United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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In Reply Refer to NM136605 3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM136605

Date of Completion: 01/19/2017

Date of First Production: 02/03/2017

Field: Hay Hollow

Operator, Well Name & No, API Number: Mewbourne Oil; Owl Draw 27/22 B2MD Fed Com

1H; 30-015-43331

Surface Location: Sec. 27, SWSW, T. 26 S., R. 27 E. Bottom Location: Sec. 22, NWNW, T. 26 S., R. 27 E.

Total Depth: 17,430' MD; 7,515' TVD

Surface Elevation: 3,175 GL

Producing Formation: Bone Spring (7,659 - 17,410)

Well Capable of Production in Paying Quantities: Yes

Initial Daily Production: Oil 843 BBL; Gas 1442 MCF; Water 2172 BBL

Current Status: Producing Oil Well

Remarks: CA NMNM136605, effective 09/15/2015, communitizes production of all gas and fluid hydrocarbons in the Bone spring formation beneath sec. 22: W2W2 and sec. 27, W2W2, T. 26 S., R. 27 E.) NMPM, and comprises 240 acres of Federal land in lease NMNM114971 and 80 acres of Fee land for a 320 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 02/13/2017

cc: ONRR -First Production

First Production File LLNM (P0220, File Room)