



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



RECEIVED OCD

2014 AUG -1 P 3: 01

IN REPLY REFER TO:

NM133017

3105.2 (P0220)

Reference:

Dorado 34 EH Fed Com 1H

T. 18 S., R. 30 E.,

Section 34, S2N2

Eddy County, NM

July 25, 2014

Mewbourne Oil Company

P.O. Box 7698

Tyler, TX 75711

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM133017 involving 80.00 acres of Federal land in lease NMLC028978(b), 40 acres of Federal land in lease NMLC058650, and 40 acres of Federal land in lease NMNM27277 for a 160 acre well spacing unit, whose leases are held by actual production.

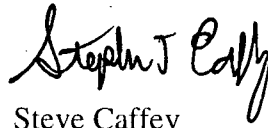
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the S2N2 of sec. 34, T. 18 S., R. 30 E., NMPM, and is effective October 1, 2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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 Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

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

Sincerely,

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

Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

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

NMOCD

NM (9200)

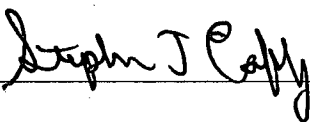
NM (P0220-CFO, File Room)

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 S2N2 of sec. 34, T. 18 S., R. 30 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) 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:



Authorized Officer
Stephen Caffey
Asst. Field Mgr.

Effective: October 1, 2013

Contract No.: Com. Agr. NM133017



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
NM133017
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM133017

Date of Completion:	03/1/2014
Date of First Production:	03/1/2014
Field:	Bone Spring
Operator, Well Name & No, API Number:	Mewbourne Oil; Dorado 34 EH Fed Com 1H; 3001541896
Surface Location:	S2N2 sec.34, T. 18 S., R. 30 E.
Total Depth:	12,970' MD; 8,492 TVD
Surface Elevation:	3,457' GL
Producing Formation:	Bone Spring (8,678' – 12,854')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 358 BBL; Gas 241 MCF; Water 1,496 BBL
Current Status:	Producing Oil Well

Remarks: CA NM133017, effective 10/01/2013, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the S2N2 of sec. 34, T. 18 S., R. 30 E., NMPM, and comprises 80 acres of Federal land in lease NMLC028978(b), 40 acres of Federal land in lease NMLC058650, and 40 acres of Federal land in lease NMNM27277 for a 160 acre spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Arthur Morrison at ajmorrison@blm.gov.

/S/ Arthur J. Morrison
July 25, 2014

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 19 2014
OCD Artesia

NMOC D ARTESIA

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Otherb. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator

Mewbourne Oil Company

3. Address PO Box 5270
Hobbs, NM 882413a. Phone No. (include area code)
575-393-5905

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface 2206' FNL & 47' FEL

At top prod. interval reported below

At total depth 2150' FNL & 467' FEL

14. Date Spudded
01/05/1415. Date T.D. Reached
01/22/1416. Date Completed 03/01/14
☐ D & A ☒ Ready to Prod.5. Lease Serial No.
NMLC028978(b) (SL) & NMLC058650 (BHL)

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
Dorado 34 EH Fed Com #1H9. AFI Well No.
30-015-41896

10. Field and Pool, or Exploratory

Leo; Bone Spring South 37920

11. Sec., T., R., M., on Block and
Survey or Area Sec 34, T18S, R30E12. County or Parish
Eddy13. State
NM17. Elevations (DF, RKB, RT, GL)*
3457' GL18. Total Depth: MD 12970'
TVD 8492'19. Plug Back T.D.: MD 12854'
TVD 8492'20. Depth Bridge Plug Set: MD NA
TVD NA

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CCL / GR & CN

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	13 3/8" H40	48#	0	358'		580 H&C	148	Surface	NA
12 1/4"	9 5/8" J55	36#	0	1748'		550 C	184	Surface	NA
8 3/4"	5 1/2" P110	17#	0	12937'		2450 C & H	733	Surface	NA

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	7988'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Bone Springs		12970'	8678' - 12854' MD	0.42	342	Open
B)			8383' - 8492' TVD			
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
8678' - 12854' MD	Frac w/19,882 gals 7 1/2% acid, 1,023,140 gals of Slickwater, 539,728 gals 20# Linear Gel & 953,784 gals 20# X-link gel carrying 2,525,056# 20/40 white sand & 258,286# 20/40 Resin coated sand.
8383' - 8492' (TVD)	

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
03/01/14	03/03/14	24	→	358	241	1496	41.5	0.7671	ESP
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
NA	380	230	→	358	241	1496	673	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						MAR 15 2014
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						<i>[Signature]</i> DIRECTOR OF LAND MANAGEMENT

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD
MAR 15 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICERECLAMATION
DUE 9-1-14

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Rustler	290'
				Top of Salt	660'
				Base of Salt	1510'
				Yates	1715'
				Seven Rivers	2045'
				Queen	2825'
				Grayburg	3250'
				San Andres	3445'
				Delaware	4080'
				Bone Spring	5570'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

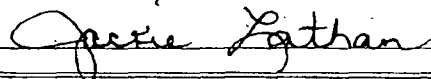
- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
☐ Core Analysis
☒ Other: Comp sundry, Dev Rpt, C104, Gyro, Final C102, C144 Clez, pkr port

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Jackie Lathan

Title Hobbs Regulatory

Signature



Date 03/03/14

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.