



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
NM136890
3105 2 (P0220)

03/30/2017

Reference Communitization Agreement
Jennings 34 W1MDFed Com 1H
Section 34 W2W2
T 25 S, R 32 E
Eddy County, NM

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

Gentlemen

Enclosed is an approved copy of Communitization Agreement NM136890 involving 40 acres of Federal land in lease NMNM108972 and 120 acres of Federal land in lease NMNM115423, Lea County, New Mexico, which comprise a 160 acre well spacing unit

The agreement communitizes all rights to all producible gas and all producible hydrocarbons from the Wolfcamp formation beneath Sec 34 W2W2 T 25 S R 32 E NMPM Lea County NM and is effective 10/01/2016 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

A handwritten signature in black ink, appearing to read "Cody R. Layton", written in a cursive style.

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)

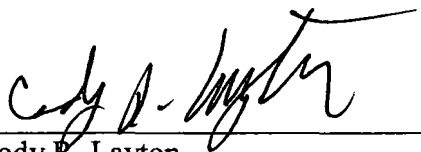
NM State Land Comm

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 Sec 34, W2W2, T 25 S , R 32 E , NMPM, as to all producible gas and hydrocarbons from the Wolfcamp 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 03/30/2017



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective 10/01/2016

Contract No Com Agr NM136890



United States Department of the Interior

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Carlsbad New Mexico 88220 6292
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In Reply Refer to
NM136890
3107 (P0220)

Memorandum

To State Director (9210)

From Land Law Examiner (P0220)

Subject First Production, Communitization Agreement NMNM136890

Date of Completion	02/04/2017
Date of First Production	02/04/2017
Field	WC-025 G 08 S263205N
Operator, Well Name & No, API Number	Mewbourne Oil, Jennings 34 W1MD Fed Com 1H, 30-025-43362
Surface Location	Sec 3, NWNW, T 26 S, R 33 E
Production Penetration	Sec 34, SWSW, T 25 S, R 32 E
Bottom Location	Sec 34, NWNW, T 25 S, R 32 E
Total Depth	17,200' MD, 12,083' TVD
Surface Elevation	3,317 GL
Producing Formation	Wolfcamp (12,586 – 17,160)
Well Capable of Production in Paying Quantities	Yes
Initial Daily Production	Oil 188 BBL, Gas 367 MCF, Water 2006 BBL
Current Status	Producing Oil Well

Remarks CA NMNM136890 effective 10/01/2016 communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec 34 W2W2 T 25 S R 32 E NMPM and comprises 40 acres of Federal land in lease NMNM108972 and 120 acres of Federal land in lease NMNM115423 for a 160 acre well spacing unit whose leases are held by actual production Per production penetration of well bore surface location not within agreement boundary

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

/S/ **Deborah Ham**
03/30/2017

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