

Paul Haden

From: Paul Haden
Sent: Wednesday, July 02, 2014 10:02 AM
To: 'craiglawpc@gmail.com'
Subject: FW: Re: Layla "35"
Attachments: doc07267920140702093811.pdf

Jimmy , see attached recorded copy of a Mineral Deed from Laura Meade to Chasity Garza. Please refer to Tract #2 described therein. This land doesn't comprise 350 acres as it purports. The land described as the SE/4S/2S/2NE/4 should have been described as the SE/4 , S/2S/2NE/4. These kind of mistakes are the reason why the Laura Meade interest and others can not be determined as all through the chain of title in this 350 acre tract there were mistakes like this including over conveyances , incorrect spelling of names , etc. However , I'm preparing an Oil & Gas Lease for Chasity to execute. The attached Mineral Deed needs to be corrected.

As to Tract #2 the land should cover : S/2S/2NE/4 , SE/4 , E/2SW/4 , W/2NW/4SW/4 , SE/4NW/4SW/4 , S/2NE/4NW/4SW/4 , E/2SW/4SW/4 , SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 , containing 150 acres , more or less. As to the other lands described in the Mineral Deed , I have no way of telling if those lands are described correctly. As to the Oil & Gas Lease , I'll scan and email it to you and will stick the original in the mail to you for Chasity's execution. One question , is Chasity married or is she single ?? I assume she still lives at 1410 E. Broadway , Brownfield ,Tx , 79316. Please confirm.

Paul Haden
Land Department
Mewbourne Oil Company
500 West Texas Ave., Suite 1020
Midland, TX 79701-4279
Office Phone: 432-682-3715
Fax: 432-685-4170
Cell: 432-557-2521

-----Original Message-----

From: midland@mewbourne.com [mailto:midland@mewbourne.com]
Sent: Wednesday, July 02, 2014 10:38 AM
To: Paul Haden
Subject:

TASKalfa 520i
[00:c0:ee:7a:75:8d]

Oil Conservation Division
Case No. _____
Exhibit No. 5

**MARION J. CRAIG III
ATTORNEY AT LAW, L.L.C.**

POST OFFICE BOX 1436
ROSWELL, NM 88202-1436
TELEPHONE: (575) 622-1106
EMAIL: craiglawpc@gmail.com

MARION J. "JIMMY" CRAIG III
ATTORNEY AT LAW

601 W. SECOND STREET, SUITE 8
ROSWELL, NEW MEXICO 88201

June 27, 2014

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, TX 79701

Re: Layla 35B2NC Fee #2H
Layla 35W2OB Fee #3H
Layla 35NC Fee #1H
Layla 35B2MD Fee #3H

Attention: D. Paul Haden

Dear Mr. Hayden:

My client, Chasity Garza has learned that there is scheduled a hearing before the OCD on compulsory pooling regarding the above-referenced wells on July 10, 2014. She only recently learned of this, and has never received notice as required under 19.15.4.12 NMAC.

Ms. Garza was an owner of minerals prior to the date of the applications on the above wells, so therefore should have been provided actual notice by certified mail. This was not done.

While I understand that you may take the position that there is a title issue regarding my client's mineral interests, she still is entitled to notice under the Administrative Code. Failure to provide such notice may result in the hearing being rescheduled to a later date or her having an opportunity to set aside the hearing at a later date.

In order to short cut these problems, my client has authorized me to grant to your client a quit claim lease on the properties involved for a 3/16ths royalty. I note that this is the same as most of leased properties. No bonus would be required.

Please let me know Mewbourne's position on this. If we cannot come to an arrangement, I will notify the OCD that we were not provided proper notice of this hearing.

Sincerely,

MARION J. CRAIG III
ATTORNEY AT LAW, L.L.C.



Marion J. Craig III

Xc: Chasity Garza

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Paul Haden

From: Paul Haden
Sent: Monday, June 30, 2014 9:08 AM
To: 'craiglawpc@gmail.com'
Subject: Re: Layla "35" Pooling Hearings

Mr. Craig , I acknowledge receipt of your letter dated 6-27-2014 regarding the claim of Chasity Garza owning a mineral interest in Sec 35 , T23S, R28E , Eddy Co . , among other lands. The problem with her ownership as I've previously advised her mother , Laura Meade is that our title attorney John Nelson for this project was unable to determine the quantum of interest owned by Laura Meade. If Ms. Garza is willing to execute a "Quit Claim Lease" whatever that is , we would certainly entertain that option. Please prepare it and send it to me as I'm sure we'd be willing to do that. Or , if you want me to prepare an Oil & Gas Lease for her execution , please let me know. However , you must understand that upon production of the wells referenced in your letter , her interest , if any , would be placed in suspense pending a final determination of what her interest is. Let me know what you and Ms. Garza wants to do.

Paul Haden
Land Department

 **Mewbourne Oil Company**

500 West Texas Ave., Suite 1020
Midland, TX 79701-4279
Office Phone: 432-682-3715
Fax: 432-685-4170
Cell: 432-557-2521

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Ms. Meade:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Laura Meade
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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



Date: May 23, 2014

Simple Certified:

The following is in response to your May 23, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181178. The delivery record shows that this item was delivered on May 23, 2014 at 11:01 am in BELEN, NM 87002. The scanned image of the recipient information is provided below.

Signature of Recipient :

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Address of Recipient :

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Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Pavlos P. Panagopoulos, et al
511 W REINKEN AVE
BELEN, NM 87002
Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Pavlos P. Panagopoulos,
Panagopoulos Enterprises and
Andreas P. Panagopoulos
511 W. Reinken Ave.
Belen, New Mexico 87002

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Pavlos P. Panagopoulos,
Panagopoulos Enterprises and
Andreas P. Panagopoulos
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Pavlos P. Panagopoulos,
Panagopoulos Enterprises and
Andreas P. Panagopoulos
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35-B2MD Fee #3H

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

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

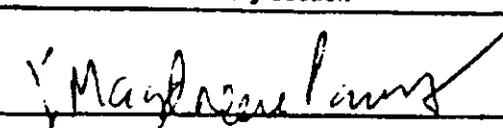
DPH/gb

Date: May 23, 2014

Simple Certified:

The following is in response to your May 23, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181550. The delivery record shows that this item was delivered on May 23, 2014 at 12:20 pm in LAS VEGAS, NV 89117. The scanned image of the recipient information is provided below:

Signature of Recipient :

Delivery section	
Signature	
Initials	X

Address of Recipient :

Address	10008 Ranch Hand Ave
---------	----------------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Panagiota P. Panagopoulos
Magdalene P. Panagopoulos and
10008 Ranch Hand Ave
Las Vegas, NV 89117
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Magdalene P. Panagopoulos and
Panagiota P. Panagopoulos
10008 Ranch Hand Ave.
Las Vegas, NV 89117

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Ladies:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Magdalene P. Panagopoulos and
Panagiota P. Panagopoulos
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Magdalene P. Panagopoulos and
Panagiota P. Panagopoulos
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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



Date: May 24, 2014

Simple Certified:

The following is in response to your May 24, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181154. The delivery record shows that this item was delivered on May 23, 2014 at 10:08 am in ALBUQUERQUE, NM 87123. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	
Address	

Address of Recipient :

Address	11910 Central
---------	---------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

William E. Gregory
11910 CENTRAL AVE SE STE B
ALBUQUERQUE, NM 87123
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. William E. Gregory
11910 Central Ave. SE, Suite B
Albuquerque, NM 87123

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Mr. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. William E. Gregory
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. William E. Gregory
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181239. The delivery record shows that this item was delivered on May 22, 2014 at 11:48 am in CARLSBAD, NM 88220. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature of Recipient: [Handwritten signature]
[Handwritten name: Dune Fresquez]

Address of Recipient :

Address of Recipient: [Handwritten address: 2318 Pierce]

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Wells Fargo Bank, N.A.
2318 W PIERCE ST
CARLSBAD, NM 88220
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Wells Fargo Bank, N.A.
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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

Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181253. The delivery record shows that this item was delivered on May 21, 2014 at 9:19 am in LUBBOCK, TX 79410. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
UPO	<i>Deborah Kemp</i>
PO	<i>D. Kemp</i>

Address of Recipient :

my ISS	<i>2112 Indiana</i>
-----------	---------------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Neville Manning
2112 INDIANA AVE
LUBBOCK, TX 79410
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Neville Manning
2112 Indiana
Lubbock, TX 79410

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Mr. Manning:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Neville Manning
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Neville Manning
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181406. The delivery record shows that this item was delivered on May 22, 2014 at 10:03 am in LURAY, KS 67649. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	Willis A Paschal
Name	Willis A Paschal

Address of Recipient :

Address	Luray KS
---------	----------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Willis A. Paschal Trust No. 1
PO Box 98
Luray, KS 67649
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Willis A. Paschal Trust No. 1
P.O. Box 98
Luray, KS 67649

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Willis A. Paschal Trust No. 1
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Ms. Dickerson:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mary Jo Dickerson
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181345. The delivery record shows that this item was delivered on May 22, 2014 at 2:30 pm in CARLSBAD, NM 88220. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	<i>Ticki Jones</i>
Address	

Address of Recipient :

Address	<i>4016 Jones</i>
---------	-------------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Estate of Mary I. Ervin
Clarence Ervin and the
4016 JONES ST
CARLSBAD, NM 88220
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Clarence Ervin and the
Estate of Mary I. Ervin
4016 Jones St.
Carlsbad, NM 88220

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Mr. Ervin:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Clarence Ervin and the
Estate of Mary I. Ervin
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

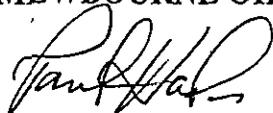
Clarence Ervin and the
Estate of Mary I. Ervin
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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

Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181277. The delivery record shows that this item was delivered on May 22, 2014 at 12:12 pm in ARTESIA, NM 88211. The scanned image of the recipient information is provided below.

Signature of Recipient :

Sophy Briseu
Sophy Briseu

Address of Recipient :

Box 1330

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Kevin Hanratty
PO BOX 1330
ARTESIA, NM 88211
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Mr. Hanratty:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Kevin Hanratty
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Kevin Hanratty
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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

Date: May 22, 2014

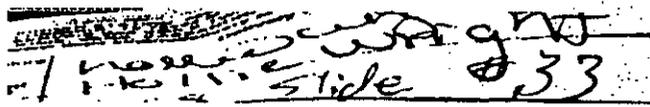
Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181260. The delivery record shows that this item was delivered on May 21, 2014 at 10:31 am in LUBBOCK, TX 79424. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Nolan Greak
8008 SLIDE RD STE 33
LUBBOCK, TX 79424
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Mr. Greak:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Nolan Greak
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Nolan Greak
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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

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CERTIFIED MAIL

Handwritten signature



Mewbourne Oil Company
Paul Haden
500 West Texas Ave
Ste 1020
MIDLAND TX 79701-4279
Laya 35

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UNCLASIFIED
9414 8106 9934 5005 1814 20
Estate of Stan Gregory
Kathy Gregory
608 Lakeside
CARLSBAD, CA 92008-5207

Handwritten date: 5/22/14

Handwritten initials: GC

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Estate of Stan Gregory
608 Lakeside Dr.
Carlsbad, NM 88220
Attn: Kathy Gregory

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Mrs. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

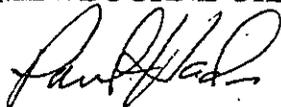
Estate of Stan Gregory
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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

Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181499. The delivery record shows that this item was delivered on May 21, 2014 at 1:16 pm in LITTLEFIELD, TX 79339. The scanned image of the recipient information is provided below.

Signature of Recipient :

J Edwards
J EDWARDS

Address of Recipient :

PO BOX 1390

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

First Federal Savings and Loan Association
PO Box 1390
Littlefield, TX 79339
Reference #: Layla 35

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

First Federal Savings and
Loan Association
May 20, 2014
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Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

Should you have any questions regarding the above, please 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

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. James W. Klipstine and
Klipstine & Hanratty
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. James W. Klipstine and
Klipstine & Hanratty
May 20, 2014
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Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
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Sincerely yours,

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D. Paul Haden
Senior Landman

DPH/gb

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Bonnie R. Gregory
and Irma J. Gregory
14 Cork St.
Alva, FL 33920

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
330' FNL & 2150' FEL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Ladies:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Bonnie R. Gregory
and Irma J. Gregory
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Bonnie R. Gregory
and Irma J. Gregory
May 20, 2014
Page 3 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

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Sincerely yours,

MEWBOURNE OIL COMPANY.



D. Paul Haden
Senior Landman

DPH/gb

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Thomas W. Gregory
1705 Black Gold St., SE
Albuquerque, NM 87123

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 NC #1H
150' FSL & 1800' FWL (SL)
330' FNL & 1800' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 W2OB Fee #3H
185' FSL & 2435' FEL (SL)
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Section 35, T23S, R28E
Eddy County, New Mexico

Layla 35 B2MD Fee #3H
135' FSL & 470' FWL (SL)
330' FNL & 660' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

Dear Mr. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Thomas W. Gregory
May 20, 2014
Page 2 of 3

Layla 35 B2NC Fee #2H
Layla 35 NC #1H
Layla 35 W2OB Fee #3H
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

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Mr. Thomas W. Gregory
May 20, 2014
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D. Paul Haden
Senior Landman

DPH/gb

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

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

Re: Layla 35 B2NC Fee #2H
185' FSL & 1670' FWL (SL)
330' FNL & 1980' FWL (BHL)
Section 35, T23S, R28E
Eddy County, New Mexico

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Section 35, T23S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

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May 20, 2014
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Senior Landman

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