

30-015-43621

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620/E. Greene
Carlsbad, New Mexico 88220-6292



IN REPLY REFER TO: NMNM137565 3105.2 (P0220)

12/07/2017

Reference:

Communitization Agreement Slider 18 W0MD Fed Com #1H Section 18: Lots 1-4, E2W2 T. 23 S., R. 27 E., N.M.P.M. Eddy County, NM

Mewbourne Oil Company Attn: Adriana Jaso 500 West Texas, Suite 1020 Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM137565 involving 157.49 acres of Federal land in lease NMNM 0540701A, and 157.63 acres in lease NMNM 0275360, Eddy County, New Mexico, which comprise a 315.12 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2 of Section 18, T. 23 S., R. 27 E, NMPM, Eddy County, NM, and is effective May 1, 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.

United States Department of the Interior



BUREAU OF LAND MANAGEMENT



Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.nm.blm.gov

In Reply Refer to NM137565 3107 (P0220)

Memorandum

To:

State Director (9210)

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From: Land Law Examiner (P0220)

Subject:

First Production, Communitization Agreement NMNM137565

Date of Completion:

08/10/2017

Date of First Production:

08/10/2017

Field:

Purple Sage

Operator, Well Name & No. API Number:

Mewbourne Oil; Slider 18 W0MD Fed Com 1H; 30-

015-43621

Surface Location:

Sec. 18, Lot 4, T. 23 S., R. 27 E.

Bottom Location:

Sec. 18, Lot 1, T. 23 S., R. 27 E.

Total Depth:

13,655' MD; 8,891' TVD

Surface Elevation:

3,219 GL

Producing Formation:

Wolfcamp (9,086' - 13,610')

Well Capable of Production in Paying Quantities:

Yes

Initial Daily Production:

Oil 52 BBL; Gas 76 MCF; Water 3396 BBL

Current Status:

Producing Gas Well

Remarks: CA NMNM137565, effective 05/01/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 18: W2, T. 23 S., R. 27 E., NMPM, and comprises 157.49 acres of Federal land in lease NMNM0540701A and 157.63 acres of Federal land in lease NMNM0275360 for a 315.12 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

12/07/2017

cc:

ONRR

First Production File

LLNM (P0220, File Room)