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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:
NMNM137594
3105.2 (P0220)

MAR 09 2018 PM 02:55

03/06/2018

Reference:
Communitization Agreement
Big Sinks 1 W1PA Fed Com #2H
Section 01: E2
T. 26 S., R. 31 E., N.M.P.M.
Eddy County, NM

Mewbourne Oil Company
Attn: Tyler Jolly
500 West Texas, Suite 1020
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM137594 involving 40.00 acres of Federal land in lease NMNM89057, 40.00 acres of Federal land in lease NMNM112931 and 240.00 acres of Fee land, Eddy County, New Mexico, which comprise a 320.00 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the E2 of Section 01, T. 26 S., R. 31 E, NMPM, Eddy County, NM, and is effective April 18, 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.



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In Reply Refer to
NM137594
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM137594

Date of Completion:	04/26/2017
Date of First Production:	04/26/2017
Field:	Purple Sage
Operator, Well Name & No, API Number:	Mewbourne Oil; Big Sinks 1 W1PA Fed Com 2H; 30-015-43800
Surface Location:	Sec. 12, NENE, T. 26 S., R. 31 E.
Bottom Location:	Sec. 1, NENE, T. 26 S., R. 31 E.
Total Depth:	17,430' MD; 12,072' TVD
Surface Elevation:	3,264 GL
Producing Formation:	Wolfcamp (12,799' – 17,390')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 247 BBL; Gas 979 MCF; Water 2053 BBL
Current Status:	Producing Gas Well

Remarks: CA NMNM137594, effective 04/18/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 1: E2, T. 26 S., R. 31 E., NMPM, and comprises 240 acres of Fee land, 40 acres of Federal land in lease NMNM89057 and 40 acres of Federal land in lease NMNM112931 for a 320 acre well spacing unit whose leases are held by actual production. **Per wellbore penetration for production, surface location of well not within com agreement boundary.**

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

/S/ **Deborah Ham**
03/06/2018

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