



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:
NMNM137959
3105.2 (P0220)

30-015-44110

JUL 18 2018 PM 01:47

07/12/2018

Reference:
Communitization Agreement
Rio Bravo W2AP Fed Com #1H
Section 17: E2
Section 20: NE
T. 21 S., R. 25 E., N.M.P.M.
Eddy County, NM

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM137959 involving 160 acres of Fee land, 160 acres of Federal land in lease NMNM 117546, 80 acres of State land and 80 acres of Federal land in lease NMNM 130850 in Eddy County, New Mexico, which comprise a 480 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the E2, Sec. 17 and the NE of Sec. 20 T. 21 S., R. 25 E., NMPM, Eddy County, NM, and is effective April 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, flowing style.

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:

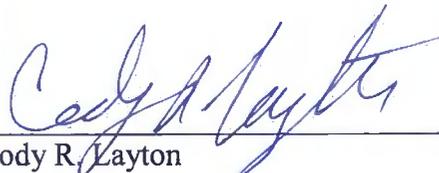
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement 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 E2 of sec. 17 and the NE of sec. 20, T. 21 S., R. 25 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: 07/12/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: April 1, 2017

Contract No.: Com. Agr. NMNM137959



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
NM137959
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NMNM137959

Date of Completion: 07/13/2017
Date of First Production: 07/13/2017
Field: Avalon
Operator, Well Name & No, API Number: Mewbourne Oil; Rio Bravo 17/20 W2AP Fed Com 1H; 30-015-44110
Surface Location: Sec. 17, NENE, T. 21 S., R. 25 E.
Bottom Location: Sec. 20, SESE, T. 21 S., R. 25 E.
Total Depth: 15,384' MD; 7,937' TVD
Surface Elevation: 3,377 GL
Producing Formation: Wolfcamp (8,055' – 15,384')
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 1 BBL; Gas 486 MCF; Water 2539 BBL
Current Status: Producing Gas Well

Remarks: CA NMNM137959, effective 04/01/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 17: E2 and sec. 20: NE, T. 21 S., R. 25 E., NMPM, and comprises 160 acres of Fee lands, 160 acres of Federal land in lease NMNM117546, 80 acres of State land 80 acres of Federal land in lease NMNM130850 for a 480 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
07/12/2018

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