Do not	UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANA NDRY NOTICES AND REPOI use this form for proposals to ned well. Use form 3160-3 (API	S NTERIOR GEMENT RTS ON W drill or to re	OCD	Field Arte	Office Sia FORM OMB N Expires: 5. Lease Serial No. NMNM117119 6. If Indian, Allottee of	APPROVED O. 1004-0135 July 31, 2010
SUBMIT	IN TRIPLICATE - Other instruc	ctions on rev	/erse side.		7. If Unit or CA/Agre NMNM131079	ement, Name and/or No.
1. Type of Well S Oil Well Gas Wel	l 🔲 Other	8. Well Name and No. DELAWARE RAN	NCH 13 EH FED COM 1H			
2. Name of Operator MEWBOURNE OIL CO	Contact: DMPANY E-Mail: emcmath@	ERIN MCMA			9. API Well No. 30-015-41271-(D0-S1
3a. Address P O BOX 5270 HOBBS, NM 88241		10. Field and Pool, or RED BLUFF	Exploratory			
-	e, Sec., T., R., M., or Survey Description, VNW 2100FNL 95FWL)			 County or Parish, EDDY COUNTY 	
12. CHEC	K APPROPRIATE BOX(ES) TO) INDICATE	ENATURE OF	NOTICE, R	EPORT, OR OTHE	R DATA
TYPE OF SUBMISSIC	NN		TYPE O	F ACTION		
 Notice of Intent Subsequent Report Final Abandonment N 	 Acidize Alter Casing Casing Repair Change Plans Convert to Injection 	Alter Casing Fracture Treat Reclar Casing Repair New Construction Recommod Change Plans Plug and Abandon Tempor				 Water Shut-Off Well Integrity Other Surface Commingling
If the proposal is to deepen Attach the Bond under whic following completion of the testing has been completed. determined that the site is re Mewbourne Oil Compa	any requests authorization for Sul Itural gas production through Aga	give subsurface the Bond No. o sults in a multip ed only after all rface Commi	I locations and measu n file with BLM/BI/ le completion or rec requirements, includ ngle, Off Lease	ured and true vo A. Required su ompletion in a ding reclamatio Measureme	rtical depths of all pertin bsequent reports shall be new interval, a Form 316 n, have been completed, nt, and Off T26S	tent markers and zones. filed within 30 days 60-4 shall be filed once and the operator has
Delaware Ranch 12 N	H Fed Com #1H, Sec 13 T26S R2 C Fed Com #1H, Sec 12 T26S R2 D Fed Com #1H, Sec 12 T26S R	28E 150' FSI	_ & 2100' FWL. E	Eddy Co	र जयप्र	ARTESIA DISTRICT
Please see attached a	oplication.					
						RECEIVED
14. I hereby certify that the for Name(<i>Printed/Typed</i>) EF	Electronic Submission #2	RNE OIL COM	PANY, sent to th	e Carlsbad 05/01/2015 (1	-	
						·
Signature (Electronic Submission) Date 12/03/2014 THIS SPACE FOR FEDERAL OR STATE OFFICE USE					or	
			T		5E	7/1
	e attached. Approval of this notice does gal or equitable title to those rights in the to conduct operations thereon.		Title CF	DE7 50		Date 6/17
	Title 43 U.S.C. Section 1212, make it a output of the statements or representations as				ake to any department or	agency of the United
** BLN	I REVISED ** BLM REVISED) ** BLM R	EVISED ** BLN) ** BLM REVISE	D **

RN-	7.10.17
	//*//

Additional data for EC transaction #283861 that would not fit on the form

5. Lease Serial No., continued

NMNM117119 NMNM118707

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7. If Unit or CA/Agreement, Name and No., continued

NMNM131079 NMNM132308 NMNM133396

Wells/Facilities, continued

Agreement NMNM131079	Lease NMNM117119	Well/Fac Name, Number API Number DELAWARE RANCH 13 EH FED C300015-41271-00-S1	Location Sec 13 T26S R28E SWNW 2100FNL 95FWL
NMNM132308	NMNM118707	DELAWARE RANCH 12 NC FED COMMO16H41719-00-S1	Sec 12 T26S R28E SESW 0150FSL 2100FWL 32.030103 N Lat, 104.042064 W Lon
NMNM133396	NMNM118707	DELAWARE RANCH 12 MD FED C30A015+42081-00-S1	Sec 12 T26S R28E SWSW 230FSL 710FWL

OFF LEASE MEASUREMENT, SALES & STORAGE

Commingling procedure for Delaware Ranch federal leases:

Mewbourne Oil Company is requesting approval for a Surface Commingle, Off Lease Measurement, & Off Agreement Sales of natural gas from the following wells:

Federal Lease: #NMNM118707 37.590 Fed. /62.590 FEE

5090 Fed. / 50.90 FEE

		CANMNM	133396	•	-
Well Name	Location	API #	Pool: 97954	MCFPD	BTU @ 14.7 psia
Delaware	Sec 12-		Wolfcamp		
Ranch 12	T26S-R28E	30-015-42081	_	2400	1251.9
MD Fed	230' FSL &				
Com #1H	710' FWL				

Federal Lease: #NMNM118707

	CA-NA 132308							
Well Name	Location	API#	Pool: 51010	MCFPD	BTU @ 14.7 psia			
Delaware	Sec 12-		Red Bluff Bone					
Ranch 12	T26S-R28E	30-015-41719	Springs South	350	1330.5			
NC Fed	150' FSL &							
Com #1H	2100' FWL							

Federal Lease: #NMNM117119 + NM12559 7590 Fed. 2590 FEE

(A-NM 131079			9 1		
Well Name	Location	API #	Pool: 51010	MCFPD	BTU @ 14.7 psia
Delaware	Sec 13-		Red Bluff Bone		
Ranch 13	T26S-R28E	30-015-41271	Springs South	200	1275.1
EH Fed Com	2100' FNL &				
#1H	95' FWL				

Gas metering:

Each well will have an individual EFM regularly calibrated to API, NMOCD, and BLM specifications located near the separation equipment. The gas production from the wells listed above will be measured, commingled, and sold off lease using the well test method.

Process and Flow Descriptions:

An Agave common gas sales meter (#10973) is located in the NWNE of Section 14, T26S, R28E. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Interest owners have been notified of the proposal.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production.

Signed: Em Manut

Printed Name: Erin McMath Title: Engineer Date: 10/28/2014

Economic Justification Work Sheet Malaga 13 CN Federal Tank Battery

Commingling proposal for leases: #NMNM117119 & NMNM118707

Federal Lease #NMNM117119

Well Name	MCFPD	Dry BTU	Value/MCF
Delaware Ranch	230	1275.1	\$3.90
13 EH Fed Com			
#1H			

Federal Lease #NMNM118707

Well Name	MCFPD	Dry BTU	Value/MCF
Delaware Ranch	2300	1251.9	\$3.90
12 MD Fed Com			
#1H			

Federal Lease #NMNM16104 & NMNM88128

Well Name	MCFPD	Dry BTU	Value/MCF
Delaware Ranch	400	1330.5	\$3.90
12 NC Fed Com			
#1H			

Economic Combined Production

Meter	MCFPD	Dry BTU	Value/MCF
Agave MM	2930	1264.5	\$3.90
#10973			

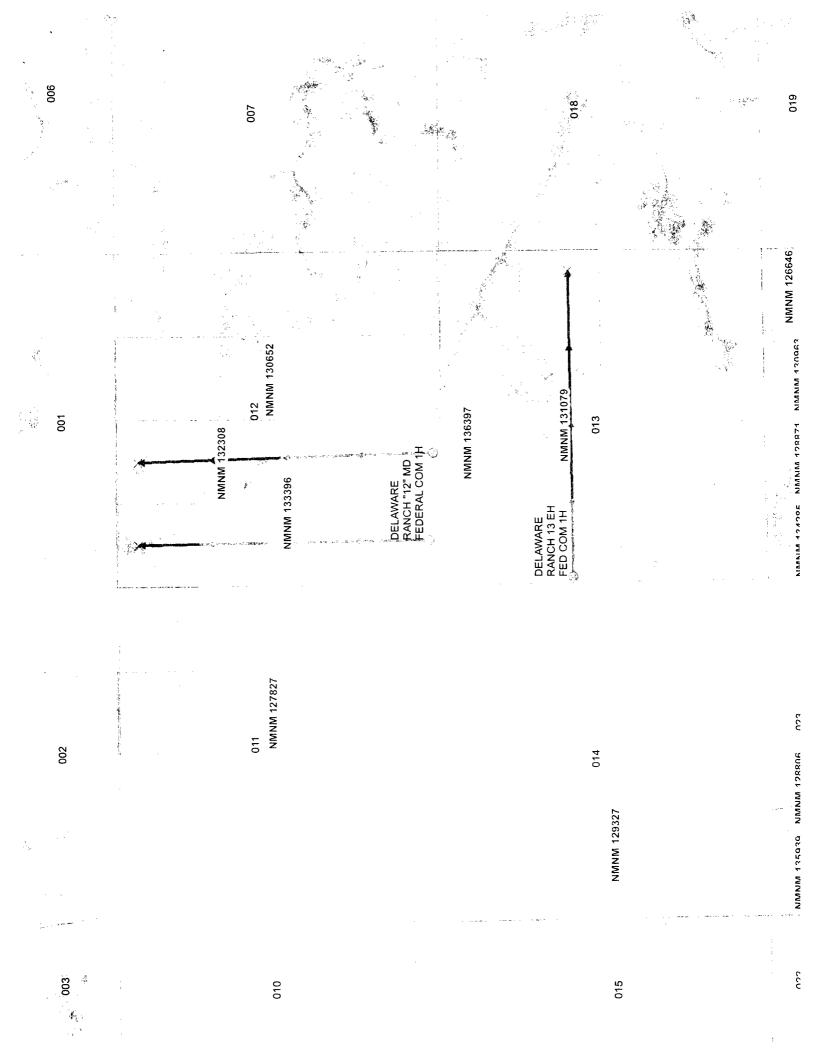
Signed: Erri M. Metor

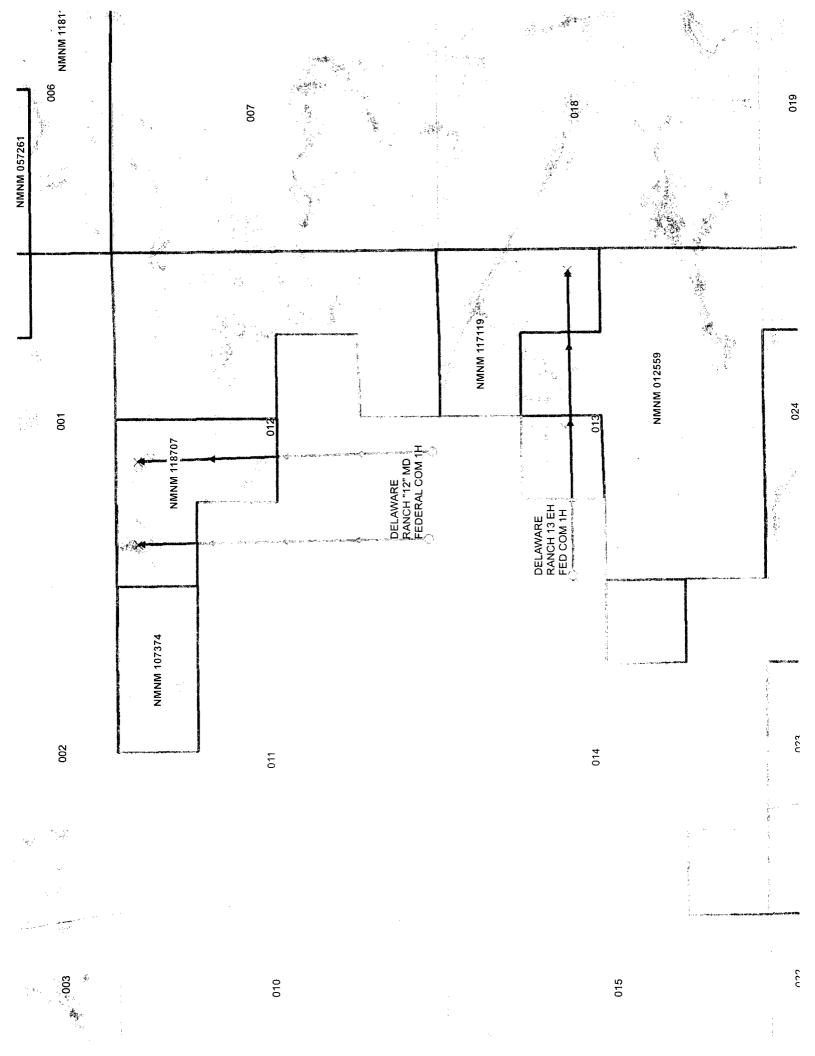
Printed Name: Erin McMath Title: Engineer Date: 10/28/2014

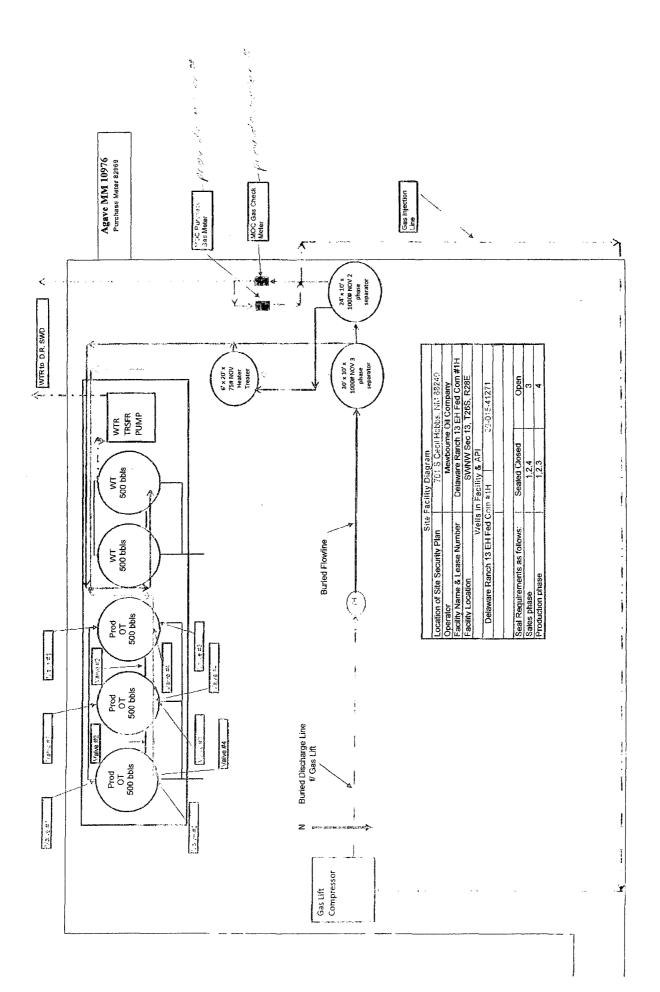


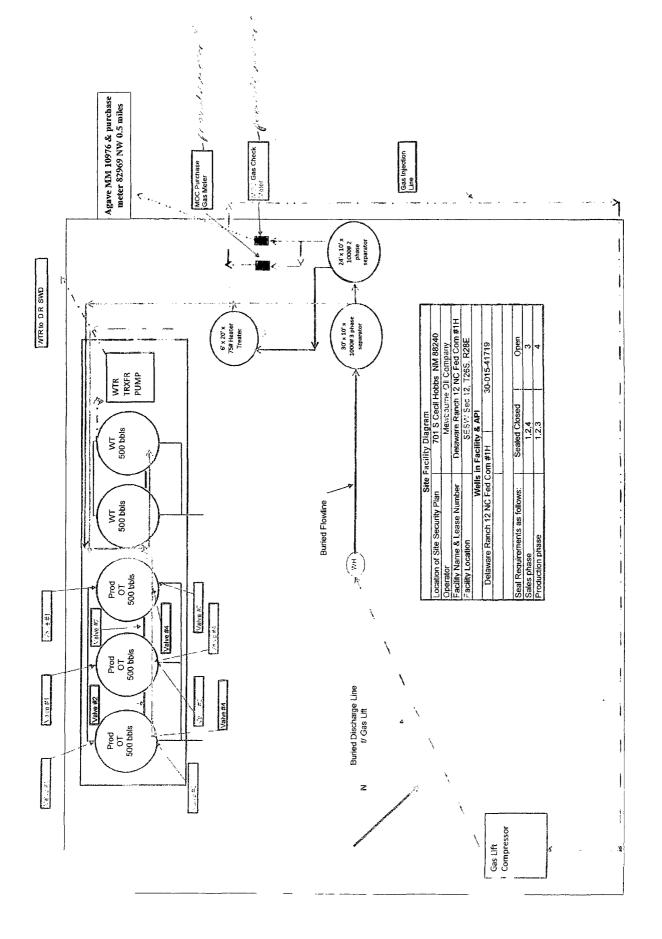
All Gas Allocation Meters, Oil Storage, and Sales Facilities are on well individual pads located next to wellbore.

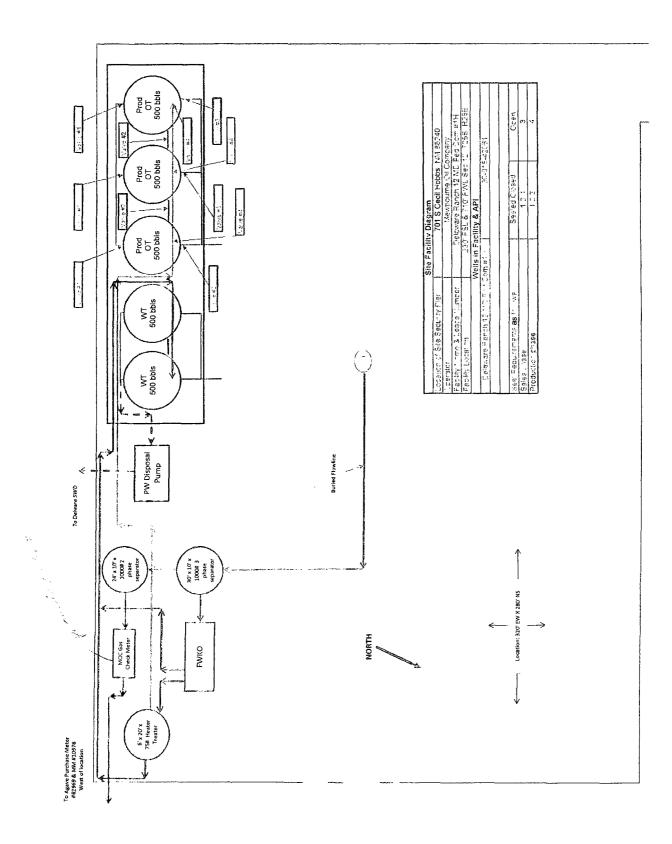












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Run Date/Time: 07/06/17 08:19 AM 01 02-25-1920;041STAT0437;30USC181 **Total Acres** Serial Number NMNM-- - 133396 318310: O&G COMMUNITZATION AGRMT 320.000 Case Type Commodity 459: **OIL & GAS** Case File Juris: CARLSBAD FIELD OFFICE Case Disposition: AUTHORIZED Serial Number: NMNM-- - 133396 Name & Address Int Rel %Interest BLM CARLSBAD FO 620 E GREENE ST CARLSBAD NM 88220 OFFICE OF RECORD 0.000000000 100.000000000 MEWBOURNE OIL CO PO BOX 7698 TYLER TX 757117698 OPERATOR Serial Number: NMNM-- - 133396 Mer Twp Rng Sec SType Nr Suff Subdivision Mgmt Agency District/Resource Area County BUREAU OF LAND MGMT 23 0260S 0280E 012 ALIQ W2: CARLSBAD FIELD OFFICE EDDY

Serial Number: NMNM-- - 133396

Serial Number: NMNM-- - 133396

Act Date	Code	Action	Action Remarks	Pending Office
04/01/2014	387	CASE ESTABLISHED		
04/01/2014	516	FORMATION	WOLFCAMP	
04/01/2014	525	ACRES-NONFEDERAL	200; 62.50% FEE	
04/01/2014	526	ACRES-FED INT 100%	120; 37.50%	
04/01/2014	868	EFFECTIVE DATE	/1/ 3001542081	
05/07/2014	654	AGRMT PRODUCING	/1/	
05/07/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/ MEMO 10/1/14	
10/01/2014	643	PRODUCTION DETERMINATION	/1/	

Line Nr Remarks

0001	RECAP	ITULATION EFFE	ECTIVE 4/1/14			
0002	TR#	LEASE #	AC COMMITTED	%INT	-	
0003	1	NMNM118707	120	37.5	- 37.590	Federal
0004	2	FEE	200	62.5	1. 1. 1	•
0005	TO	TAL	320	100.0		

Page 1 of 1

Run Date/Time: 07/06/17 0	08:15 AM			Page 1 of 1
01 02-25-1920;041STAT Case Type 318310: Commodity 459: C	0437;30USC181 O&G COMMUNITZATION AGF DIL & GAS	Total Ac RMT 160.00		Serial Number NMNM 132308
		: CARLSBAD FIELD OFFICE		
		Serial Number:	: NMNM	132308
Name & Address			Int Rel	%Interest
BLM CARLSBAD FO MEWBOURNE OIL CO	620 E GREENE ST PO BOX 7698	CARLSBAD NM 88220 TYLER TX 757117698	OFFICE OF R	ECORD 0.00000000 100.000000000
		Serial Number	: NMNM	132308
Mer Twp Rng Sec SType	Nr Suff Subdivision	District/Resource Area	County	Mgmt Agency
23 0260S 0280E 012 ALIQ	E2W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 132308

Act Date	Code	Action	Action Remarks	Pending Office
09/01/2013	387	CASE ESTABLISHED		
09/01/2013	516	FORMATION	BONE SPRING	
09/01/2013	525	ACRES-NONFEDERAL	80; 50% FEE	
09/01/2013	526	ACRES-FED INT 100%	80; 50% FEDERAL	
09/01/2013	868	EFFECTIVE DATE	/1/30-015-41719	
01/14/2014	654	AGRMT PRODUCING	/1/	
03/31/2014	643	PRODUCTION DETERMINATION	/1/	
03/31/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/ 30-015-41719	
04/02/2014	334	AGRMT APPROVED	CANM132308	

Line Nr Remarks

.

Serial Number: NMNM-- - 132308

0001 0002 0003 0004 0005	RECAP TR# 1 2	ITULATION EFFECTIVE LEASE SERIAL # NM118707 FEE TOTAL	: 09/01/2013 AC COMMITTED 80.00 80.00 160.00	<pre>% INT 50.00 50.00 100.00</pre>	90	Federal
0005		TOTAL	160.00	100.00		

Page 1 of 1 Run Date/Time: 07/06/17 08:13 AM 01 02-25-1920;041STAT0437;30USC181 **Total Acres Serial Number** Case Type 318310: O&G COMMUNITZATION AGRMT 160.000 NMNM-- - 131079 Commodity 410: NATURAL GAS Case File Juris: CARLSBAD FIELD OFFICE Case Disposition: AUTHORIZED Serial Number: NMNM-- - 131079 Int Rel %Interest Name & Address BLM CARLSBAD FO 620 E GREENE ST CARLSBAD NM 88220 OFFICE OF RECORD 0.000000000 MEWBOURNE OIL CO TYLER TX 757117698 100.000000000 PO BOX 7698 OPERATOR Serial Number: NMNM-- - 131079

District/Resource Area

CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 131079

County

EDDY

Mgmt Agency

BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remarks	Pending Office
05/01/2013	387	CASE ESTABLISHED	30-015-41271	
05/01/2013	516	FORMATION	BONE SPRING	
05/01/2013	525	ACRES-NONFEDERAL	40; 25%	
05/01/2013	526	ACRES-FED INT 100%	120; 75%	
05/01/2013	868	EFFECTIVE DATE		
07/12/2013	643	PRODUCTION DETERMINATION		
07/12/2013	654	AGRMT PRODUCING		
08/14/2013	658	MEMO OF 1ST PROD-ACTUAL		
08/15/2013	334	AGRMT APPROVED		

Line Nr Remarks

Mer Twp Rng Sec

23 0260S 0280E 013

SType

ALIQ

Nr Suff Subdivision

S2N2;

Serial Number: NMNM-- - 131079

0001	RECA	PITULATION EFFEC	TIVE 05/01/2013			
0002	TR#	LEASE SERIAL#	AC COMMITTED	%INTEREST		
0003	1	NM117119	80.00	50.00	7590 FEPERAL	
0004	2	NM12559	40.00	25.00 3	13181010	
0005	3	FEE	40.00	25.00		
0006	TOTA	L	160.00	100.00		

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Run Time: 10:00 AM

Page 1 of 1

Run Date:	10/28/2014	(MASS)	Serial Register Page			
Case Type Commodity	312021: O&G	GAS L		l Acres 20.000	Serial Nun NMNM 11	
Name & Ad			Serial Num	iber: NMN	M 118707 Int Rel	% Interest
YATES PETR	CORP	105 S 4TH ST	ARTESIA NM 88210		LESSEE	100.000000000
			Serial Numb	oer: NMNN	1 118707	
Mer Twp Rng	Sec STyp	SNr Suff Subdivision	District/Field Office	Coun	nty M	igmt Agency
23 02605 0280	E 012 ALIQ	N2NW,SENW;	CARLSBAD FIELD OFFICE	EDDY	B	UREAU OF LAND MGMT

			Serial Nun	nber: NMNM 118707
Act Date	Code	Action	Action Remark	Pending Office
05/25/2007	387	CASE ESTABLISHED	200707046.	
07/03/2007	299	PROTEST FILED	Forest Guard are et	.÷1
07/18/2007	_ 4 ±	BONUS BID PAYMEN'I RECD	\$240 00	
07/18/2007	191	SALE HELD		
07/18/2007	267	BID RECEIVED	\$32400 00.	
07/26/2007	. 43	BONUS EID PAYMENT RECL	\$32160 00;	
08/31/2007	237	LEASE ISSUED		
08/31 2007	298	FROTEST DISMISSED		
08/31/1007	974 -	AUTOMATED RECORD VERLE	008	
09/01/2007	496	FUND CODE	05/145003	
09/01/2007	530	numz Rade – 11 i IV		
09/05/2007	8.6.8	SFFECTIVE DATE		
09/01/2013	246	LEASE COMMITTED TO CA	MMNM192306	
(3/31/2014	643	PRODUCTION DETERMINATION	17	
03/31/2014	660	MEMO OF IST PROD-ALLOC	/ /NMNM112308;18	
04/01/2016	246	LEASE COMMITTEL TO CA	(27 CA NM133396	
05 07/2014	650	HELD BY PROD - ACTUAL	/ 27	
05/ -7/2014	638	MEMO OF IST PROD-ACTUAL	/2/ MFMC 0/ /14	
10/01/2014	643	PRODUCTION DEPERMENATION	4 <u>2</u>)	

Line Nr	Remarks
02	STIPULATIONS ATTACHED OF LEASE
sr2	NM-11-LN SPECIAL CULTURAL RESOURCE
√ 4	SENM-LN-1 CAVE - KARST OCCURRENCE AREA

Serial Number: NMNM-- - 118707

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DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT CASE RECORDATION** (MASS) Serial Register Page

Run Date: 10/28/2014

01 12-22-1987;101STAT1330;30USC181 ET SE Case Type 312021: O&G LSE COMP PD -1987 Commodity 459: OIL & GAS L Case Disposition: AUTHORIZED

Total Acres Serial Number 1,440,000

NMNM---117119

			Serial Nun	nber: NMNM 1	17119	
Name & Address				Int Re	1	% Interest
CHEVRON USA INC CHEVRON USA INC MEWBOURNE OIL C		1400 SMITH ST 1400 SMITH ST 500 W TEXAS ST #1020	HOUSTON TX 770027327 HOUSTON TX 770027327 MIDLAND TX 79701	LESSEE	TING RIGHTS TING RIGHTS	0.000000000 100.000000000 0.000000000
			Serial Numl	ber: NMNM 117	7119	
Mer Twp Rng Sec	STyp	SNr Suff Subdivision	District/Field Office	County	Mgmt Ag	ency
230260S0280E013230260S0280E025230260S0280E026	ALIQ ALL ALL	N2NE,SENE,SENW; ENTIRE SECTION ENTIRE SECTION	CARLSBAD FIELD OFFICE CARLSBAD FIELD OFFICE CARLSBAD FIELD OFFICE	EDDY EDDY EDDY	BUREAU C	OF LAND MGMT OF LAND MGMT OF LAND MGMT

			Serial Numbe	er: NMNM 117119
Act Date	Code	Action	Action Remark	Pending Office
10/15/2006	387	CASE ESTABLISHED	200610024	
0/18/2006	143	BONUS BID PAYMENT RECU	5288C 00;	
0 18/2106	191	SALE HELD		
10/18/0006	267	BIL RECEIVED	\$540000 00	
10/31 200€	143	BONHS & D PAYMENT RECL	\$537,20 CG	
13 16,2006	237	LEASE ISSUED		
3, 6,2 06	S M	AUTOMATEL F.D. OFD VEFIF	LBC	
12 01/2006	496	FUNL CODE	05.145003	
2/11/2006	530	RELEARNANCE FOR THE		
12 01 2006	868	LFFECTIVE DATE		
03/22/2007	963	CASE MICROFILMED		
08/12/2008	817	MERGER RECOGNIZED		
6/1 2012	932	TRF OPER RGDS FLIED	CHESAPEAK/MEWEONRNE; _	
08 06/2012	533	THE OPER ROTS REPROVE!	EFF 07/01/ 2	
08/16/2012	974	APPOMATED RECORD VERIE	DME	
1 27 2012	4 C	ASGN FILED	CHESAPEAN/CREVRON (_	
11/07/20/2	150	TRE GITR ROTS FILED	CRESTPEAK CREVEOR U	
02.28 20 3	1 ý	ASCN APERCVED	EFF 12/01/12	
02 28,2013	22.	AF OPER RGTS APPROVED	BMF 12/01/12	
J. 1872 B	2 4	AUTOMATED RECORD VERIE	_30	
ot a lizh c	21	LEASE COMMETTEE IC DA	ji naMir 3 i S i S	
5 12 2013	C+ 3	PRODUCTION DELLPHINATION	/NMARI 31078	
07 072003	4 : 12	HELD ET PRODE ACTUAL	1 NMMM111075	
AR 2015	FEe	KEMO OF LET FROD-ACTURE	NIMBU 2 107.9	

Serial Number: NMNM-- - 117119

3002	STIPULATIONS AT AC AD TO LEASE
1003	M- L D. FECTAL COLFURAL RESOURCE
26.94	SENM-LH-, CAVE - MARST OCCURRENCE AREA
0005	SLNM-S-17 SLOPES OR PRIGILE SCILS
0106	SEPM-BHIG STREAMS RIMERS AND FLOODFLADMS
160	CENM-S-IS PLAYAS AND ALKALI LAKES

Remarks

Line Nr

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Run Time: 09:59 AM

Page 1 of 2

Run Date/Time: 07/06/17 08:40 AM

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01 02-25-1920;041STAT0437;30USC181ETSEQ Case Type 311211: O&G LSE SIMO PUBLIC LAND Commodity 459: OIL & GAS Case Disposition: AUTHORIZED Case File Juris: Total Acres 1,400.000

Serial Number NMNM-- - 012559

Serial Number: NMNM-- - 012559

Name & Address			Int Rel	%Interest
COG PRODUCTION LLC	600 W ILLINOIS AVE, ONE CONCHO CENTER	MIDLAND TX 79701	OPERATING R	IGHTS 0.00000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING R	IGHTS 0.00000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING R	IGHTS 0.00000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	LESSEE	100.000000000
		Serial Number	: NMNM	012559
Mer Twp Rng Sec SType	Nr Suff Subdivision	District/Resource Area	County	Mgmt Agency
23 0260S 0280E 001 ALIQ	SENE,NESE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGM
23 0260S 0280E 012 ALIQ	NE,E2SE,SWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGM
23 0260S 0280E 013 ALIQ	SWNE,S2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGM
23 0260S 0280E 023 ALIQ	W2NE,NW,SWSW,NWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGM
23 0260S 0280E 024 ALIQ	E2NE,S2NW,SW,SWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGM

Serial Number: NMNM-- - 012559

Act Date	Code	Action	Action Remarks	Pending Office
09/27/1970	387	CASE ESTABLISHED	SPAR38;	
09/28/1970	888	DRAWING HELD		
10/13/1970	237	LEASE ISSUED		
11/01/1970	496	FUND CODE	05;145003	
11/01/1970	530	RLTY RATE - 12 1/2%		
11/01/1970	868	EFFECTIVE DATE		
10/21/1977	817	MERGER RECOGNIZED	DALCO OIL/SABINE PROD	
10/21/1977	817	MERGER RECOGNIZED	PLANET OIL/DALCO OIL	
07/24/1978	909	BOND ACCEPTED	EFF 07/24/78;WY0405	
01/21/1981	235	EXTENDED	THRU 10/31/82;	
07/03/1982	650	HELD BY PROD - ACTUAL		
07/03/1982	658	MEMO OF 1ST PROD-ACTUAL		
08/03/1982	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
08/03/1982	510	KMA CLASSIFIED		
03/22/1983	315	RENTAL RATE DET/ADJ	\$2.00;	
09/18/1987	974	AUTOMATED RECORD VERIF	KAT/CB	
10/05/1988	963	CASE MICROFILMED/SCANNED	CNUM 103,201	
05/01/2008	140	ASGN FILED	POGO PRODUC/OXY USA;1	
05/01/2008	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1	
06/13/2008	139	ASGN APPROVED	EFF 06/01/08;	
06/13/2008	933	TRF OPER RGTS APPROVED	EFF 06/01/08;	
06/13/2008	974	AUTOMATED RECORD VERIF	LR	
01/08/2009	140	ASGN FILED	POGO PRODUC/OXY USA;1	
01/08/2009	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1	
03/25/2009	139	ASGN APPROVED	EFF 02/01/09;	
03/25/2009	933	TRF OPER RGTS APPROVED	EFF 02/01/09;	

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Page 1 of 2

November, 2014

Via Certified Mail

Chevron U.S.A. Inc. Attn: NOJV Group 1400 Smith Road Houston, TX 77002

Re: <u>Application for Surface Commingle, Off Lease and Off Agreement Gas Commingling</u> Delaware Ranch 12 MD Fed COM #1-H W/2 Section 12, T26S, R28E Delaware Ranch 12 NC Fed COM #1-H E/2W/2 Section 12, T26S, R28E Delaware Ranch 13 EH Fed COM #1-H S/2N/2 Section 13, T26S, R28E Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") has filed an application with the New Mexico Oil Conservation Division and the Bureau of Land management seeking authorization for surface commingling, off lease measurement and off agreement sales of natural gas production from the above referenced wells which are more particularly described on the attached Exhibit "A". Each well will have an individual Electronic Flow Meter regularly calibrated to API, NMOCD and BLM specifications located near the separation equipment for each well. The gas production from the wells will be measured, commingled and sold off lease using the well test method at the Agave common gas sales meter (#10973) which is located in the NW/4NE/4 of Section 14, T16S, R28E. This meter is also regularly calibrated per API, NMOCD and BLM Specifications.

If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later. Should you have any questions regarding the above, please email Erin McMath at <u>emcmath@mewbourne.com</u> or at (575) 393-5905.

Sincerely,

MEWBOURNE OIL COMPANY

Steven J. Smith Senior Landman

EXHIBIT "A"

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Well Name	Location	API #	Pool: 97954
Delaware Ranch 12 MD Fed Com #1H	Sec 12- T26S-R28E 230' FSL & 710' FWL	30-015-42081	Wolfcamp

Well Name	Location	API#	Pool: 51010
Delaware Ranch 12 NC Fed Com #1H	Sec 12- T26S-R28E		Red Bluff
	150' FSL & 2100' FWL	30-015-41719	Bone Springs
			South
l	J	A	

Well Name	T	Location	API #	Pool: 51010
Delaware Ranch 13 EH Fed Com #1H		Sec 13- T26S-R28E		Red Bluff
		2100' FNL & 95' FWL	30-015-41271	Bone Springs
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Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Delaware Ranch 13 EH Fed Com 1H, 3001541271 Delaware Ranch 12 NC Fed Com 1H, 3001541719 Delaware Ranch 12 MD Fed Com 1H, 3001542081 Leases NMNM118707, 117119, & NM12559 CAs NM133396, NM132308, & NM131079

Mewbourne Oil Company July 6, 2017 Condition of Approval Surface comminging and off lease measurement and sales of gas only

- 1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
- 4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
- 5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
- 6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
- 7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3178 & 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
- 8. This agency shall be notified of any change in sales method or location of sales point.
- 9. Additional wells and/or leases require additional commingling approvals.
- 10. Submit gas check/allocation meter numbers within 30 days of this approval and update facility diagram with meters numbers. Gas check/allocation meters will be used as the Facility measurement points (FMPs) for gas. This will include the MOC Purchase Gas Meter for gas lift systems. MOC also needs to identify how compressor fuel gas is be measured and accounted for.
- 11. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.