

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

January 30, 2014

Via Certified Mail

Mr. Robert M. Varn
3059 Farmington Lane
Atlanta, GA 30399

Re: Glock "17" LI Federal #1H
1760' FSL & 150' FWL (SL)
1760' FSL & 330' FEL (BHL)
Section 17, T20S, R29E
Eddy County, New Mexico

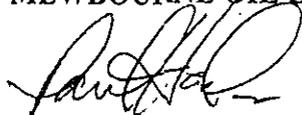
Dear Mr. Varn:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 7,818 feet beneath the surface in the Bone Spring formation and drilled horizontally from a westerly direction to an easterly direction in the Second Bone Spring Sand interval in the Bone Spring formation to the terminus point referenced above for oil production. The well will be drilled to a true measured depth of approximately 12,300 feet with the well being dedicated to the N/2S/2 of the captioned Section 17 as its nonstandard oil proration unit and Project Area.

In reference to the above, enclosed is our AFE dated December 23, 2013. Regarding same, please have the AFE signed and returned to me at your very earliest convenience in the event you elect to participate in the proposed well. Upon receipt of same, I'll forward you an Operating Agreement for execution. In the event you elect not to participate in the proposed well, enclosed for your consideration and execution is a Farmout Agreement in lieu of being force pooled. Please execute both and return to me. Retain the copy for your file.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landrman