SUMMARY OF COMMUNICATIONS Case No. 14977 Layla 35 OB #1H Well

Pavlos Panagopoulos and Panagopoulos Enterprises

- 3-7-13 Proposed well via certified mail with AFE enclosed, offered to purchase Oil and Gas Lease covering the unleased interest in lieu of their participation. Advised them they must prove their ownership in either event as their title was confused and quantum of mineral interest was unknown.
- 4-10-13 Received copy of letter directed to Jami Bailey of the OCD from Tibo J. Chaves, Jr., attorney for the Panagopoulos interests requesting a continuance of the pooling hearing to occur April 18, 2013.
- 4-23-13 Received copy of Motion For Continuance that was filed by Mr. Chaves via email from Mr. Bruce.

Thomas W. Gregory (505) 235-1271

4-12-13 – Received fax from Mr. Gregory regarding the Gregory family's possible claim to an unleased 12.6/350 mineral interest in Section 35 with addresses and information regarding the Gregory family. I called Mr. Gregory and explained to him what the problem was regarding their ownership. Sent Mr. Gregory a well proposal with AFE enclosed in the event he could prove his ownership. Offered to lease his interest in lieu of participation in the proposed well provided his ownership could be ascertained.

Irma Jean Gregory and Bonnie R. Gregory

- 3-7-13 Sent letter via certified mail with AFE enclosed and offered to purchase a lease covering their unleased interest. Explained the problem associated with their possible ownership.
- 4-12-13 Sent letter via certified mail with AFE enclosed to this new address that was furnished to me by Thomas Gregory. Again explained the problem associated with her possible ownership.

Oil Conservation Division
Case No.
Exhibit No.

William Ervin Gregory (505) 293-3500

4-3-13 – Received email from Mr. Bruce regarding a call he received from Mr. Gregory.

4-4-13 – Sent letter via certified mail with AFE enclosed and offered to purchase a lease from him in lieu of his participation in the proposed well. Advised him of the problems associated with his interest.

Estate of Stan Gregory

<u>4-12-13</u> – Sent letter via certified mail with AFE encloses and offered to purchase a lease in lieu of their participation. Explained their title to them.

4-12-13 – Talked to their friend Mr. G. Paul Dumas and explained the title problem.

Stanley L. Gregory

3-7-13 – Sent letter via certified mail with AFE enclosed and offered to acquire a lease in lieu of his participation in the proposed well. Explained their title issues.

Klipstine & Hanratty and James W. Klipstine

<u>3-7-13</u> – Sent letter via certified mail with AFE enclosed, offered to lease and explained title issues associated with their interest.

Kevin Hanratty

3-7-13 – Sent letter via certified mail with AFE enclosed, offered to lease and explained their title issues.

Mary Jo Dickerson

<u>3-7-13</u> – Sent letter via certified mail with AFE enclosed, returned undeliverable.

LBD a Limited Partnership

3-7-13 – Sent letter via certified mail with AFE enclosed, returned undeliverable.

First Federal Savings and Loan Association

3-7-13 – Sent letter via certified mail with AFE enclosed, explained title issues associated with their interest.

Wells Fargo Bank, N.A.

3-7-13 – Sent letter via certified mail with AFE enclosed, explained title issues associated with their interest.

Clarence W. Irvin and Mary I. Irvin

3-7-13 – Sent letter via certified mail with AFE enclosed, explained title issues associated with their interest.

4-3-13 – Talked to Vicki Jones, their daughter, and explained the problem with their possible claim to the 12.6/350 unleased mineral interest.

Laura Meade

3-7-13 – Sent letter via certified mail with AFE enclosed, explained title issues associated with their interest.

Panagiota P. Panagopoulos and Magdalene P. Panagopoulos

3-7-13 – Sent letter via certified mail with AFE enclosed, explained title issues associated with their interest.

Nolan Greak

<u>3-7-13</u> – Sent well proposal letter with AFE and explained his title issues.

Neville Manning

<u>3-7-13</u> – Sent letter via certified mail with AFE and explained his title issues.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, AN UNORTHODOX OIL WELL LOCATION, AND COMPUSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 14977

MOTION FOR CONTINUANCE

COMES NOW, Pavlos Panagopoulos, by and through his attorney, Tibo J. Chavez, Jr., and for his motion hereby **STATES**:

- 1. This matter is scheduled for a hearing on May 2, 2013.
- Counsel for Panagopoulos has a scheduling conflict on May 2, 2013 with a scheduled hearing on Motion for Partial Summary Judgment on Counterclaim in District Court in Los Lunas, New Mexico on May 2, 2013 at 9:00am.
- 3. Counsel for Panagopoulos proposes the hearing be continued for a later date.
- 4. Applicant was contacted and concurs/ does not concur with this Motion.

WHEREFORE, Pavlos Panagopoulos, requests this Court:

- 1. Continue the hearing calendared for May 2, 2013 and reset it for a later date.
- 2. Award Panagopoulos any other relief it deems just and proper.

Respectfully Submitted:

Tibo J. Chavez, Jr.

Attorney at Law

P.O. Box 569 Belen, NM 87002

505/864-4428

I HEREBY CERTIFY that a true and correct copy of the foregoing was served to opposing party, this 27 day of April, 2013.

Tibo J. Chavez, Jr



Re: Fwd: Pavlos Panagopoulos Re:Case No. 14977

Paul Haden to: jamesbruc

Cc: Larry Cunningham

04/23/2013 10:29 AM

Jim, we are absolutely not agreeable to a continuance. We already continued it once for their behalf. We also have conflicts the week they are requesting. He can employ another attorney for the May 2nd hearing.

Paul Haden Land Department Mewbourne Oil Company 500 W. Texas Ave., Ste. 1020 Midland, Texas 79701 (432) 682-3715 (432) 685-4170 FAX

jamesbruc

FYI. ----Original Message-----

04/23/2013 09:52:01 AM

From:

jamesbruc@aol.com

To: Date: phaden@Mewbourne.com 04/23/2013 09:52 AM

Subject:

Fwd: Pavlos Panagopoulos Re:Case No. 14977

FYI.

----Original Message----

From: Tibo J. Chavez Jr. <tchavezlaw@gmail.com>

To: jamesbruc <jamesbruc@aol.com>

Cc: richard.ezeanyim <richard.ezeanyim@state.nm.us>

Sent: Tue, Apr 23, 2013 8:49 am

Subject: Pavlos Panagopoulos Re:Case No. 14977

Dear Mr. Bruce:

Attached is a *Motion for Continuance*. Please contact us with your concurrence by today, April 23, 2013, so we can file it with Mr. Ezeanyim today. Mr. Chavez is available to attend the hearing on Thursday, May 16, 2013.

Thank you.

Sincerely,

Britney Thompson

Secretary to Tibo J. Chavez, Jr.

--

Law Office of Tibo J. Chavez, Jr.

P.O. Box 569 Belen, NM 87002 Tel: 505-864-4428 Fax: 505-864-4476

The information contained in this email message is CONFIDENTIAL and intended solely for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution, copying, or unauthorized use of this communication is strictly prohibited. If you have received this email in error, PLEASE NOTIFY THE SENDER IMMEDIATELY BY TELEPHONE. Thank You.[attachment "Motion_for_Continuance_04_23_13.pdf" deleted by Paul Haden/Mewbourne]



Fwd: Pavlos Panagopoulos Re:Case No. 14977 jamesbruc

to: phaden

04/23/2013 09:52 AM

Hide Details

From: jamesbruc@aol.com

To: phaden@Mewbourne.com

1 Attachment



Motion for Continuance 04 23 13.pdf

FYI.

----Original Message-----

From: Tibo J. Chavez Jr. <tchavezlaw@gmail.com>

To: jamesbruc <jamesbruc@aol.com>

Cc: richard.ezeanyim <richard.ezeanyim@state.nm.us>

Sent: Tue, Apr 23, 2013 8:49 am

Subject: Pavlos Panagopoulos Re:Case No. 14977

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Thank you.

Sincerely,

Britney Thompson Secretary to Tibo J. Chavez, Jr.

Law Office of Tibo J. Chavez, Jr.

P.O. Box 569

Belen, NM 87002 Tel: 505-864-4428 Fax: 505-864-4476

The information contained in this email message is CONFIDENTIAL and intended solely for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution, copying, or unauthorized use of this communication is strictly prohibited. If you have received this email in error, PLEASE NOTIFY THE SENDER IMMEDIATELY BY TELEPHONE. Thank You.

Tibo J. Chavez, Jr. Attorney at Law

500 Becker Avenue PO Box 569 Belen, New Mexico 87002 Telephone No. (505) 864-4428 FAX (505) 864-4476

April 10, 2013

SENT VIA EMAIL ONLY TO:

www.emnrd.state.nm.us/ocd/

New Mexico Oil Conservation Division

ATTN: Jami Bailey, Division Director. New Mexico Oil Conservation Division (OCD)

RE: Application for compulsory pooling of Mewbourne Oil Company in the Bone Spring formation, Eddy County, New Mexico; hearing scheduled April 18, 2013 at 8:15 am

Dear Jami Bailey, Division Director:

I am writing on behalf of my clients, Panagapolous Enterprises, Pavlos Panagapolous and his family members who have oil and gas interests in the above reference matter.

I have recently been retained to represent the Panagapolous interests in the upcoming hearing regarding the Application of Mewbourne Oil Company for compulsory pooling. Due to a prior scheduling conflict with a District Court hearing scheduled in Sandoval County for the morning of April 18, 2013, I request that the OCD hearing be rescheduled for a later date in June or July to allow for preparation and presentation of the Panagapolous objections.

In the event that the hearing is not re-scheduled as requested, then Pavlos Panagapolous will be present on April 18, 2013 and will present the objections and position statement of his family business interests. He will require approximately 30 minutes or less for his presentation. As non-consenting mineral owners, Panagapolous do not agree to be force pooled.

Thank you kindly for your cooperation and rescheduling in this matter.

Sincerely

Tibo J. Chavez, Jr

TJC/ds

Pc James Bruce, Esq.; client

COMPLETE THIS SECTION ON DELIVERY **SENDER: COMPLETE THIS SECTION** ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 🗖 Agent ☐ Addressee Print your name and address on the reverse so that we can return the card to you. C. Date of Delivery Attach this card to the back of the mailpiece, or on the front if space permits. D. Is delivery address different from item 1? 1. Article Addressed to: If YES, enter delivery address below: Pavlos Panagopoulos, Panagopoulos Enterprises, Andreas P. Panagopoulos 615 Willowbrook Certified Mail ☐ Express Mail Belen, NM 87002 ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number 7010 1870 0001 6457 6612 (Transfer from service I PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 6612

Pavlos Panagopoulos, Panagopoulos Enterprises, Andreas P. Panagopoulos 615 Willowbrook Belen, NM 87002

Re: Layla "35" OB #1H Well

150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Regarding the above, enclosed for your information is a copy of our Authorization For Expenditure which is an estimate of the drilling and completion cost associated with the captioned proposed well. In the event you can prove your proportionate part of your ownership in the above referenced 12.6/350 unleased mineral interest, Mewbourne Oil Company hereby offers you \$2,000 per net mineral acre for a 3 year paid-up Oil and Gas Lease covering your interest in Tracts 8 and 9 with such lease providing a 3/16th

Pavlos Panagopoulos, Panagopoulos Enterprises, Andreas P. Panagopoulos Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb

4/11/2013 5:13 PM FROM: Gregory Agency, Inc TO: 982-2161 PAGE: 001 OF 002

James Bruce

Attorney at Law

PO Box 1056

Santa Fe, NM 87504

Sent Via Fax 505 982 2151

Today I received your letter dated March 28, 2013 regarding the Compulsory Pooling for a proposed well from Mewbourne Oil Company, which will be heard by the the New Mexico Oil Conservation Division regarding the following property; W 1/2, E % of Section 35, Township 23 South, Range 28 East, N.M.P.M. Eddy County.

The following people are in the group that you have on file as owning a part of this mineral interest. We are represented by a consultant: G. Paul Dumas, O1 Avenida Polo Garcia, Peralta, NM 87042, Phone # 505 453 6905 g.p.dumas@comcast.net.

Mr Dumas will send you a letter signed by the following members of our group tomorrow. Also, none of these mineral owners in this group object to the compulsory pooling and none of our Group object to any other conditions and stipulations you represented in your letter.

I am the eldest son of Thomas Jack Gregory (deceased) and eldest son of Bonnie Ruth Gregory (also deceased) my slater, irma Jean Gregory was the personal representative for my parents, and you have been sending all your correspondence to her, she has cancer and is not able to handle the business of the estate now. I am also named as an owner in all the correspondence from Mewbourne Oil via Atwood ET Ai.

Sincerely,

Thomas W. Gregory

1705 Black Gold St SE

Albuquerque, NM 87123

505 235 1271

The following is a list of the other owners that Mr Dumas is a representative for: see page 2

4/11/2013 6:13 PM FROM: Gragory Agency, Inc TO: 982-2151 FAGE: 002 OF 002

Irma Jean Gregory

14 Cork

Alva, Fl 33920

Thomas W. Gregory

1705 Black Gold SE

Albuquerque, NM 87123

William Ervin Gregory

11910 Central Ave SE, Suite 2B

293.3500

Albuquerque, NM 87123

Stan Gregory (deceased) and Kathy Gregory (surviving spouse)

608 Lakeside Dr

Carlabad, NM 88220

Clarence Ervin

4016 Jones St

Carisbad, NM 88220

Layla 35 0B #IH	Commission of the commission o
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X
1. Article Addressed to: Thomas W. Gregory 1705 Black Gold SE Albuquerque, New Mexico 87123	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
	3. Service Type
	Certified Mail
	4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number (Transfer from service label) 7010	1870 0001 6457 4564
PS Form 3811 February 2004 Domestic Re	eturn Receint 102505-02-M-1540

,

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

April 12, 2013

Via Certified Mail-Return Receipt No. 4564

Thomas W. Gregory 1705 Black Gold SE Albuquerque, New Mexico 87123

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Mr. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26. Discussion of the uncertain ownership of the referenced 12.6/350 mineral interest is set forth on Pages 29 and 53 through Page 59.

Regarding the above, enclosed for your information is a copy of our Authorization For Expenditure which is an estimate of the drilling and completion cost associated with the captioned proposed well. In the event you can prove your proportionate part of your ownership in the above referenced 12.6/350 unleased mineral interest, Mewbourne Oil Company hereby offers you \$2,000 per net mineral acre for a 3 year paid-up Oil and Gas Lease covering your interest in Tracts 8 and 9 with such lease providing a 3/16th royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

Thomas W. Gregory Layla "35" OB #1H Well April 12, 2013 Page 2 of 2

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur May 2, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb

xc:

Mr. G. Paul Dumas 01 Avenida Polo Garcia Peralta, NM 87042

COMPLETE THIS SECTION ON DELIVERY **SENDER:** COMPLETE THIS SECTION ■ Complete items 1, 2, and 3. Also complete Agent item 4 if Restricted Delivery is desired. Print your name and address on the reverse Addressee so that we can return the card to you. Date of Delivery ■ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: If YES, enter delivery address below: Irma Jean Gregory 14 Cork Service Type Alva, Florida 33920 Certified Mail ☐ Express Mail Registered ☐ Return Receipt for Merchandise ☐ Ínsured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number 7010 1870 0001 6457 4557 (Transfer from service label) PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

April 12, 2013

Via Certified Mail-Return Receipt No. 4557

Irma Jean Gregory 14 Cork Alva, Florida 33920

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Ms. Gregory:

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Irma Jean Gregory Layla "35" OB #1H Well April 12, 2013 Page 2 of 2

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Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb

xc:

Mr. G. Paul Dumas 01 Avenida Polo Garcia Peralta, NM 87042

COMPLETE THIS SECTION ON DELIVERY **SENDER: COMPLETE THIS SECTION** A. Signature ■ Complete items 1, 2, and 3. Also complete □ Agent item 4 if Restricted Delivery is desired. Print your name and address on the reverse Addressee so that we can return the card to you. Date of Delivery Attach this card to the back of the mailpiece, or on the front if space permits. Is delivery address different from item 1? Z Ye∕s 1. Article Addressed to: If YES, enter delivery address below: Bonnie R. Gregory and GREG305 882032051-1113 NOTIFY SENDER OF NEW ADDRESS 03/11/13 GREGORY'IRMA 14 CORK ST ALVA FL 33920-5595 3 Mail Receipt for Merchandise ☐ Yes MahalMhallishhillihidMhdifahldAhlihidhillihid שושו וביי rs rom 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8074

Bonnie R. Gregory and Irma J. Gregory 305 S. Hemlock Ave. Roswell, NM 88203

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Ladies:

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Bonnie R. Gregory and Irma J. Gregory Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

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Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb



Layla 35 OB-1
jamesbruc
to:
phaden
04/03/2013 04:19 PM
Hide Details
From: jamesbruc@aol.com

To: phaden@Mewbourne.com

Paul: I just got a call from William Ervin Gregory (listed in your stuff as William I. Gregory), who is in your stuff as unlocatable. His phone number is 505-293-3500 and address is 11910 Central SE, Suite 2B, Albuquerque 87123 (business). He asked about the pooling case, and I generally explained it to him. I also told him that there are title issues regarding his interest, and although MOC would like to come to terms with him (and other family members), curative action would be required. He seemed reasonable, but I would ask that you give him a call and send a well proposal. He also mentioned other family members who he may have addresses for. Plkease get any additional addresses; we'll probably have to send additional notices. He indicated he and others may show up on 4/18, and I said that's fine.

Jim

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: 	Agent Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from Item 1? Yes If YES, enter delivery address below: No
Mr. William E. Gregory 11910 Central SE, Suite 2B Albuquerque, New Mexico 87123	3. Service Type Certified Mail
2. Article Number (Transfer from service label) 7010	4. Restricted Delivery? (Extra Fee) Yes 1870 0001 6457 4113
PS Form 3811, February 2004 Domestic F	Return Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

April 4, 2013

Via Certified Mail-Return Receipt No. 4113

Mr. William E. Gregory 11910 Central SE, Suite 2B Albuquerque, New Mexico 87123

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Bill:

As discussed, Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26. Discussion of the uncertain ownership of the referenced 12.6/350 mineral interest is set forth on Pages 29 and 53 through Page 59.

Regarding the above, enclosed for your information is a copy of our Authorization For Expenditure which is an estimate of the drilling and completion cost associated with the captioned proposed well. In the event you can prove your proportionate part of your ownership in the above referenced 12.6/350 unleased mineral interest, Mewbourne Oil Company hereby offers you \$2,000 per net mineral acre for a 3 year paid-up Oil and Gas Lease covering your interest in Tracts 8 and 9 with such lease providing a 3/16th royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

Mr. William E. Gregory Layla "35" OB #1H Well April 4, 2013 Page 2 of 2

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing. For your information, I've enclosed a copy of my letter dated March 7, 2013 to Jim Bruce requesting him to file our Application For Compulsory Pooling. Please note the parties to be pooled and their addresses. Any help that you could give us regarding the addresses for these parties would be greatly appreciated.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb

1 /LOWNO 35 0 B # 1 H	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete tems 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Frint your rame and address on the reverse so find we can return the card to you. Attach this/card to the back of the mailpiece, or on the front if space permits.	A. Signature X
Estate of Stan Gregory and Kathy Gregory 608 Lakeside Dr. Carlsbad, New Mexico 88220	D. Is delivery address different from item 17
	3. Service Type Certified Mail Registered Return Réceipt for Merchandise C.O.D.
	4. Restricted Delivery? (Extra Fee)
Artigle Number 7010 1870	0001 6457 4571
PS Form 38 1, February 2004 Domestic Retu	urn Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

April 12, 2013

Via Certified Mail-Return Receipt No. 4571

Estate of Stan Gregory and Kathy Gregory 608 Lakeside Dr. Carlsbad, New Mexico 88220

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Mrs. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26. Discussion of the uncertain ownership of the referenced 12.6/350 mineral interest is set forth on Pages 29 and 53 through Page 59.

Regarding the above, enclosed for your information is a copy of our Authorization For Expenditure which is an estimate of the drilling and completion cost associated with the captioned proposed well. In the event you can prove your proportionate part of your ownership in the above referenced 12.6/350 unleased mineral interest, Mewbourne Oil Company hereby offers you \$2,000 per net mineral acre for a 3 year paid-up Oil and Gas Lease covering your interest in Tracts 8 and 9 with such lease providing a 3/16th royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

Estate of Stan Gregory and Kathy Gregory Layla "35" OB #1H Well April 12, 2013 Page 2 of 2

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur May 2, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb

xc:

Mr. G. Paul Dumas 01 Avenida Polo Garcia

Peralta, NM 87042

Layla 35	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X Agent Addressee B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery 13 3 3 3 3 3 3 3 5 5
1. Article Addressed to: Mr. Stanley L. Gregory 3510 Joshua Street Carlsbad, NM 88220	If YES, enter delivery add ess elow
	3. Seprice Type Certified Mail
Article Number (Transfer from service label)	
PS Form 3811 February 2004 Domestic F	Return Receipt 102595-02-M-1540

102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

(432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 4007

Mr. Stanley L. Gregory 3510 Joshua Street Carlsbad, NM 88220

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Mr. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Regarding the above, enclosed for your information is a copy of our Authorization For Expenditure which is an estimate of the drilling and completion cost associated with the captioned proposed well. In the event you can prove your proportionate part of your ownership in the above referenced 12.6/350 unleased mineral interest, Mewbourne Oil Company hereby offers you \$2,000 per net mineral acre for a 3 year paid-up Oil and Gas Lease covering your interest in Tracts 8 and 9 with such lease providing a 3/16th royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

Mr. Stanley L. Gregory Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb

COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature ■ Complete items 1, 2, and 3. Also complete Agent item 4 if Restricted Delivery is desired. ☐ Addressee Print your name and address on the reverse so that we can return the card to you. B. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the mailpiece, or on the front if space permits. ☐ Yes D. Is delivery address different from item 1? 1. Article Addressed to: If YES, enter delivery address below: Klipstine & Hanratty and James W. Klipstine 1601 N. Turner, Suite 400 Service Type Hobbs, NM 88240 Certified Mail Express Mail Registered ☐ Return Receipt for Merchandise Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number 7010 1870 0001 6457 8142 (Transfer from service label) PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8142

Klipstine & Hanratty and James W. Klipstine 1601 N. Turner, Suite 400 Hobbs, NM 88240

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Regarding the above, enclosed for your information is a copy of our Authorization For Expenditure which is an estimate of the drilling and completion cost associated with the captioned proposed well. In the event you can prove your proportionate part of your ownership in the above referenced 12.6/350 unleased mineral interest, Mewbourne Oil Company hereby offers you \$2,000 per net mineral acre for a 3 year paid-up Oil and Gas Lease covering your interest in Tracts 8 and 9 with such lease providing a 3/16th

Klipstine & Hanratty and James W. Klipstine Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gb

FULLE 35					
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY				
 Complete items 1, 2, and 3. Also complete item 4 If Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X. O. M. B. Meceived by (Printed Name) D. Is delivery address different from term 12. These				
Article Addressed to:	D. Is delivery address different from item 1? Wes If YES, enter delivery address below:				
Kevin Hanratty	MAR - 8 2013				
P.O. Box 1330 Artesia, NM 88211	3. Service Type ⊠Certified Mail □ Express Mail 821				
	☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.				
	4. Restricted Delivery? (Extra Fee) ☐ Yes				
2. Article Number (Transfer from service label) 7010 1870	0001 6457 8135				
PS Form 3811 February 2004 Domestic Ret	rum Receipt 102595-02-M-1540				

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8135

Kevin Hanratty P.O. Box 1330 Artesia, NM 88211

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Mr. Hanratty:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Kevin Hanratty Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

4124Ca 35				
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY			
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature X			
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery			
Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No			
Mary Jo Dickerson P.O. Box 642 Glenpool, OK 74033				
Gienpool, Okt 74000	3. Service Type Certified Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.			
	4. Restricted Delivery? (Extra Fee)			
2. Article Number (Transfer from service label) 7010 187	0 0001 6457 8128			
PS Form 3811, February 2004 Domestic Retu	rn Receipt 102595-02-M-1540			

MITE





500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8128

Mary Jo Dickerson P.O. Box 642 Glenpool, OK 74033

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Ms. Dickerson:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Mary Jo Dickerson Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

LBD, a Limited Partnership P.O. Box 686 Hobbs, NM 88240 3. Service Type ☐ Certifled Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. Restricted Delivery? (Extra Fee) ☐ Yes

(Transfer from service label)

2. Article Number

7010 1870 0001 6457 8111

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

RETURN POSTAGE GUARÂNTEED TIXIE Section of the sectio LBD, 500 WEST MIDLAND Hobbs, NM 8824 a Limited Partnership P.O. Box 686 882403089-1N EXAS, SUITE 1020 TEXAS 79701 OIL COMPANY SENDER FORWARD FORWARD SENDER 03/26/13

ונופ לבאיש נססס סלפיד סוסל

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8111

LBD, a Limited Partnership P.O. Box 686 Hobbs, NM 88240

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

LBD, a Limited Partnership Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

Sada 35	ALL MATERIAL STATES AND			
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY			
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	B. Received by (Printed Name) C. Date of Delivery 3-8/3 D. Is delivery address different from item 12 Yes			
1. Article Addressed to: First Federal Savings and Loan Association	D. Is delivery address different from item 1?			
P.O. Box 1390 Littlefield, TX 79339	3. Service Type Certified Mail			
2. Article Number (Transfer from service label) 7010 18				
PS Form 3811 February 2004 Domestic Ret	urn Receint 102595-02-M-1540			

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8098

First Federal Savings and Loan Association P.O. Box 1390 Littlefield, TX 79339

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

First Federal Savings and Loan Association Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

Level a 35				
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIV	ERY	
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece. 	- 1	A. Signature/ X B. Received by (Printed Name)	Agent Addressee C. Date of Delivery	
or on the front if space permits. 1. Article Addressed to:		D. Is delivery address different from item 1? Yes If YES, enter delivery address below:		
Wells Fargo Bank, N.A. 2318 Pierce Street Carlsbad, NM 88220	:			
	3. Service Type Certified Mail Registered Insured Mail C.O.D.	pt for Merchandise		
		4. Restricted Delivery? (Extra Fee)	☐ Yes	
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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8104

Wells Fargo Bank, N.A. 2318 Pierce Street Carlsbad, NM 88220

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Wells Fargo Bank, N.A. Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

Laula 35		
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. Also completem 4 if Restricted Delivery is desired. ■ Print your name and address on the reso that we can return the card to you. ■ Attach this card to the back of the maior on the front if space permits. 1. Article Addressed to: Clarence W. Irvin and Mary I. Irvin 4016 Jones Street Carlsbad, NM 88220	verse	A. Signature X
		4. Restricted Delivery? (Extra Fee) Yes
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PS Form 3811, February 2004	Domestic Re	eturn Receipt 102595-02-M-1540

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8081

Clarence W. Irvin and Mary I. Irvin 4016 Jones Street Carlsbad, NM 88220

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Mr. & Mrs. Irvin:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Vicki Jones - daughter (575) 361-2176 I explained to her what the problem was. 141:4/3/13

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Clarence W. Irvin and Mary I. Irvin Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

Domestic Return Receipt

PS Form 3811, February 2004

MEWBOURNE OIL COMPANY
500 WEST TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

SHIP TO

Laura Meade
611 N. Mesa Ave,
Carlsbad, NM 88203

RETURN POSTAGE GUARANTEED



102595-02-M-1540

TRST CLASS NAL

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8067

Laura Meade 611 N. Mesa Ave. Carlsbad, NM 88203

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Ms. Meade:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Laura Meade Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X
1. Article Addressed to: Panagiota P. Panagopoulos And Magdalene P. Panagopoulos 1008 Ranch Hand Ave. Las Vegas, NV 89117	If YES, enter delivery address below:
	3. Service Type Certified Mail
2. Article Number (Transfer from service label) 7 🗓 🗓	1870 0001 6457 6629
PS Form 3811 February 2004 Domestic Bett	urn Receipt 102505-02-M-154

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 6629

Panagiota P. Panagopoulos And Magdalene P. Panagopoulos 1008 Ranch Hand Ave. Las Vegas, NV 89117

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Ladies:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Panagiota Panagopoulos And Magdalene P. Panagopoulos Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

Lawle 35 SENDER: COMPLETE THIS SECTION		COMPLE	TE THIS SE	ECTION ON	I DELIVER	Y
 Complete items 1, 2, and 3. Also completed item 4 if Restricted Delivery is desired. Print your name and address on the reverse that we can return the card to you. Attach this card to the back of the mailprior on the front if space permits. 	esired. the reverse you.		A. Signature X B. Received by (Printed Name) C. Date of Delivery address different from item 1? Yes			
Nolan Greak 8008 Slide Road, Suite #33 Lubbock, TX 79424		If YES, enter delivery address below: No				
		☐ Reg	e Type tifled Mail gistered ured Mail	Expre	n Receipt f	or Merchandise
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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8043

Nolan Greak 8008 Slide Road, Suite #33 Lubbock, TX 79424

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Mr. Greak:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tract's 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Nolan Greak Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

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SENDER: COMPLETE THIS SECTION	CCMFLETE THIS SECTION ON DELIVERY				
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Neville Manning 2112 Indiana 	A Signature Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from tem 1? If YES, enter delivery address b				
Lubbock, TX 79410	3. Service Type Certified Mail				
2. Article Number (Transfer from service label) 7031	3 1870 0001 6457 8050				
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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

March 7, 2013

Via Certified Mail-Return Receipt No. 8050

Neville Manning 2112 Indiana Lubbock, TX 79410

Re:

Layla "35" OB #1H Well 150' FSL & 1980' FEL (SL) 330' FNL & 1980' FEL (BHL) Section 35, T23S, R28E Eddy County, New Mexico

Dear Mr. Manning:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,854 feet beneath the surface in the Second Bone Spring Sand interval and drilled horizontally therefrom from a southerly direction to a northerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil and gas production. The true measured depth for this proposed well will be approximately 12,950 feet with the well being dedicated to the W/2E/2 of the captioned Section 35 as the oil proration unit and Project Area.

Regarding the above, title examination indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SW/4NE/4 and the W/2SE/4 of the captioned Section 35.

Regarding the above, I've enclosed Page 1 and the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 covering the captioned Section 35 which pertain to the above referenced unleased 12.6/350 mineral interest for your information. The above referenced S/2SW/4NE/4 is part of Tract No. 8 and the above referenced W/2SE/4 is part of Tract no. 9 described on page 1. The mineral ownership for Tracts 8 and 9 is described on Page 11, 12 and 13 and the previous Oil and Gas Leases (now expired) are referred to on Page 23, 25 and 26.

Neville Manning Layla "35" OB #1H Well March 7, 2013 Page 2 of 2

royalty interest. Alternatively you can participate in the proposed well as to your unleased mineral interest if you can prove your ownership in the above referenced unleased mineral interest.

As we have plans to commence drilling the captioned well during mid-Spring this year, we will be filing an Application For Compulsory Pooling regarding your unleased mineral interest as our title attorney was unable to determine the ownership in the referenced unleased mineral interest. This interest will be "force pooled" at an Examiner's Hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico. This hearing will occur April 18, 2013 whereby you will be sent notice of this hearing.

Should you have any questions regarding the above, you can call me at (432) 682-3715 or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman