

District I

1625 N. French Drive, Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised August 1, 2011

OIL CONSERVATION DIVISION1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Mewbourne Oil Company

OPERATOR ADDRESS: 4801 Business Park BLVD PO Box 5270 Hobbs NM 88240

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: ☐ Fee ☒ State ☐ FederalIs this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingle Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.(4) Measurement type: ☐ Metering ☐ Other (Specify)(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No(4) Measurement type: ☒ Metering ☐ Other (Specify)**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Chad Cole TITLE: Regulatory Specialist DATE: 4/27/2022

TYPE OR PRINT NAME: Chad Cole TELEPHONE NO.: 575-393-5905

E-MAIL ADDRESS: ccole@mewbourne.com

Well Name	Location	API #	Pool #	State Leases	MCFPD	Dry BTU @ 14.73 PSI
Casamigos 2 WIOB State Com 1H	400' FSL & 1240' FEL, Sec 2, T26S, R29E	30-015-48608	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIOB State Com 2H	400' FSL & 1220' FEL, Sec 2, T26S, R29E	30-015-48609	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIPA State Com 1H	400' FSL & 1200' FEL, Sec 2, T26S, R29E	30-015-48610	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIPA State Com 2H	400' FSL & 1180' FEL, Sec 2, T26S, R29E	30-015-48611	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 W1MD State Com 1H	400' FSL & 1950' FEL, Sec 2, T26S, R29E	30-015-49322	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 W1MD State Com 2H	400' FSL & 1970' FEL, Sec 2, T26S, R29E	30-015-49323	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 W1NC State Com 1H	400' FSL & 1990' FWL, Sec 2, T26S, R29E	30-015-49324	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 W1NC State Com 2H	400' FSL & 2010' FWL, Sec 2, T26S, R29E	30-015-49325	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250

APPLICATION FOR LEASE COMMINGLING, CENTRAL TANK BATTERY (CTB)**Commingling procedure for Casamigos leases:**

Mewbourne Oil Company is requesting approval for lease commingling oil production from 8 wells located on State leases below in a Central Tank Battery "CTB":

Well Name	Location	API #	Pool #	State Leases	MCFPD	Dry BTU @ 14.73 PSI
Casamigos 2 WIOB State Com 1H	400' FSL & 1240' FEL, Sec 2, T26S, R29E	30-015-48608	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIOB State Com 2H	400' FSL & 1220' FEL, Sec 2, T26S, R29E	30-015-48609	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIPA State Com 1H	400' FSL & 1200' FEL, Sec 2, T26S, R29E	30-015-48610	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIPA State Com 2H	400' FSL & 1180' FEL, Sec 2, T26S, R29E	30-015-48611	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIMD State Com 1H	400' FSL & 1950' FEL, Sec 2, T26S, R29E	30-015-49322	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WIMD State Com 2H	400' FSL & 1970' FEL, Sec 2, T26S, R29E	30-015-49323	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WINC State Com 1H	400' FSL & 1990' FWL, Sec 2, T26S, R29E	30-015-49324	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250
Casamigos 2 WINC State Com 2H	400' FSL & 2010' FWL, Sec 2, T26S, R29E	30-015-49325	[98220] Purple Sage; Wolfcamp (GAS)	160 Acres VB14870000 160 Acres VB14860000	~3000	~1250

Oil, Water, & Gas Metering

The central tank battery in the SESE of Section 2, T26S, R29E, Eddy County, New Mexico. The production for all eight wells will come to its own separator. From the separator production will be allocated as follows:

Oil Metering:

Oil volumes from each well producing to the battery will be determined by using an allocation meter at the facility for each well. Oil from each separator will be metered and then sent to a heater treater (HT). Oil from the HT will then flow to a vapor recovery tower (VRT) and then to the 750 BBL oil tanks (OT). Oil production will be allocated on a daily basis based on the oil allocation meter downstream of the separator. This meter will be proven based on API, NMOCD and BLM specifications by tank testing. This process is performed by isolating a well to specific oil tanks and calibrating the meter based on the production numbers. The oil production from these wells listed above will be measured, commingled, and then sold via truck haul or LACT.

Gas Metering:

Gas volumes will be measured by using an allocation gas meter after the separator at the facility for each well. The gas production from the wells listed above will be measured, commingled, and then sold on lease using the 24 hr. well test method. An Energy Transfer gas sales meter (MM #TBD) will be located on the edge of the central tank battery pad. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Water Metering:

Water volumes from each well producing to the battery will be determined by using an allocation meter at the facility for each well. Water from each separator will be metered and sent to the 1000 BBL gun barrel (GB). From the GB the water will be sent to the 750 BBL water tanks (WT). Water production will be allocated on a daily basis based on the water allocation meter downstream of the separator. The water production from these wells listed above will be measured, commingled, and disposed of via truck haul or pipelined to disposal.

Signed: Chad Cole

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 4/27/2022

Economic Justification

Well Name	BOPD EST	Oil Gravity @ 60°	Value/bbl	MCFPD	Dry BTU @ 14.73 PSI	Value/MCF
Casamigos 2 WIOB State Com 1H	1500	48	\$100	~3000	~1250	\$4.50
Casamigos 2 WIOB State Com 2H	1500	48	\$100	~3000	~1250	\$4.50
Casamigos 2 WIPA State Com 1H	1500	48	\$100	~3000	~1250	\$4.50
Casamigos 2 WIPA State Com 2H	1500	48	\$100	~3000	~1250	\$4.50
Casamigos 2 WIMD State Com 1H	1500		\$100	~3000	~1250	\$4.50
Casamigos 2 WIMD State Com 2H	1500		\$100	~3000	~1250	\$4.50
Casamigos 2 WINC State Com 1H	1500		\$100	~3000	~1250	\$4.50
Casamigos 2 WINC State Com 2H	1500		\$100	~3000	~1250	\$4.50
CTB Combined	12,000	48	\$100	~24,000	1250	\$4.50

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram and map which shows lease boundaries, wells, and battery location. The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production.

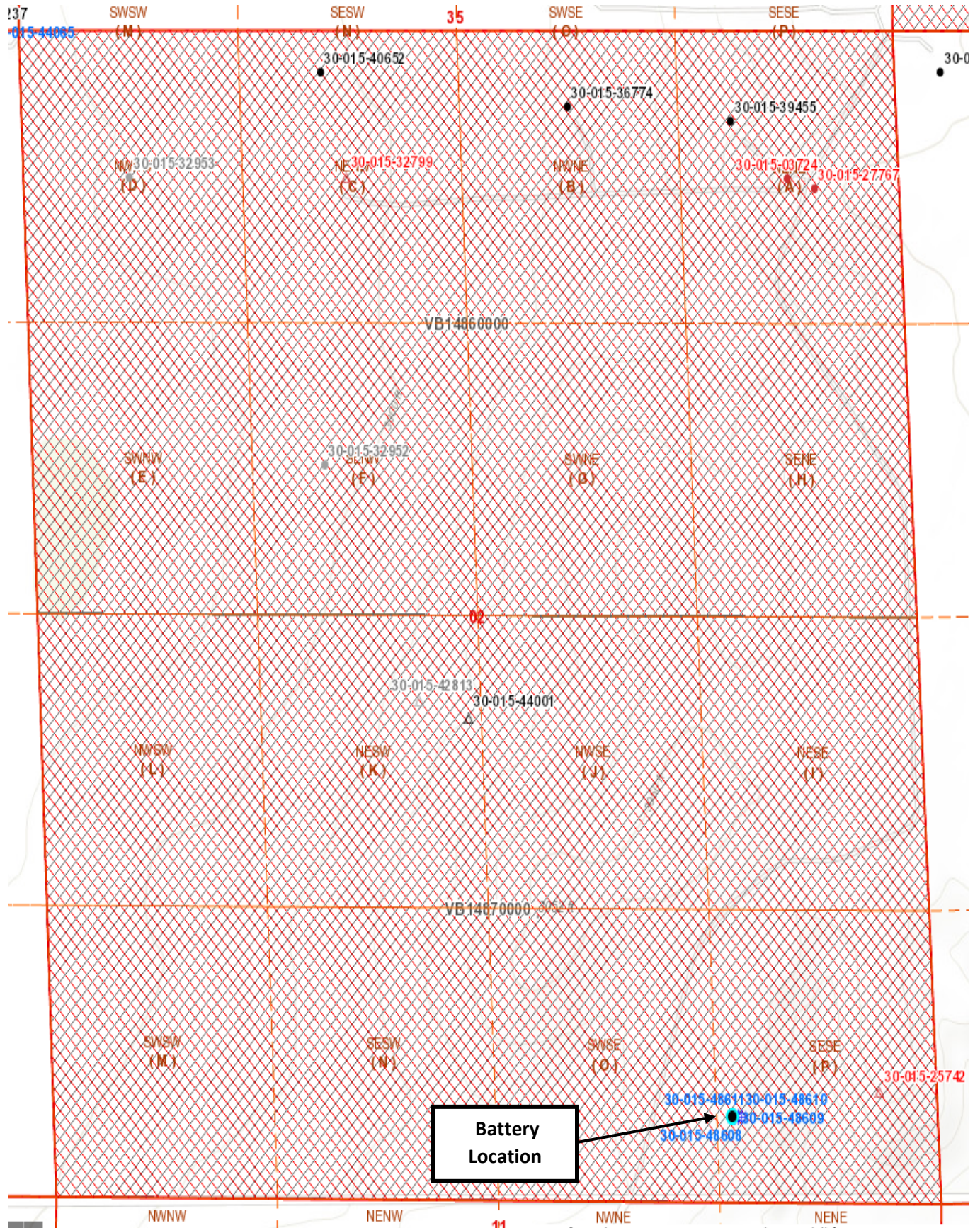
Working, royalty, & overriding interest owners have been notified of the proposal via certified mail (see attached).

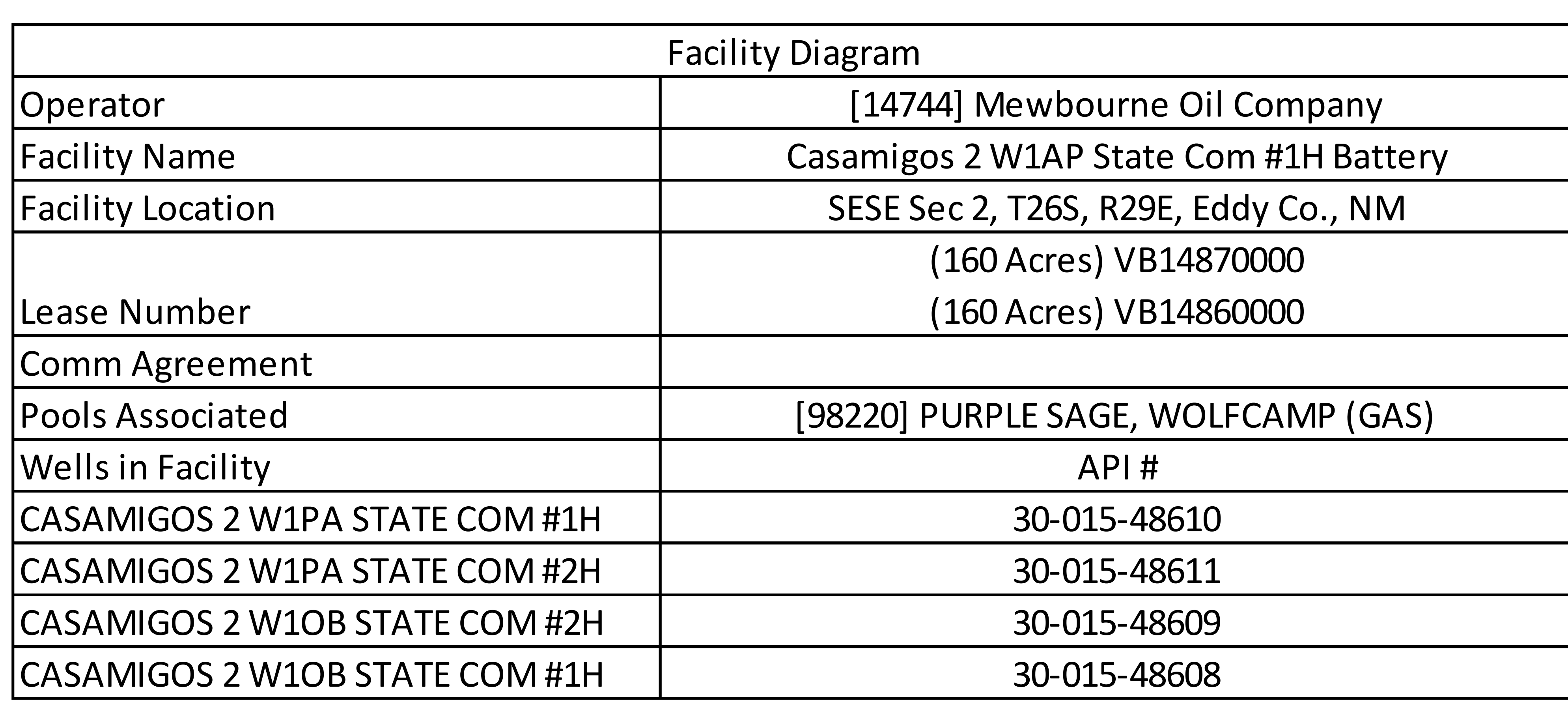
Signed: Chad Cole

Printed Name: Chad Cole

Title: Regulatory Specialist

Date: 4/27/2022





MEWBOURNE OIL COMPANY

4801 Business Park Blvd
Hobbs, NM 88240
575-393-5905

February 8, 2022

Via Certified Mail

See Attached Address List

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") has filed an application with the New Mexico Oil Conservation Division ("Division") seeking authorization to surface commingle production from the Purple Sage Wolfcamp Pool originating from all Casamigos 2 wells located on State Leases (see attached Exhibit "A"), which comprise portions of Section 2, T26S, R29E, Eddy County, New Mexico. All oil production from these wells is to be stored in a Central Tank Battery, located in the SESE of said Section 2. Also, Mewbourne has filed to surface commingle gas production from these wells. The gas production from these wells will flow to an on lease common Energy Transfer gas sales meter (MM #TBD) located on the edge of the central tank battery pad. Mewbourne will meter all production at the facility using meters calibrated off the well test method. Information detailing each well is attached.

If you object to the either application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Should you have any questions regarding the above, please email Chad Cole at ccole@mewbourne.com call him at (575) 393-5905.

Sincerely,



Mitch Robb
Landman

Contact List – E/2 Wolfcamp - Casamigos 2 Prospect
(WI, RI, ORRI, Record Title)

OWNER	CERTIFIED NO.
McCombs Energy, Ltd. 750 East Mulberry, Suite 403 San Antonio, TX 78212	9414836897846958426012
Great Western Drilling Ltd. P.O. Box 1659 Midland, TX 79702	9414836897846958445792
Axis Energy Corporation P.O. Box 2107 Roswell, New Mexico 88202	9414836897846958459669
Malaga Royalty, LLC & Malaga EF7, LLC PO Box 2064 Midland, TX 79702	9414836897846958471241
CM Resources, LLC & CM Royalties, LP 300 N. Marienfeld St., Suite 1000 Midland, TX 79701	9414836897846958553756
COG Production, LLC 600 West Illinois Avenue Midland, TX 79701	9414836897846958777244
Commissioner of Public Lands PO Box 1148 Santa Fe, NM 87504-1148	9414836897846958790724

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name CASAMIGOS 2 W10B STATE COM			6 Well Number 1H
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3042'

10 Surface Location

UL or lot no. P	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 400	North/South line SOUTH	Feet from the 1240	East/West line EAST	County EDDY
---------------------------	---------------------	------------------------	---------------------	---------	-----------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------

11 Bottom Hole Location If Different From Surface

UL or lot no. 2	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 2310	East/West line EAST	County EDDY
---------------------------	---------------------	------------------------	---------------------	---------	-----------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>16</p> <p>LOT 4 LOT 3 LOT 2 LOT 1</p> <p>330'</p> <p>B.H.</p> <p>2310'</p> <p>2</p> <p>400'</p> <p>S.L.</p> <p>1240'</p> <p>19680</p> <p>Job No.: LS21050543</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>05/27/2021</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680</p> <p>Certificate Number</p>
---	--	---

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Artesia, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

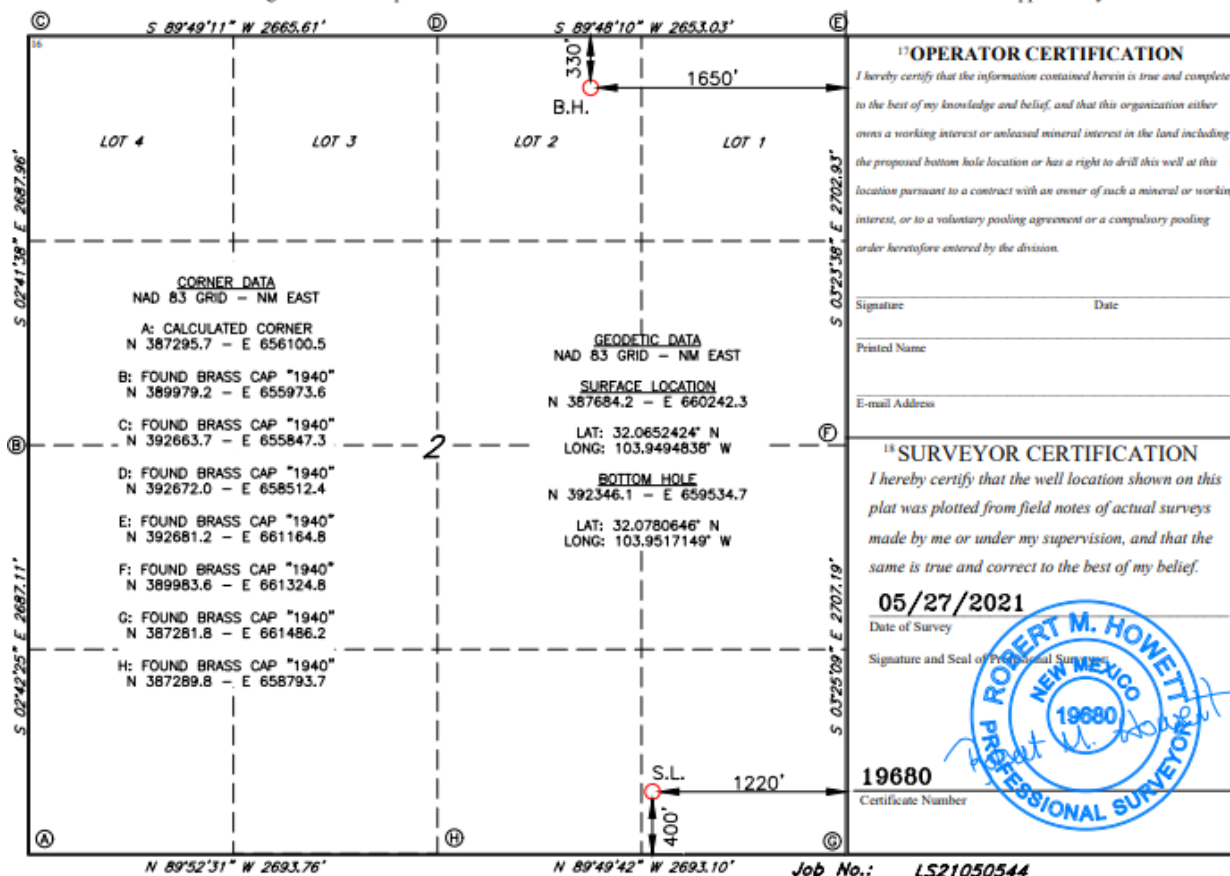
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name CASAMIGOS 2 W10B STATE COM						6 Well Number 2H	
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3041'	
10 Surface Location									
UL or lot no. P	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 400	North/South line SOUTH	Feet From the 1220	East/West line EAST	County EDDY
11 Bottom Hole Location If Different From Surface									
UL or lot no. 2	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 1650	East/West line EAST	County EDDY
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name CASAMIGOS 2 WIPA STATE COM			6 Well Number 1H
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3041'
10 Surface Location					
UL or lot no. P	Section 2	Township 26S	Range 29E	Lot Idn 400	Feet from the 400
		North/South line SOUTH		Feet From the 1200	East/West line EAST
				County EDDY	
11 Bottom Hole Location If Different From Surface					
UL or lot no. 1	Section 2	Township 26S	Range 29E	Lot Idn 330	Feet from the 330
		North/South line NORTH		Feet from the 990	East/West line EAST
				County EDDY	
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>16</p> <p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>330'</p> <p>B.H.</p> <p>990'</p> <p>1200'</p> <p>400'</p> <p>S.L.</p> <p>19680</p> <p>Job No.: LS21050541</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>05/27/2021</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680</p> <p>Certificate Number</p>
--	--	---

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

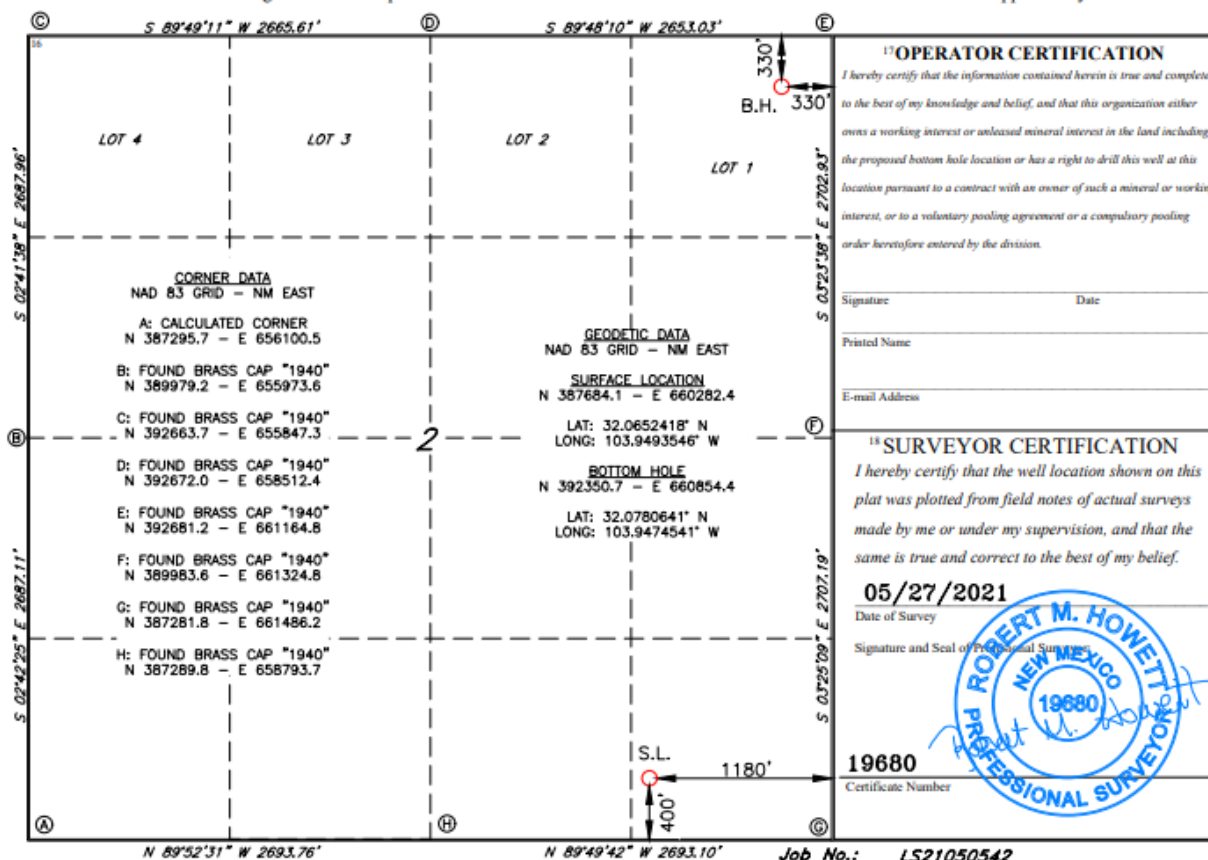
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name CASAMIGOS 2 WIPA STATE COM			6 Well Number 2H
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3039'
10 Surface Location					
UL or lot no. P	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 400
		North/South line SOUTH		Feet from the 1180	East/West line EAST
				County EDDY	
11 Bottom Hole Location If Different From Surface					
UL or lot no. 1	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 330
		North/South line NORTH		Feet from the 330	East/West line EAST
				County EDDY	
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

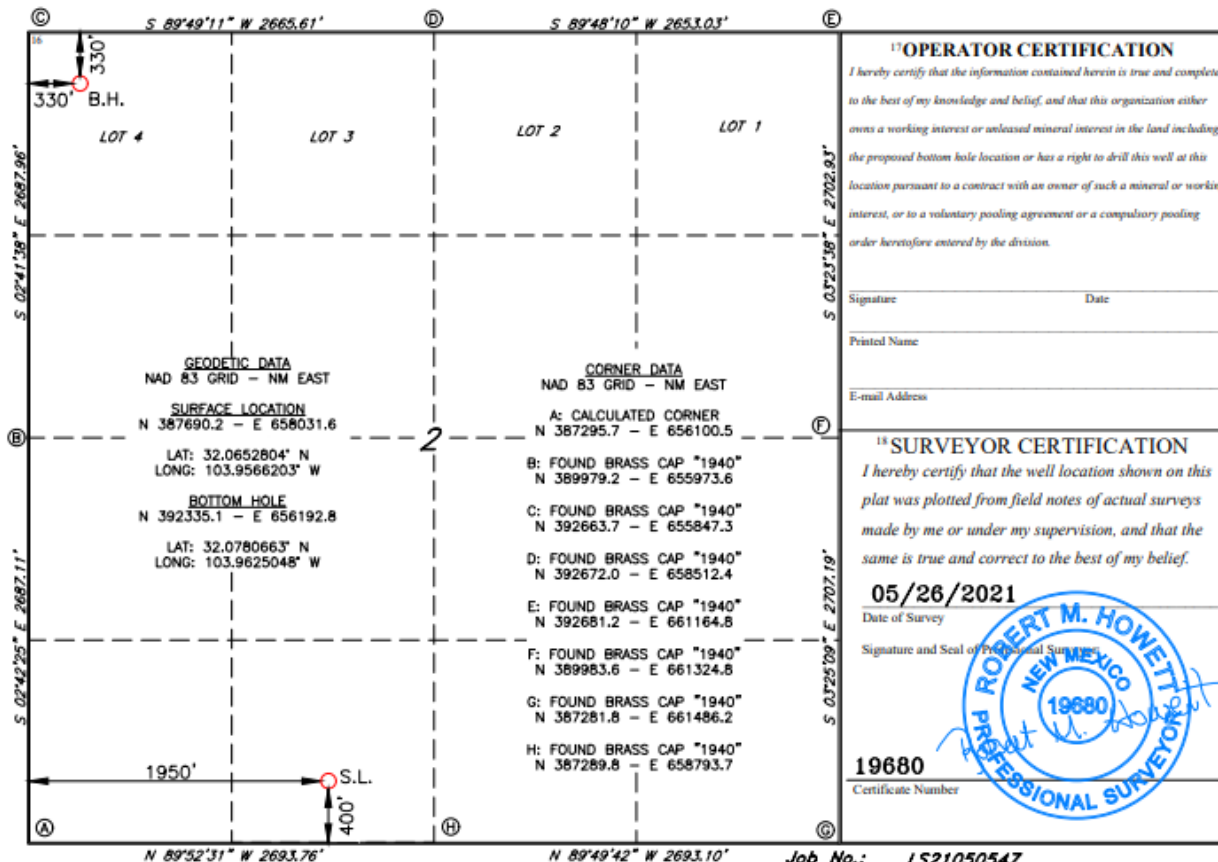
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name CASAMIGOS 2 W1MD STATE COM			
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			
		6 Well Number 1H		9 Elevation 3018'	
10 Surface Location					
UL or lot no. N	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 400
				North/South line SOUTH	Feet from the 1950
				East/West line WEST	County EDDY
11 Bottom Hole Location If Different From Surface					
UL or lot no. 4	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 330
				North/South line NORTH	Feet from the 330
				East/West line WEST	County EDDY
12 Dedicated Acres		13 Joint or Infill		15 Order No.	

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

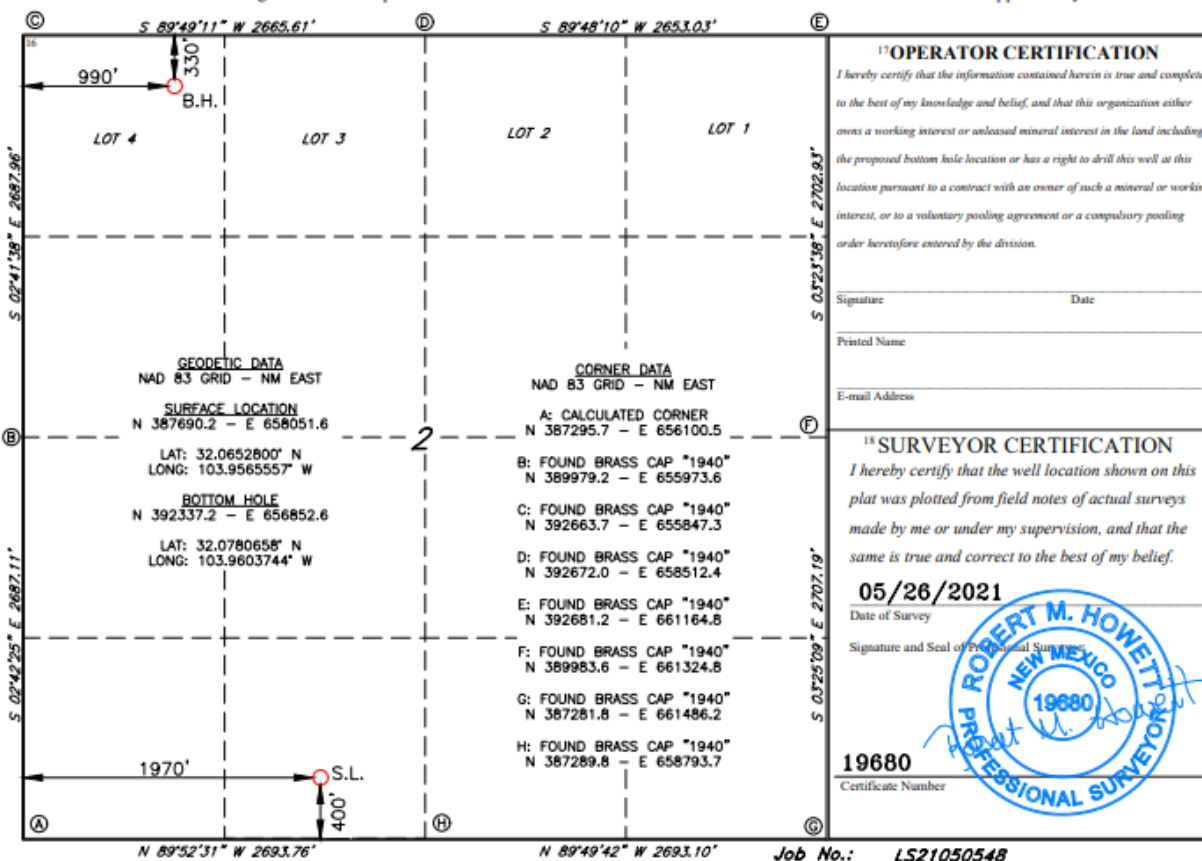
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name CASAMIGOS 2 WIND STATE COM						⁶ Well Number 2H	
⁷ OGRID NO.		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3019'	
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	2	26S	29E		400	SOUTH	1970	WEST	EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	2	26S	29E		330	NORTH	990	WEST	EDDY
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

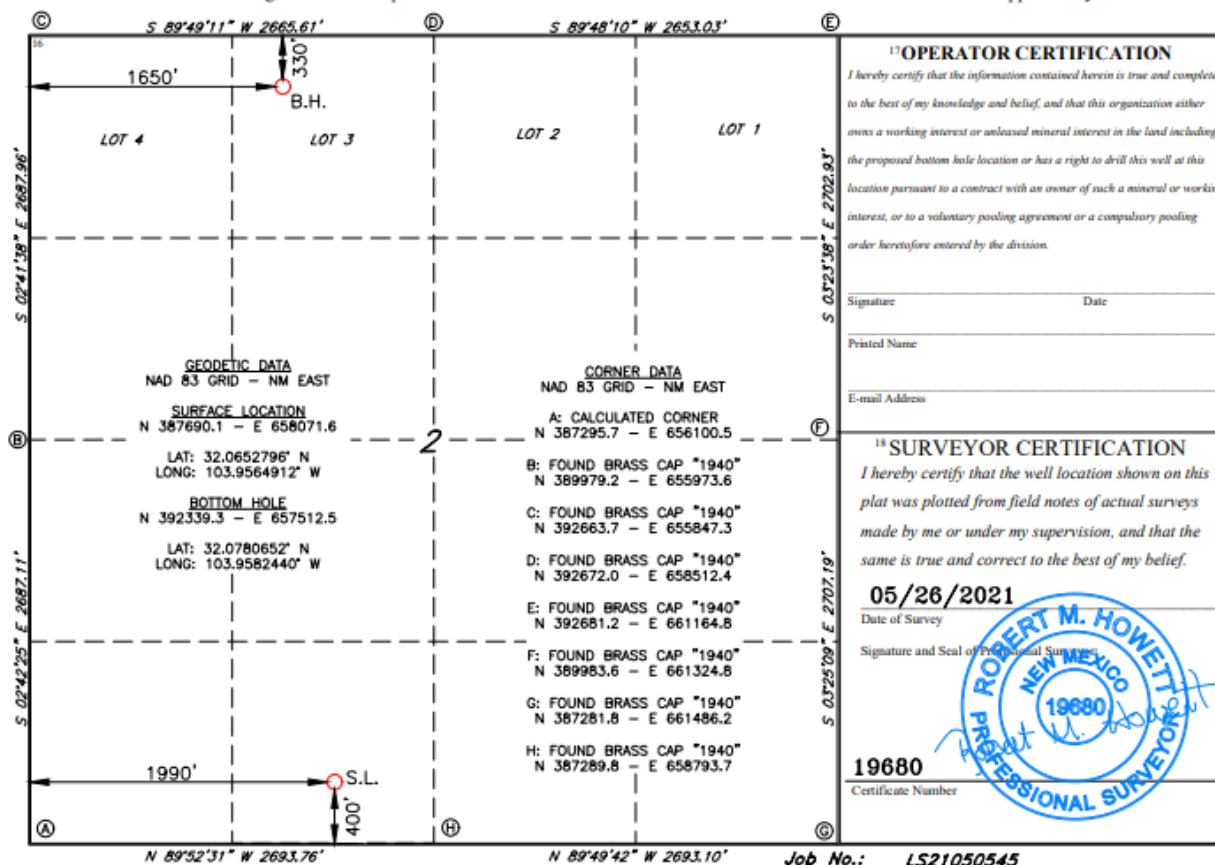
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name CASAMIGOS 2 W1NC STATE COM						⁶ Well Number 1H	
⁷ OGRID NO.		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3019'	
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	2	26S	29E		400	SOUTH	1990	WEST	EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	2	26S	29E		330	NORTH	1650	WEST	EDDY
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

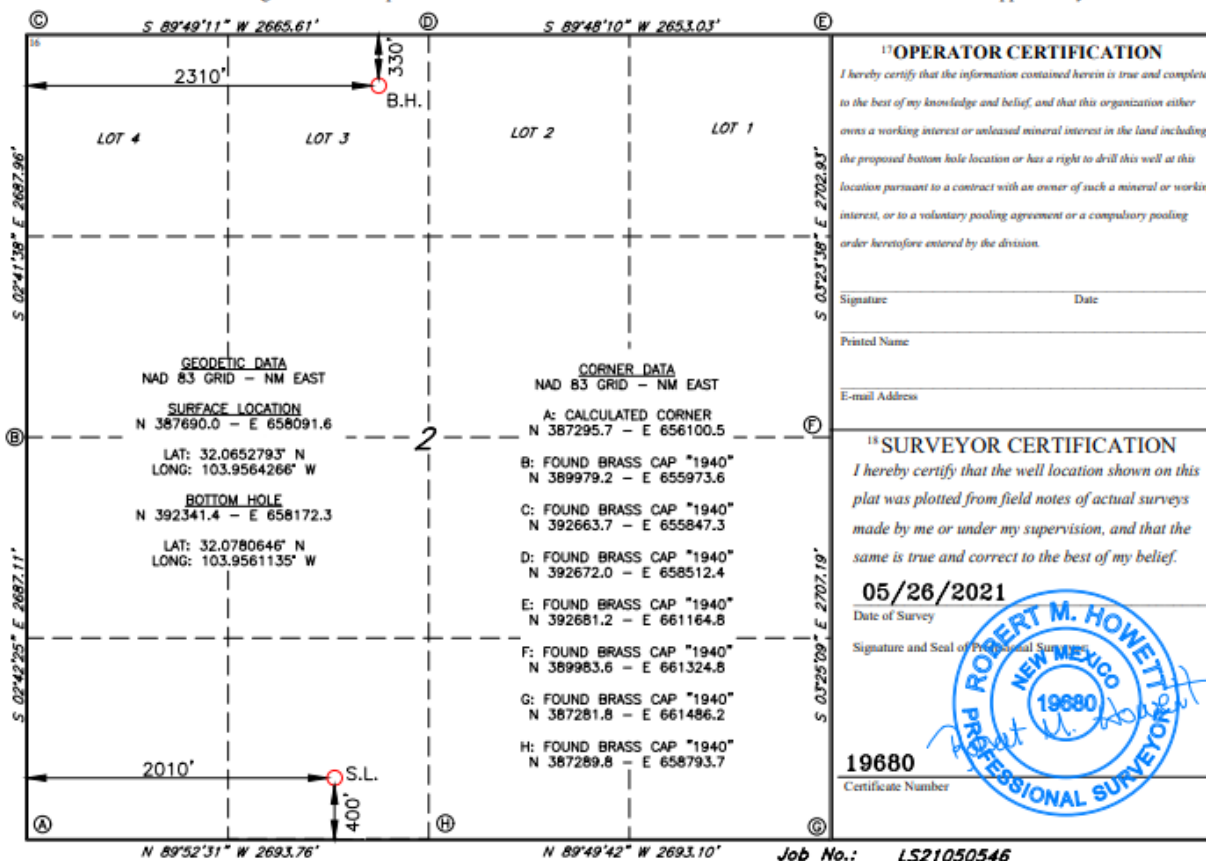
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name CASAMIGOS 2 W1NC STATE COM			6 Well Number 2H
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3019'
10 Surface Location					
UL or lot no. N	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 400
				North/South line SOUTH	Feet from the 2010
				East/West line WEST	County EDDY
11 Bottom Hole Location If Different From Surface					
UL or lot no. 3	Section 2	Township 26S	Range 29E	Lot Idn	Feet from the 330
				North/South line NORTH	Feet from the 2310
				East/West line WEST	County EDDY
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.		

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

Mewbourne Oil Co
Casamigos 2 W1NC State Com #001H
Wolfcamp
Township: 26 South, Range: 29 East, NMPM
Section 02: W2


Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **March 1, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of June, 2022.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 15 - 49324

STATE OF NEW MEXICO) Well Name: Casamigos 2 W1NC State Com #1H
SS)

COUNTY OF Eddy)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) March 1, 2022 by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE
version
December 9, 2021

State/State

1

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W/2

Of Sect(s): 2 Twp: 26S Rng: 29E NMPM Eddy County, NM

Containing 320 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Mewbourne Oil Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Mewbourne Oil Company.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Mewbourne Oil Company

MEWBOURNE OIL COMPANY
(Operator & Working Interest Owner)

DATE: _____

By: Corey Mitchell
Corey Mitchell, Attorney-in-fact ml

GREAT WESTERN DRILLING LTD.
(Working Interest Owner)

DATE: _____

By: _____
By: Bruce M. Brady, President

CM RESOURCES, LLC
(Working Interest Owner)

DATE: _____

By: _____
Brandon Gaynor, Senior Vice President

AXIS ENERGY CORPORATION
(Working Interest Owner)

DATE: _____

By: _____
By: Kenneth Barbe, Jr., President

COG PRODUCTION, LLC
(Record Title)

DATE: _____

By: _____

By: _____

Title: _____

MEWBOURNE OIL COMPANY
(Operator & Working Interest Owner)

DATE: _____

By: _____
Corey Mitchell, Attorney-in-fact

GREAT WESTERN DRILLING LTD.
(Working Interest Owner)

DATE: _____

By:  _____
By: Bruce M. Brady, President

CM RESOURCES, LLC
(Working Interest Owner)

DATE: _____

By: _____
Brandon Gaynor, Senior Vice President

AXIS ENERGY CORPORATION
(Working Interest Owner)

DATE: _____

By: _____
By: Kenneth Barbe, Jr., President

COG PRODUCTION, LLC
(Record Title)

DATE: _____

By: _____

By: _____

Title: _____

MEWBOURNE OIL COMPANY
(Operator & Working Interest Owner)

DATE: _____

By: _____
Corey Mitchell, Attorney-in-fact

GREAT WESTERN DRILLING LTD.
(Working Interest Owner)

DATE: _____

By: _____
By: Bruce M. Brady, President

CM RESOURCES, LLC
(Working Interest Owner)

DATE: 4/5/22

By: AS
Brandon Gaynor, Senior Vice President

AXIS ENERGY CORPORATION
(Working Interest Owner)

DATE: _____

By: _____
By: Kenneth Barbe, Jr., President

COG PRODUCTION, LLC
(Record Title)

DATE: _____

By: _____

By: _____

Title: _____

MEWBOURNE OIL COMPANY
(Operator & Working Interest Owner)

DATE: _____

By: _____
Corey Mitchell, Attorney-in-fact

GREAT WESTERN DRILLING LTD.
(Working Interest Owner)

DATE: _____

By: _____
By: Bruce M. Brady, President

CM RESOURCES, LLC
(Working Interest Owner)

DATE: _____

By: _____
Brandon Gaynor, Senior Vice President

AXIS ENERGY CORPORATION
(Working Interest Owner)

DATE: 3/28/2022

By: _____
By: Kenneth Barbe, Jr., President

COG PRODUCTION, LLC
(Record Title)

DATE: _____

By: _____

By: _____

Title: _____

MEWBOURNE OIL COMPANY
(Operator & Working Interest Owner)

DATE: _____

By: _____
Corey Mitchell, Attorney-in-fact

GREAT WESTERN DRILLING LTD.
(Working Interest Owner)

DATE: _____

By: _____
By: Bruce M. Brady, President

CM RESOURCES, LLC
(Working Interest Owner)

DATE: _____

By: _____
Brandon Gaynor, Senior Vice President

AXIS ENERGY CORPORATION
(Working Interest Owner)

DATE: _____

By: _____
By: Kenneth Barbe, Jr., President

COG PRODUCTION, LLC
(Record Title)

DATE: _____

By:  _____
Sean Johnson, Attorney-in-Fact

AcR

2022 MAY 24 AM 7:51

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on March 8, 2022 by Corey Mitchell, as Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware Corporation on behalf of said corporation.



[Signature]
Notary Public
My Commission Expires: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on _____, 2022 by Bruce M. Brady, as President of **Great Western Drilling, Ltd.**, a Texas limited partnership on behalf of said limited partnership.

Notary Public
My Commission Expires: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on _____, 2022 by Brandon Gaynor, as Senior Vice President of **CM Resources, LLC**, a _____ limited liability company on behalf of said limited liability company.

Notary Public
My Commission Expires: _____

2022 MAY 24 AM 7:1

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on _____,
2022 by Corey Mitchell, as Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware
Corporation on behalf of said corporation.

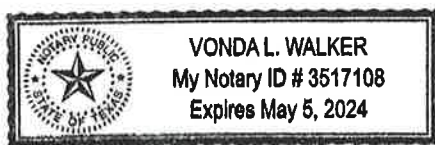
Notary Public

My Commission Expires: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on March 25, 2022,
2022 by Bruce M. Brady, as President of **Great Western Drilling, Ltd.**, a Texas limited
partnership on behalf of said limited partnership.



A handwritten signature in blue ink that reads "Vonda L. Walker".

Notary Public

My Commission Expires: 5-05-24

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on _____,
2022 by Brandon Gaynor, as Senior Vice President of **CM Resources, LLC**, a
_____ limited liability company on behalf of said limited liability company.

Notary Public

My Commission Expires: _____

2022 MAY 24 AM 7:51

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on _____,
2022 by Corey Mitchell, as Attorney-in-Fact of **Mewbourne Oil Company**, a Delaware
Corporation on behalf of said corporation.

Notary Public

My Commission Expires: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on _____,
2022 by Bruce M. Brady, as President of **Great Western Drilling, Ltd.**, a Texas limited
partnership on behalf of said limited partnership.

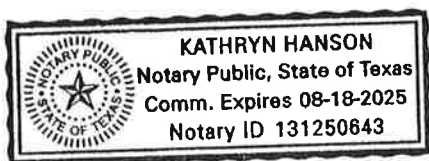
Notary Public

My Commission Expires: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on April 5th,
2022 by Brandon Gaynor, as Senior Vice President of **CM Resources, LLC**, a
Texas limited liability company on behalf of said limited liability company.

Kathryn Hanson

Notary Public

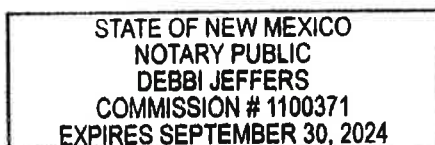
My Commission Expires: 8/18/25

2022 MAY 24 AM 7:51

STATE OF NEW MEXICO

COUNTY OF CHAVES

This instrument was acknowledged before me on March 28,
2022 by Kenneth S. Barbe, Jr., President of **Axis Energy Corporation**, a Texas
corporation on behalf of said corporation.



Debbie Jeffers
Notary Public
My Commission Expires: 9/30/2024

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on _____,
2022 by Sean Johnson, as Attorney-in-Fact of **COG Production LLC**, a Texas limited
liability company on behalf of said limited liability company.

Notary Public
My Commission Expires: _____

2022 MAY 24 AM 7:51

STATE OF NEW MEXICO

COUNTY OF CHAVES

This instrument was acknowledged before me on _____,
2022 by Kenneth S. Barbe, Jr., President of **Axis Energy Corporation**, a Texas
corporation on behalf of said corporation.

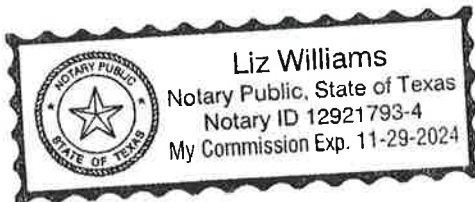
Notary Public

My Commission Expires: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on march 22,
2022 by Sean Johnson, as Attorney-in-Fact of **COG Production LLC**, a Texas limited
liability company on behalf of said limited liability company.

_____
Notary Public

My Commission Expires: _____

2022 MAY 24 AM 7:51

EXHIBIT "A"

Attached to the Communitization Agreement dated March 1, 2022 embracing
 Township 26 South, Range 29 East, N.M.P.M.,
 Section 2: W/2, Eddy County, New Mexico

OPERATOR OF COMMUNITIZED AREA:

Mewbourne Oil Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial No.: VB-1486
 Lease Date: September 1, 2008
 Lessor: State of New Mexico.
 Current Lessee: COG Production LLC
 Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
 Section 2: NW/4
 Eddy County, New Mexico
 Number of Acres: 160.00 acres

Tract No. 2

Lease Serial No.: VB-1487
 Lease Date: September 1, 2008
 Lessor: State of New Mexico.
 Current Lessee: COG Production LLC
 Description of Land Committed: **Township 26 South, Range 29 East, N.M.P.M.**
 Section 2: SW/4
 Eddy County, New Mexico
 Number of Acres: 160.00 acres

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.000000%
2	160.00	50.000000%
Total	320.00	100.000000%

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Chad Cole

Print or Type Name

Chad Cole

Signature

Regulatory Specialist 4/27/2022

Title

Date

ccole@mewbourne.com

e-mail Address

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

February 22, 2023

Via Email

State of New Mexico – Oil Conservation Division
Attn: Dean McClure
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Casamigos 2 W1PA State Com #1H (API No. 30-015-48610)
Casamigos 2 W1PA State Com #2H (API No. 30-015-48611)
Casamigos 2 W1OB State Com #1H (API No. 30-015-48608)
Casamigos 2 W1OB State Com #2H (API No. 30-015-48609)
Casamigos 2 W1NC State Com #1H (API No. 30-015-49324)
Casamigos 2 W1NC State Com #2H (API No. 30-015-49325)
Casamigos 2 W1MD State Com #1H (API No. 30-015-49322)
Casamigos 2 W1MD State Com #2H (API No. 30-015-49323)

Section 2, T26S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

As defined by 19.15.12.7 NMAC, the captioned wells, operated by Mewbourne Oil Company, have identical ownership.

Should you have any questions regarding the above, please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Chad Cole](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Dawson, Scott](#); [Lamkin, Baylen L.](#)
Subject: Approved Administrative Order CTB-1082
Date: Friday, March 3, 2023 2:46:40 PM
Attachments: [CTB1082 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1082 which authorizes Mewbourne Oil Company (14744) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-48608	Casamigos 2 W1OB State Com #1H	E/2	2-26S-29E	98220
30-015-48609	Casamigos 2 W1OB State Com #2H	E/2	2-26S-29E	98220
30-015-48610	Casamigos 2 W1PA State Com #1H	E/2	2-26S-29E	98220
30-015-48611	Casamigos 2 W1PA State Com #2H	E/2	2-26S-29E	98220
30-015-49322	Casamigos 2 W1MD State Com #1H	W/2	2-26S-29E	98220
30-015-49323	Casamigos 2 W1MD State Com #2H	W/2	2-26S-29E	98220
30-015-49324	Casamigos 2 W1NC State Com #1H	W/2	2-26S-29E	98220
30-015-49325	Casamigos 2 W1NC State Com #2H	W/2	2-26S-29E	98220

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

7022 0410 0002 8964 0236

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$10.44
\$ Tot	
\$ Ser	
\$ Str	
\$ Cit	
New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504-1148	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

2-9-2023
Postmark Here
Commingling App

NEW MEXICO STATE LAND OFFICE
Guidelines for Requesting Commingling Approval

1. A commingling agreement from the New Mexico State Land Office is not required if the commingling operation does not contain New Mexico State Trust acreage.
2. If State Trust acreage will be part of a proposed commingling operation:
 - a. Commingling of production of all wells from the same pool within a single lease, communitized area, or unit area is permitted without additional Land Commissioner approval.
 - b. Surface commingling (including off-lease storage) from more than one pool, and/or from more than one lease, communitized area, unit area, or a combination of leases/communitized areas/unit areas, requires additional Land Commissioner approval.
 - c. Downhole commingling of multiple producing pools in a single well bore requires Land Commissioner approval unless the pools or the area in which the well is located are listed as pre-approved in NMAC 19.15.12.11(E).

The attached application form describes the process for submitting a commingling application to the New Mexico State Land Office.

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Mewbourne Oil Company/ Chad Cole **OGRID #:** 14744

Well Name: Casamigos 2 W1OB State Com #1H **API #:** 30-015-48608

Pool: [98220] Purple Sage; Wolfcamp (GAS)

OPERATOR NAME: Mewbourne Oil Company

OPERATOR ADDRESS: 4801 Business Park Blvd. PO Box 5270, Hobbs NM, 88240

APPLICATION REQUIREMENTS – SUBMIT:

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Chad Cole

Print or Type Name

Chad Cole

Signature

575-393-5905

Phone Number

2/6/2023

Date

ccole@mewbourne.com

e-mail Address

Submit application to:

Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?

Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MEWBOURNE OIL COMPANY**

ORDER NO. CTB-1082

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

5. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
6. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
8. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
9. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
10. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
4. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'D. Fuge', is written over a horizontal line.

**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 3/3/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1082**

Operator: **Mewbourne Oil Company (14744)**

Central Tank Battery: **Casamigos 2 W1AP State Com #1H Battery**

Central Tank Battery Location: **UL P, Section 2, Township 26 South, Range 29 East**

Gas Title Transfer Meter Location: **UL P, Section 2, Township 26 South, Range 29 East**

Pools

Pool Name	Pool Code
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMSLO PUN 1394523, 1392806	E/2	2-26S-29E
CA Wolfcamp NMSLO	W/2	2-26S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-48608	Casamigos 2 W1OB State Com #1H	E/2	2-26S-29E	98220
30-015-48609	Casamigos 2 W1OB State Com #2H	E/2	2-26S-29E	98220
30-015-48610	Casamigos 2 W1PA State Com #1H	E/2	2-26S-29E	98220
30-015-48611	Casamigos 2 W1PA State Com #2H	E/2	2-26S-29E	98220
30-015-49322	Casamigos 2 W1MD State Com #1H	W/2	2-26S-29E	98220
30-015-49323	Casamigos 2 W1MD State Com #2H	W/2	2-26S-29E	98220
30-015-49324	Casamigos 2 W1NC State Com #1H	W/2	2-26S-29E	98220
30-015-49325	Casamigos 2 W1NC State Com #2H	W/2	2-26S-29E	98220

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 102038

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 102038
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	3/3/2023