13806



PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

February 7, 2007

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

Attn: Mr. Steven J. Smith

Re: Final Approval Horseshoe State Exploratory Unit Eddy County, New Mexico

Dear Mr. Smith:

Thank your letter of January 23, 2007 requesting final approval of the Horseshoe State Exploratory Unit Agreement, Eddy County, New Mexico.

It is our understanding that all tracts are committed to the unit agreement at this time.

The Commissioner of Public Lands has this date granted final approval to the Horseshoe State Exploratory Unit Agreement effective February 7, 2007.

Enclosed are five (5) Certificates of Approval.

Your \$60.00 filing fee has been received.

Please notify this office when drilling operations are commenced.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS COMMISSIONER OF PUBLIC LANDS

JAMI BAILEY Oil, Gas & Minerals Division PL/JB/pm pc: Reader File, OCD-Santa Fe, Attn: Mr. David Catanach TRD-Attn: Mr. Valdean Severson

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM •NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute•NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital •