



United States Department of the Interior

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



IN REPLY REFER TO:

NMNM138722
3105.2 (P0220)

DEC 14 2018

Reference:
Communitization Agreement
Fuller 14/23 B2LM Fed Com #1H
Section 14: W2SW
Section 23: W2W2
T. 26S, R. 29E, N.M.P.M.
Eddy County, NM

Mewbourne Oil Company
Fasken Center
500 West Texas, Suite 1020
Midland, TX 79701

To Whom It May Concern:

Enclosed is an approved copy of Communitization Agreement NMNM138722 involving 200 acres of Federal land in lease NMNM11038, and 40 acres of Federal land in lease NMNM21767, 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, Sec. 14 and W2W2 Sec. 23, T. 26 S., R. 29 E., NMPM, Eddy County, NM, and is effective May 01, 2017. 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.

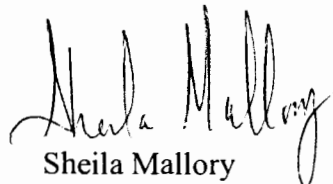
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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 James Glover, Geologist at (505) 954-2139 or Idu Opral C. Ijeoma (505) 954-2152.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Sheila Mallory". The signature is fluid and cursive, with the first name "Sheila" and last name "Mallory" clearly distinguishable.

Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

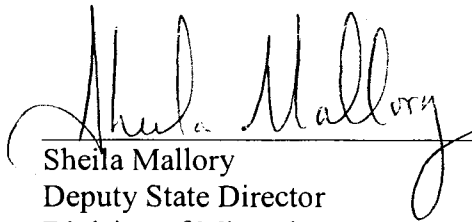
Determination - Approval - Certification

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, Sec. 14 and W2W2 Sec. 23, T. 26 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Bone Springs 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:

DEC 14 2018


Sheila Mallory
Deputy State Director
Division of Minerals

Effective: May 01, 2017

Contract No.: Com. Agr. NMNM138722