

**Nearburg Producing Company**

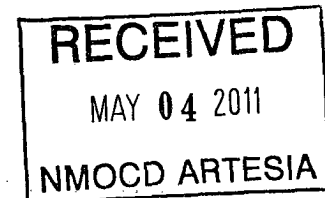
Exploration and Production  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
432/686-8235  
FAX: 432/686-7906

April 21, 2011

Via Fax (432) 685-4170; Email [cmitchell@mewbourne.com](mailto:cmitchell@mewbourne.com)  
and Certified Mail-Return Receipt No.

30-015-39013

Mewbourne Oil Company  
500 W. Texas, Suite 1020  
Midland, Texas 79701  
Attn: Mr. Corey Mitchell



Re: Fairchild 24 Prospect  
Eddy County, New Mexico  
Unorthodox Well location.  
Fairchild 24 #2H  
Section 24, T-19-S, R-25-E, N.M.P.M.

Gentlemen:

Nearburg Producing Company (Nearburg) as Operator proposes to drill a horizontal well at a surface location (SL) of 2,520' FSL & 750' FWL of Section 24, T-19-S, R-25-E, Eddy County, New Mexico to a bottom hole location (EOL) of 330' FNL & 330' FWL of the captioned Section 24. The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,850 feet subsurface to evaluate the Yesc formation for oil production. The proposed well will have a measured depth (MD) of approximately 5,082 feet. A special project area and non-standard spacing and proration unit comprised of the W/2NW/4 of the captioned Section 24 will be dedicated to the well.

Nearburg seeks a waiver of objection to the surface location and the proposed non-standard unit from Mewbourne Oil Company (Mewbourne) as an offset operator for the New Mexico Oil Conservation Division to grant approval to Nearburg to drill the referenced well at the referenced unorthodox surface location.

Nearburg wishes to drill this well at the proposed location as we feel it is necessary if we are to maximize our recovery of oil and gas reserves underlying our lease. While the well is planned to penetrate the Yesc formation at a location closer than 330' FNL of Mewbourne's lease in the W/2SW/4 of Section 24, the well will not be completed or produced from the Yesc formation at a location closer than 330' FNL of such Mewbourne lease.

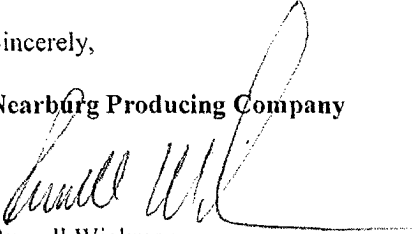
Please indicate Mewbourne's agreement to grant Nearburg the suggested waiver by signing and returning the duplicate originals of this letter to me at your earliest convenience so that we can proceed with applying for administrative approval of the above referenced unorthodox surface location and non-standard unit. Thanks for your cooperation in connection with our application.

Mewbourne Oil Company  
Fairchild 24 #2H  
Unorthodox Well Location  
April 21, 2011  
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Should you have any questions regarding the above, please email me at [rwickman@nearburg.com](mailto:rwickman@nearburg.com) or call me at (432) 818-2913.


Sincerely,

**Nearburg Producing Company**

  
Russell Wickman  
Senior Landman

*The undersigned has no objection to granting approval of the above referenced unorthodox location and waives notice of hearing regarding the same.*

**Mewbourne Oil Company**

\* By:   
Name: Larry Cunningham  
Title: Exploration Manager

Date Signed: 5/2/2011

\* Conditional to the roads and right of ways being placed where agreed upon by Mewbourne and Nearburg personnel on location.