

## 6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM131079

8. Well Name and No.  
DELAWARE BANCH 13 EH FED COM 1H

9. API Well No.  
30-015-41271-00-S1

10. Field and Pool, or Exploratory  
RED BLUFF

11. County or Parish, and State

EDDY COUNTY, NM

## TYPE OF ACTION

☒ Other  
Surface Commingling

**RECEIVED**

Date 12/03/2014

## Date \_\_\_\_\_

Office

RWP-7.10.17

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

**5. Lease Serial No., continued**

NMNM117119  
NMNM118707

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

NMNM131079  
NMNM132308  
NMNM133396

**Wells/Facilities, continued**

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM131079	NMNM117119	DELAWARE RANCH 13 EH FED C	30015-41271-00-S1	Sec 13 T26S R28E SWNW 2100FNL 95FWL
NMNM132308	NMNM118707	DELAWARE RANCH 12 NC FED C	30015-41719-00-S1	Sec 12 T26S R28E SESW 0150FSL 2100FWL
NMNM133396	NMNM118707	DELAWARE RANCH 12 MD FED C	30015-42081-00-S1	32.030103 N Lat, 104.042064 W Lon 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 Commingling, Off Lease Measurement, & Off Agreement Sales of natural gas from the following wells:

Federal Lease: #NMNM118707

*CA-NMNM 133396*

*37.590 Fed. / 62.590 FEE*

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

Federal Lease: #NMNM118707

*CA-NM 132308*

*5090 Fed. / 50.90 FEE*

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

Federal Lease: #NMNM117119 & NM12559

*CA-NM 131079*

*7590 Fed. / 2590 FEE*

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

### 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: *Erin McMath*

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 13 EH Fed Com #1H	230	1275.1	\$3.90

Federal Lease #NMNM118707

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

Federal Lease #NMNM16104 & NMNM88128

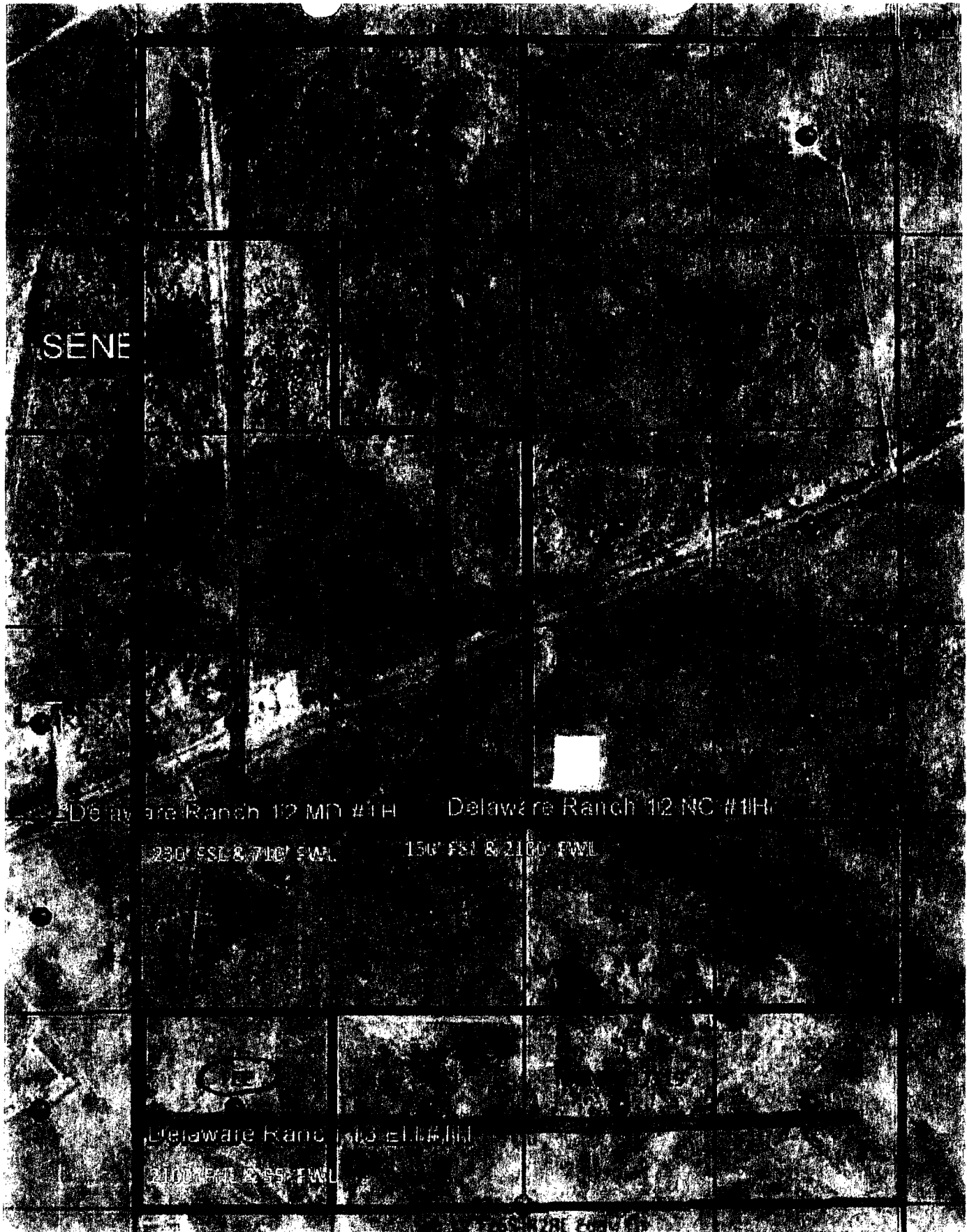
Well Name	MCFPD	Dry BTU	Value/MCF
Delaware Ranch 12 NC Fed Com #1H	400	1330.5	\$3.90

**Economic Combined Production**

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

Signed: 

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.

Agave Meter #10573  
Sec 14 155-128 Eddy Co

Delaware Ranch 12 MD #1H

Delaware Ranch 12 NC #1H

Delaware Ranch 10 EH #1H

006

001

002

003

007

018

019

011

NMNM 127827

010

012

NMNM 130652

NMNM 132308

NMNM 133396

DELAWARE  
RANCH "12" MD  
FEDERAL COM 1H

NMNM 136397

013

014

NMNM 129327

015

DELAWARE  
RANCH 13 EH  
FED COM 1H

NMNM 131079

022

NMNM 128806

023

NMNM 130563

NMNM 128871

NMNM 124206

NMNM 126646

NMNM 057261

006

NMNM 1181

001

002

003

NMNM 107374

NMNM 118707

011

012

010

007

DELAWARE  
RANCH "12" MD  
FEDERAL COM 1H

NMNM 117119

DELAWARE  
RANCH 13 EH  
FED COM 1H

014

013

015

NMNM 012559

018

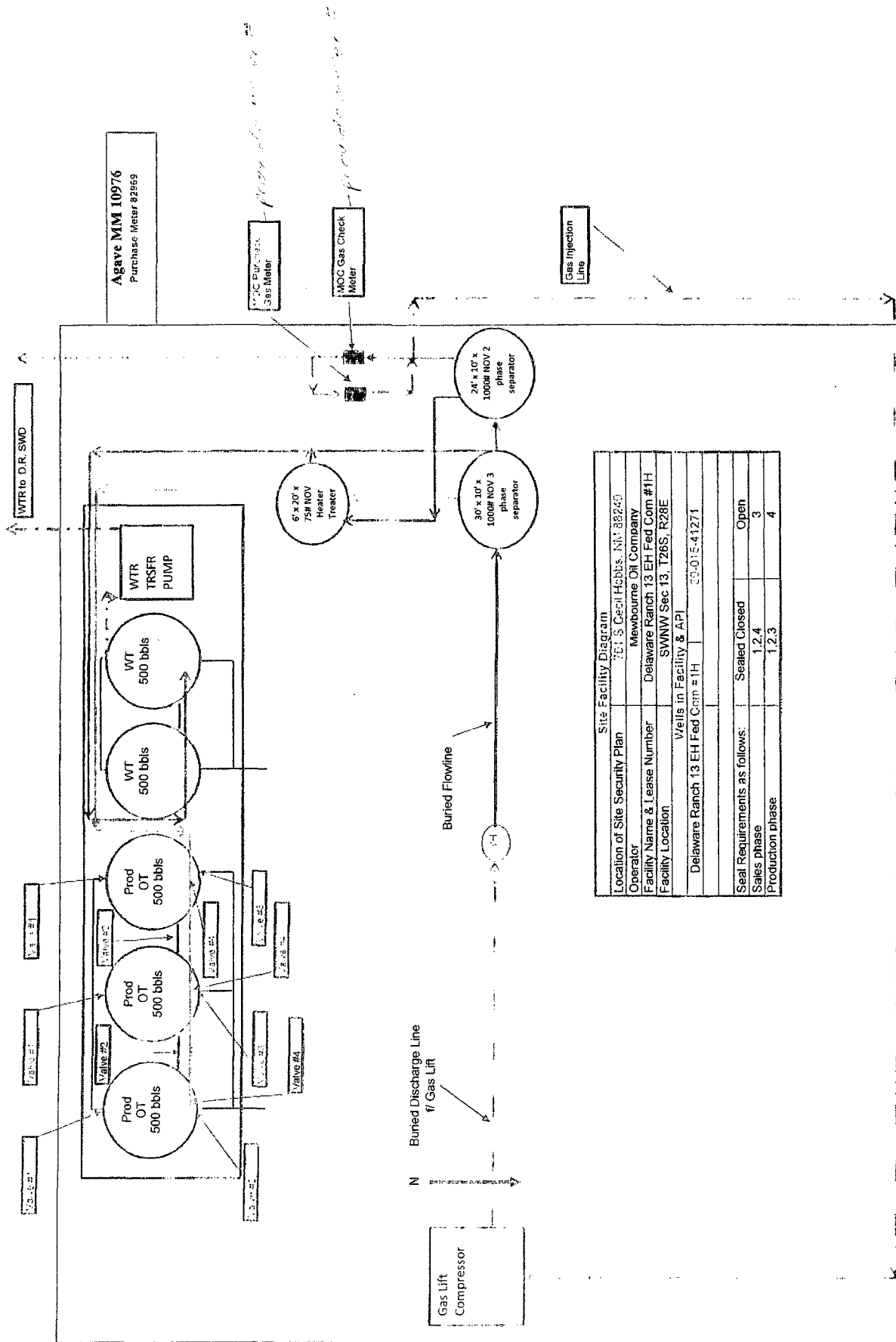
023

024

019

022



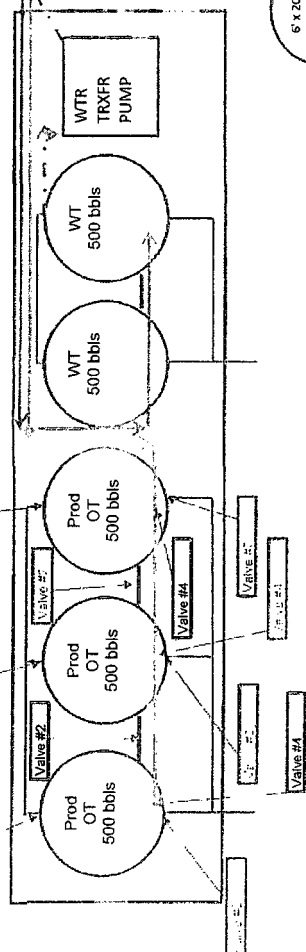


WTR to DR SWD

Valve #1

Valve #2

Valve #3

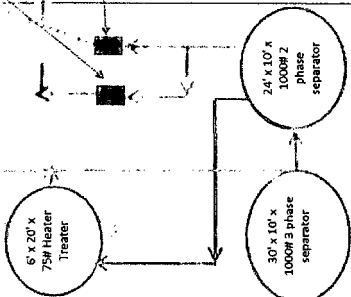


Agave MM 10976 & purchase meter 82969 NW 0.5 miles

MOC Purchase Gas Meter

Gas Check

Gas Injection Line



Buried Flowline

Buried Discharge Line  
1/ Gas Lift

N

Site Facility Diagram			
Location of Site Security Plan	701 S Cecil Hobbs NM 88240		
Operator	Mawcayne Oil Company		
Facility Name & Lease Number	Delaware Ranch 12 NC Fed Com #1H		
Facility Location	SESV: Sec 12, T26S, R28E		
Wells in Facility & API			
Delaware Ranch 12 NC Fed Com #1H	30-015-41719		
Seal Requirements as follows:			
Sales phase	1,2,4	Sealed Closed	Open
Production phase	1,2,3		

Gas Lift Compressor



**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 07/06/17 08:19 AM

Page 1 of 1

**01 02-25-1920;041STAT0437;30USC181**

**Total Acres**

**Serial Number**

**Case Type 318310: O&G COMMUNITIZATION AGRMT**

**320.000**

**NMNM-- - 133396**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED**

**Case File Juris: CARLSBAD FIELD OFFICE**

**Serial Number: NMNM-- - 133396**

**Name & Address**

**Int Rel**

**%Interest**

BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
MEWBOURNE OIL CO	PO BOX 7698	TYLER TX 757117698	OPERATOR	100.000000000

**Serial Number: NMNM-- - 133396**

Mer Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0260S	0280E	012	ALIQ		W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

**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**

**Serial Number: NMNM-- - 133396**

0001	RECAPITULATION EFFECTIVE 4/1/14			
0002	TR#	LEASE #	AC COMMITTED	%INT
0003	1	NMNM118707	120	37.5
0004	2	FEE	200	62.5
0005	TOTAL		320	100.0

*37.5% Federal*

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 07/06/17 08:15 AM

Page 1 of 1

**01 02-25-1920;041STAT0437;30USC181**

**Total Acres**  
160.000

**Serial Number**  
NMNM-- - 132308

**Case Type 318310: O&G COMMUNITIZATION AGRMT**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE**

**Serial Number: NMNM-- - 132308**

Name & Address			Int Rel	%Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
MEWBOURNE OIL CO	PO BOX 7698	TYLER TX 757117698	OPERATOR	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	

**Serial Number: NMNM-- - 132308**

Line Nr	Remarks
0001	RECAPITULATION EFFECTIVE 09/01/2013
0002	TR# LEASE SERIAL # AC COMMITTED % INT
0003	1 NM118707 80.00 50.00
0004	2 FEE 80.00 50.00
0005	TOTAL 160.00 100.00

*50% Federal*

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 07/06/17 08:13 AM

Page 1 of 1

**01 02-25-1920;041STAT0437;30USC181**

**Total Acres**

**Serial Number**

**Case Type 318310: O&G COMMUNITIZATION AGRMT**

**160.000**

**NMNM-- - 131079**

**Commodity 410: NATURAL GAS**

**Case Disposition: AUTHORIZED**

**Case File Juris: CARLSBAD FIELD OFFICE**

**Serial Number: NMNM-- - 131079**

**Name & Address**

**Int Rel**

**%Interest**

BLM CARLSBAD FO 620 E GREENE ST  
MEWBOURNE OIL CO PO BOX 7698

CARLSBAD NM 88220  
TYLER TX 757117698

OFFICE OF RECORD  
OPERATOR

0.000000000  
100.000000000

**Serial Number: NMNM-- - 131079**

**Mer Twp Rng Sec SType Nr Suff Subdivision**

**District/Resource Area**

**County**

**Mgmt Agency**

23 0260S 0280E 013 ALIQ S2N2;

CARLSBAD FIELD OFFICE

EDDY

BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 131079**

**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**

**Serial Number: NMNM-- - 131079**

0001 RECAPITULATION EFFECTIVE 05/01/2013

0002 TR# LEASE SERIAL# AC COMMITTED %INTEREST

0003 1 NM117119 80.00 50.00

0004 2 NM12559 40.00 25.00

0005 3 FEE 40.00 25.00

0006 TOTAL 160.00 100.00

**3 7590 FEDERAL**

**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

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 120,000  
Serial Number NMNM-- - 118707

Name & Address		Serial Number: NMNM-- - 118707		Int Rel	% Interest
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	LESSEE		100.000000000

				Serial Number: NMNM-- - 118707				
Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0260S	0280E	012	ALIQ	N2NW,SENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

		Serial Number: NMNM-- - 118707	
Act Date	Code	Action	Pending Office
05/25/2007	387	CASE ESTABLISHED	200707046
07/03/2007	299	PROTEST FILED	Forest Guardians et al
07/18/2007	143	BONUS BID PAYMENT RECD	\$240 00
07/18/2007	191	SALE HELD	
07/18/2007	261	BID RECEIVED	\$32400 00
07/26/2007	143	BONUS BID PAYMENT RECD	\$32160 00
08/31/2007	237	LEASE ISSUED	
08/31/2007	236	PROTEST DISMISSED	
08/31/2007	974	AUTOMATED RECORD VERIFY	BCO
09/01/2007	496	FUND CODE	05/143003
09/01/2007	530	ULT/ RATE - 11.11%	
09/01/2007	666	EFFECTIVE DATE	
09/01/2013	246	LEASE COMMITTED TO CA	NMNM132306
03/31/2014	643	PRODUCTION DETERMINATION	1/
03/31/2014	660	MEMO OF 1ST PROD-ALLOC	1/ NMNM112308/1R
04/01/2014	246	LEASE COMMITTED TO CA	1/2/ CA NM133396
05/07/2014	650	HELD BY PROD - ACTUAL	1/2/
05/07/2014	658	MEMO OF 1ST PROD-ACTUAL	1/2/ MEMO 01/14
10/01/2014	643	PRODUCTION DETERMINATION	1/2/

		Serial Number: NMNM-- - 118707
Line Nr	Remarks	
02	STIPULATIONS ATTACHED TO LEASE	
03	NM-11-LN SPECIAL CULTURAL RESOURCE	
04	SDNK-LN-1 CAVE - KARST OCCURRENCE AREA	

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

Run Time: 09:59 AM

Page 1 of 2

Run Date: 10/28/2014

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

1,440.000

NMNM-- - 117119

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 117119

**Name & Address**

**Int Rel**

**% Interest**

CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	LESSEE	100.000000000
MEWBOURNE OIL CO	500 W TEXAS ST #1020	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 117119

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0260S	0280E	013	ALIQ	N2NE,SENE,SENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0260S	0280E	025	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0260S	0280E	026	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 117119

Act Date	Code	Action	Action Remark	Pending Office
10/10/2006	387	CASE ESTABLISHED	200610024	
04/18/2006	143	BONUS BID PAYMENT RECD	\$2860 00;	
04/18/2006	191	SALE HELD		
10/18/2006	267	BID RECEIVED	\$540000 00	
10/31/2006	143	BONUS B D PAYMENT RECD	\$557120 00	
11/16/2006	237	LEASE ISSUED		
11/16/2006	914	AUTOMATED RECORD VERIFY	LBO	
12/01/2006	496	FUND CODE	05.145003	
2/10/2006	930	PROD. ACCT. EST. 10/1/06		
12/01/2006	868	EFFECTIVE DATE		
03/22/2007	963	CASE MICROFILMED		
08/12/2008	817	MERGER RECOGNIZED		
6/1/2012	992	TRF OPER RGTS FILED	CHESAPEAKE/MEWBOURNE/L	
08/04/2012	993	TRF OPER RGTS APPROVED	EFF 01/01/12	
08/16/2012	974	AUTOMATED RECORD VERIFY	DME	
11/27/2012	40	ASGN FILED	CHESAPEAKE/CHEVRON OIL	
11/27/2012	99	TRF OPER RGTS FILED	CHESAPEAKE/CHEVRON OIL	
01/28/2013	919	ASGN APPROVED	EFF 12/01/12	
02/28/2013	991	TRF OPER RGTS APPROVED	EFF 12/01/12	
11/16/2013	914	AUTOMATED RECORD VERIFY	LBO	
05/01/2013	24	LEASE COMMITTED TO O&G	1 NMNM11079	
01/11/2013	043	PRODUCION DETERMINATION	1 NMNM11079	
07/10/2013	110	HELD BY PROD. ACTUAL	1 NMNM11079	
08/1/2013	658	END OF 1ST PROD-ACTUAL	1 NMNM11079	

Serial Number: NMNM-- - 117119

Line Nr	Remarks
0102	STIPULATIONS ATTACHED TO LEASE
0103	W-1-L-1 SPECIAL CULTURAL RESOURCE
0104	SENM-LIN-1 CAVE - EARST OCCUPRECE AREA
0105	SENM-S-17 SLOPES OR FR. GLE SOILS
0106	SEPM-S-18 STREAMS RIVERS AND FLOODPLAINING
0107	SENM-S-19 PLAYS AND ALCALI LAKES

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM



**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

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

Page 1 of 2

**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 RIGHTS	0.000000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
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	ALIQU	SENE,NESE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0260S	0280E	012	ALIQU	NE,E2SE,SWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0260S	0280E	013	ALIQU	SWNE,S2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0260S	0280E	023	ALIQU	W2NE,NW,SWSW,NWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0260S	0280E	024	ALIQU	E2NE,S2NW,SW,SWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

**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;	

**NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM**

November , 2014

Via Certified Mail

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

Re: Application for Surface Commingle, Off Lease and Off Agreement Gas Commingling  
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 [emcmath@mewbourne.com](mailto:emcmath@mewbourne.com) or at (575) 393-5905.

Sincerely,

MEWBOURNE OIL COMPANY

Steven J. Smith  
Senior Landman

## EXHIBIT "A"

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 150' FSL & 2100' FWL	30-015-41719	Red Bluff Bone Springs South

Well Name	Location	API #	Pool: 51010
Delaware Ranch 13 EH Fed Com #1H	Sec 13- T26S-R28E 2100' FNL & 95' FWL	30-015-41271	Red Bluff Bone Springs South

**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 commingling 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.