, please contact Chris Walls at (575) 234-2234 or Deborah Ham at (575) 234-5965.

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

Sincerely,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

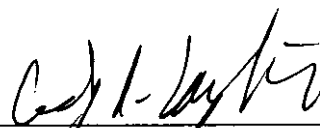
NM State Land Comm.

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. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2SW of sec. 13 and the W2W2 of sec. 24, T. 26 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- 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: 12/05/2016



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 12/01/2015

Contract No.: Com. Agr. NM136550



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM136550
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM136550

Date of Completion:	06/04/2016
Date of First Production:	06/03/2016
Field:	Wildcat
Operator, Well Name & No, API Number:	Mewbourne Oil; Fuller 13 24 B2LM Fed Com 1H; 30-015-43009
Surface Location:	Sec. 13, NWSW, T. 26 S., R. 29 E.
Bottom Location:	Sec. 24, SWSW, T. 26 S., R. 29 E.
Total Depth:	16,158' MD; 8,880' TVD
Surface Elevation:	2,957 GL
Producing Formation:	Bone Spring (6,893 – 16,158)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 528 BBL; Gas 1866 MCF; Water 2810 BBL
Current Status:	Producing Oil Well
Remarks:	CA NMNM136550, effective 12/01/2015, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 13: W2SW. and sec. 24: W2W2, T. 26 S., R. 29 E., NMPM, and comprises 80 acres of Federal land in lease NMLC061497 and 160 acres of Federal land in lease NMLC061581 for a 240 acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham

12/05/2016

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