



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



08/10/2018 4:00:19

IN REPLY REFER TO:
NMNM138287
3105.2 (P0220)

08/10/2018

Reference:
Communitization Agreement
Bilbrey 34/27 B2MD Fed. Com #1H
Section 27: W2W2
Section 34: W2W2
T. 21 S., R. 32 E., N.M.P.M.
Lea County, NM

API No.

30-025-43872

Mewbourne Oil Company
Fasken Center
500 W. Texas, Suite 1020
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138287 involving 80 acres of Federal land in lease NMNM 114819, 80 acres of Federal land in lease NMNM 63019, 80 acres of Federal land in lease NMNM 85933, and 80 acres of Federal land in lease NMNM 86710, Lea County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2W2, Sec. 27, and W2W2, Sec. 34, T. 21 S., R. 32 E., NMPM, Lea County, NM, and is effective August 15, 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.

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234, Deborah Ham at (575) 234-5965 or Margie Dupre at (505) 954-2142.

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)

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 W2W2 of sec. 27, and W2W2 sec. 34, T. 21 S., R. 32 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 (c) 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: 08/10/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: August 15, 2017

Contract No.: Com. Agr. NMNM138287



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In Reply Refer to
NM138287
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM138287

Date of Completion:	11/28/2017
Date of First Production:	11/28/2017
Field:	Bilbrey Basin
Operator, Well Name & No, API Number:	Mewbourne Oil; Bilbrey 34/27 B2MD Com 1H; 30-025-43872
Surface Location:	Sec. 34, SWSW, T. 21 S., R. 32 E.
Bottom Location:	Sec. 27, NWNW, T. 21 S., R. 32 E.
Total Depth:	20,770' MD; 10,680' TVD
Surface Elevation:	3,780 GL
Producing Formation:	Bone Spring (11,004' – 20,726')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 851 BBL; Gas 853 MCF; Water 2710 BBL
Current Status:	Producing Oil Well
Remarks:	CA NMNM138287, effective 08/15/2017, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 27: W2W2 and sec. 34: W2W2, T. 21 S., R. 32 E., NMPM, and comprises 80 acres of Federal lands in lease NMNM114819, 80 acres of Federal land in lease NMNM63019, 80 acres of Federal land in lease NMNM85933 and 80 acres of Federal land in lease NMNM86710 for a 320 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
08/10/2018

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