



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



TAKE PRIDE
IN AMERICA

30 015 43845

2017 05-30

2017 05-30

IN REPLY REFER TO:

NM137071

3105.2 (P0220)

05/30/2017

Reference: Communitization Agreement

Journey 12 W2MP Fee Com 2H

Section 12: S2

T. 24 S., R. 28 E.

Eddy County, NM

Mewbourne Oil Company

500 W. Texas, Suite 1020

Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM137071 involving 240 acres of Fee land and 80 acres of Federal land in lease NMNM27919, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible gas and all producible hydrocarbons from the Wolfcamp formation beneath Sec. 12, S2, T. 24 S., R. 28 E., NMPM, Eddy County, NM, and is effective 12/01/2016. 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.

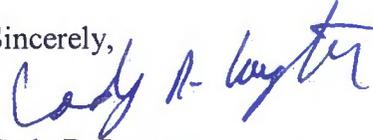
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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,



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:

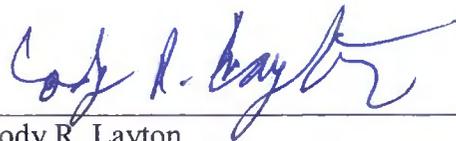
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement 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. 27, E2E2, 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.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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: 05/30/2017



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 12/01/2016

Contract No.: Com. Agr. NM137071



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
NM137071
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM137071

Date of Completion: 04/14/2017
Date of First Production: 04/14/2017
Field: Purple Sage
Operator, Well Name & No, API Number: Mewbourne Oil; Journey 12 W2MP Fee Com 2H; 30-015-43845
Surface Location: Sec. 12, SWSW, T. 24 S., R. 28 E.
Bottom Location: Sec. 12, SESE, T. 24 S., R. 28 E.
Total Depth: 15,241' MD; TVD
Surface Elevation: 2,975 GL
Producing Formation: Wolfcamp (10,960 – 15,201)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 526 BBL; Gas 4158 MCF; Water 1642 BBL
Current Status: Producing Gas Well
Remarks: CA NMNM137071, effective 12/01/2016, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 12: S2, T. 24 S., R. 28 E., NMPM, and comprises 240 acres of Fee land and 80 acres of Federal land in lease NMNM27919 for a 320-acre well spacing unit. Federal lease NMNM27919 is held by allocated production.

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

/S/ **Deborah Ham**
05/30/2017

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