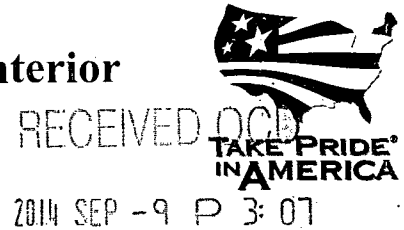




United States Department of the Interior

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



IN REPLY REFER TO:
NM133063
3105.2 (P0220).

Reference:
Zircon 12-7 BC Fed Com 1H
T. 19 S., R. 29 E.,
Section 12, N2NE;
and NWNW and NENW, of sec. 7, T. 19 S., R. 30 E.,
Eddy County, NM

August 5, 2014

Mewbourne Oil Company
P.O. Box 7698
Tyler, TX 75711

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM133063 involving Tract 1, 40.00 acres of State land, Tract 2, 40 acres in State land, Tract 3, 78.44 acres Federal land in lease NMLC066087-A for a 158.44 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 T. 19 S., R. 29 E., Section 12, N2NE; and NWNW and NENW, of sec. 7, T. 19 S., R. 30 E., NMPM, and is effective November 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.



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