



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

30 015 44302



IN REPLY REFER TO:
NMNM138423
3105.2 (P0220)

09/26/2018 10:04:23

09/26/2018

Reference:
Communitization Agreement
Ghostrider 25/36 W0DM #2H
Section 25: W2,
Section 36: W2
T. 23 S., R. 26 E., N.M.P.M.
Eddy County, NM

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138423 involving 160 acres of Federal land in lease NMNM 027994A, 80 acres of Federal land in lease NMNM 17572, 40 acres of Federal land in lease NMNM 54390, 40 acres of Fee land and 320 acres of State land in Eddy County, New Mexico, which comprise a 640 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2, Sec. 25 and W2, Sec. 36, T. 23 S., R. 26 E., NMPM, Eddy County, NM, and is effective September 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.

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,

A handwritten signature in blue ink that reads "Cody R. Layton". The signature is written in a cursive style with a large initial "C".

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 the W2 of sec. 25, W2 of sec. 36, T. 23 S., R. 26 E., NMPM, as to all producible 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: 09/26/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: September 1, 2017

Contract No.: Com. Agr. NMNM138423



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
NM138423
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM138423

Date of Completion:	12/12/2017
Date of First Production:	12/12/2017
Field:	Purple Sage
Operator, Well Name & No, API Number:	Mewbourne Oil; Ghost rider 25/36 W0DM Fed Com 2H; 30-015-44302
Surface Location:	Sec. 25, NWNW, T. 23 S., R. 26 E.
Bottom Location:	Sec. 36, SWSW, T. 23 S., R. 26 E.
Total Depth:	18,852' MD; 8,788' TVD
Surface Elevation:	3,240 GL
Producing Formation:	Wolfcamp (8,941' – 18,795')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 190 BBL; Gas 408 MCF; Water 4143 BBL
Current Status:	Producing Gas Well

Remarks: CA NMNM138423, effective 09/01/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 25: W2 and sec. 36: W2, T. 23 S., R. 26 E., NMPM, and comprises 160 acres of Federal land in lease NMNM027994A, 80 acres of Federal land in lease NMNM17572, 40 acres of Federal land in lease NMNM54390, 40 acres of Fee land and 320 acres of State land for a 640 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
09/26/2018

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