

CASE NO. 14021
Docket No. 34-07
Mossberg "18" State Com No. 1 Well
660' FSL & 1800' FWL
Section 18, T19S, R28E
Eddy County, New Mexico
API No. 30-015-35881

Summary of Communications: MOC has 39.26667% WI

EOG Resources, Inc. 24.06159% WI
Patrick Tower - Division Land Manager (432) 686-3758
Doug Hurlbut - Land Specialist (432) 686-3610

- 1) Proposed well via certified mail with AFE attached on 9-12-06.
- 2) Follow up letter dated 5-18-07.
- 3) Follow up call 7-18-07.
- 4) Follow up letter 7-18-07 with revised AFE attached.
- 5) Follow up call 9-5-07.
- 6) Follow up call 9-19-07.
- 7) Follow up letter 10-1-07.
- 8) Per phone call 10-11-07 from Doug, EOG's geologist has recommended that they participate. Will get back with us regarding final decision.
- 9) Per phone call 10-23-07 from Patrick, EOG will probably participate but will confirm later.
- 10) Per phone call 10-29-07 with Doug and Patrick, EOG will probably participate.

Dominion Exploration & Production, Inc. 3.84317% WI
Joe Hammond - Advisor Landman (405) 749-5279
Lobos Energy Partners, LLC
F. G. (Chip) Taylor - Land Manager (405) 996-5741

- 1) Proposed well via certified mail with AFE enclosed on 9-12-06 to Dominion.
- 2) Proposed well 7-18-07 via certified mail with revised AFE enclosed to Lobos (Dominion's successor in interest).
- 3) Forwarded JOA via cover letter dated 8-24-07.
- 4) Follow up letter dated 10-1-07.

Oil Conservation Division
Case No. _____
Exhibit No. 3

Harvey E. Yates Company 1.84829% WI
Melissa Randle (505) 623-6601
Colby Booth (505) 623-6601

- 1) Proposed well via certified mail dated 8-15-07 with AFE enclosed.
- 2) Follow up letter dated 8-24-07 with JOA enclosed.
- 3) Follow up letter 10-1-07.
- 4) Follow up call 10-15-07, Colby says they're reviewing the JOA and probably will participate.
- 5) Received letter via fax 10-26-07 whereby Heyco requested numerous revisions to JOA.
- 6) Sent Heyco letter dated 10-29-07 whereby I advised them that their requested revisions were unacceptable.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

October 1, 2007

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702
Attn: Doug Hurlbut

Re: Mossberg "18" State Com #1 Well
W/2 Section 18, T19S, R28E
Eddy County, New Mexico

Per Doug this date, their geologist had recommended that they participate. They'll let us know for sure prior to the pooling date (11/1/07).

*PH
10/11/07*

Dear Doug:

Reference is made to our previous correspondence regarding the captioned proposed well. To date we have not received a decision from EOG regarding their participation in the proposed well. Out of necessity we have filed a Compulsory Pooling Application. Our pooling case is scheduled to be heard at an Examiner's Hearing November 1, 2007.

In the event EOG elects not to participate in the captioned proposed well, we would be agreeable to purchasing a one (1) year Term Assignment from EOG on the basis of \$300 per net acre whereby Mewbourne would be delivered a 75% net revenue interest, subject to proportionate reduction. Upon execution of the term assignment we would dismiss EOG from the pooling hearing.

Should you have any questions regarding the above, please call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

*Per Patrick Tower -
He thinks they want
to join. Will let us know*

*PH
10/23/07*

*Per Patrick Tower and Doug -
They'll have answer for us soon.
I told them MOC would dismiss
them once we have signed agreement.*

PH 10/29/07

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

July 18, 2007

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702
Attn: Doug Hurlbut

Re: Mossberg "18" State Com #1 Well
660' FSL & 1980' FWL
Section 18, T19S, R28E
Eddy County, New Mexico

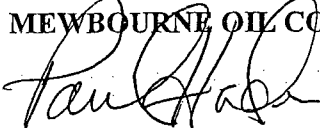
Dear Doug:

As discussed this date, enclosed is our AFE dated April 9, 2007 regarding the captioned proposed well in the event EOG Resources, Inc. elects to participate as to their 24.06159% WI in our proposed W/2 spacing unit which comprises 332.48 acres. The captioned well was previously proposed pursuant to letter dated September 12, 2006.

Regarding the above, enclosed for your file and information is a copy of our Original Drilling Title Opinion dated May 21, 2007 which covers the W/2 of the captioned Section 18.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/m

EOG - Doug HURBUT, 686-3610
FULL WI IN E/2SW/4 (24.06/59% WI)
FULL WI IN NW/4SE/4

7-18-07 - Follow up call, left message.
Doug called back said they'd
give us an answer soon.

9/5/07 - Follow up call, left message.

9/19/07 - Follow up call, Doug said they'd
give us a decision soon.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 18, 2007

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702
Attn: Doug Hurlbut

Re: MOC's Mossberg "18" Prospect
(formerly MOC's Remington "18" Prospect)
Section 18, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator previously drilled its Remington "18" State Com #1 Well at a location 1980' FS & EL of the captioned Section 18 and completed same as a Morrow producer on November 10, 2001. Such well ceased production in January, 2006 and has been shut in since pending P&A operations.

As Operator, Mewbourne would be interest in drilling one (1) or more Morrow wells in the captioned Section 18 and is currently acquiring an acreage position covering all of the captioned Section 18.

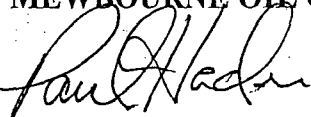
In reference to the above, title examination indicates EOG Resources, Inc. (EOG) owns a full interest in the E/2SW/4 which is subject to State Lease B-9189 and a full interest in the NW/4SE/4 which is subject to State Lease E-952. In each lease, EOG owns rights below 3000' beneath the surface with the net revenue interest being 78%.

In support of the captioned Prospect, Mewbourne hereby offers EOG \$250.00 per net acre for an 18 month term assignment of EOG's interest whereby Mewbourne would be delivered a 75% net revenue interest.

Should you have any questions regarding the above, please call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

Monsera 18 State Com #1

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

EOG Resources, Inc.
4000 N. Big Spring Street
Midland, Texas 79705
Attn: Patrick Tower

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Age ☐
B. Received by (Printed Name) ☐ Address ☐
C. Date of Delivery 9-13-0
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7003 3110 0002 5112 0758

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-10000

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

September 12, 2006

Certified Mail-Return Receipt No. 0758

EOG Resources, Inc.
4000 N. Big Spring Street
Midland, Texas 79705
Attn: Patrick Tower

Re: Mossberg Prospect
Mossberg "18" State Com #1 Well
W/2 of Section 18-19S-28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 11,200'. Furthermore, Mewbourne shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The W/2 of the captioned Section 18 will be dedicated as the proration unit for the well.

This well will be located approximately 1980' FWL & 660' FSL of Section 18-19S-28E, Eddy County, New Mexico. Our AFE dated September 12, 2006 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completing of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

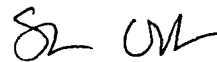
Upon receipt of your executed AFE or by prior written request we will forward our Joint Operating Agreement for you review and execution.

In the event you do not wish to participate, Mewbourne respectfully requests you contact the undersigned in order that we may discuss alternative options regarding your interest in this well.

Should you have any questions, please do not hesitate to call.

Sincerely,

MEWBOURNE OIL COMPANY



Steve Cobb
Senior Landman

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

October 1, 2007

Lobos Energy Partners, LLC
3817 NW Expressway, Suite 950
Oklahoma City, Oklahoma 73112
Attn: F.G. Taylor

Re: Mossberg "18" State Com #1 Well
W/2 Section 18, T19S, R28E
Eddy County, New Mexico

Dear Chip:

Reference is made to our previous correspondence regarding the captioned proposed well. To date we have not received a decision from Lobos regarding their participation in the proposed well. Out of necessity we have filed a Compulsory Pooling Application. Our pooling case is scheduled to be heard at an Examiner's Hearing November 1, 2007.

In the event Lobos elects not to participate in the captioned proposed well, we would be agreeable to purchasing a one (1) year Term Assignment from Lobos on the basis of \$300 per net acre whereby Mewbourne would be delivered a 75% net revenue interest, subject to proportionate reduction. Upon execution of the term assignment we would dismiss Lobos from the pooling hearing.

Should you have any questions regarding the above, please call me.

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

August 24, 2007

Lobos Energy Partners, LLC
3817 NW Expressway, Suite 950
Oklahoma City, Oklahoma 73112
Attn: Chip Taylor

Re: Mossberg "18" State Com #1 Well
W/2 Section 18, T19S, R28E
Eddy County, New Mexico

Dear Chip:

Enclosed for your further handling is our proposed Operating Agreement dated August 15, 2007 with an extra set of signature pages for the captioned land and well.

Please have the Operating Agreement and extra set of signature pages executed on behalf of Lobos Energy Partners, LLC and return only the executed extra set of signature pages to me at your earliest convenience. We anticipate spudding the captioned well in late November or early December this year with Patterson - UTI Rig #41.

Should you have any questions or concerns regarding the proposed Operating Agreement, please call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

Monterey 18 StateCom #1

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lobos Energy Partners, LLC
3817 NW Expressway, Suite 950
Oklahoma City, Oklahoma 73112
Attn: Mr. Chip Taylor

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
X Elise Olsen

B. Received by (Printed Name) *OLSEN* C. Date of Delivery *7-23*

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7006 0100 0001 2428 6436

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

July 18, 2007

Via Certified Mail-Return Receipt No. 6436

Lobos Energy Partners, LLC
3817 NW Expressway, Suite 950
Oklahoma City, Oklahoma 73112
Attn: Mr. Chip Taylor

Re: Mossberg "18" State Com #1 Well
660' FSL & 1980' FWL
Section 18, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to evaluate the Morrow formation, estimated total depth being 11,200' beneath the surface. The W/2 of the captioned Section 18 which comprises 332.48 acres, more or less will be dedicated to the well. Enclosed for signature is our AFE dated April 9, 2007.

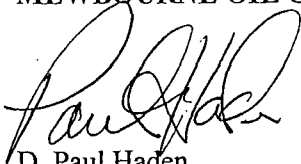
Title examination indicates Lobos Energy Partners, LLC owns a 23/144 leasehold interest in the E/2NW/4 of the captioned Section 18. Enclosed for your information is a copy of our Original Drilling Title Opinion dated May 21, 2007 covering the W/2 of captioned Section 18.

In the event Lobos Energy Partners, LLC elect to participate in the proposed well, please have the enclosed AFE signed and returned to me and I will forward you our Operating Agreement for execution.

Should you have any questions regarding the above, please call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

SENDER: COMPLETE THIS SECTION

Nebraska 18 State Cm #1

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Ste. 600
Oklahoma City, Oklahoma 73134
Attn: Joe Hammond

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ X

Parathon Tucker

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No



3. Service Type

☒ Certified Mail

☐ Registered Mail

☐ Insured Mail

☐ Restricted Delivery? (Extra Fee)

☐ Express Mail

☐ Return Receipt for Merchandise

☐ C.O.D.

☐ Yes

2. Article Number
(Transfer from service label)

7003 3110 0002 5112 0765

PS Form 3811, February 2004

Domestic Return Receipt

102595-0000 540

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

September 12, 2006

Certified Mail-Return Receipt No. 0765

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Ste. 600
Oklahoma City, Oklahoma 73134
Attn: Joe Hammond

Re: Mossberg Prospect
Mossberg "18" State Com #1 Well
W/2 of Section 18-19S-28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 11,200'. Furthermore, Mewbourne shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The W/2 of the captioned Section 18 will be dedicated as the proration unit for the well.

This well will be located approximately 1980' FWL & 660' FSL of Section 18-19S-28E, Eddy County, New Mexico. Our AFE dated September 12, 2006 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completing of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE or by prior written request we will forward our Joint Operating Agreement for your review and execution.

In the event you do not wish to participate, Mewbourne respectfully requests you contact the undersigned in order that we may discuss alternative options regarding your interest in this well.

Should you have any questions, please do not hesitate to call.

Sincerely,

MEWBOURNE OIL COMPANY



Steve Cobb
Senior Landman

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

October 29, 2007

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202-1933
Attn: Colby Booth

Re: Mossberg "18" State Com #1 Well
W/2 Section 18, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Reference is made to your letter dated October 26, 2007 regarding numerous revisions requested by Harvey E. Yates Company ("HEYCO") regarding their 1.84829% unit working interest in the captioned proposed well.

Regarding the above, Mewbourne Oil Company is agreeable to your requested revision set out as Item (2) whereby on Page 1 of Exhibit "C" to the Operating Agreement dated August 15, 2007 in Article 3.(B) on line 51, "15 days" shall be revised to read "30 days". Enclosed for your file is a copy of the revised page.

In the event HEYCO elects to participate in the captioned proposed well, please sign and return the AFE and signature pages of the Operating Agreement dated August 15, 2007 at your very earliest convenience. Upon our receipt of same, we will dismiss HEYCO from the pooling hearing. In the event HEYCO elects not to sign and return the requested signature pages of the referenced Operating Agreement, HEYCO will be given the opportunity to participate in the captioned proposed well under the terms of the Pooling Order to be issued by the NMOCD at a future date.

Should you have any questions regarding the above, please call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb



HARVEY E. YATES COMPANY

A MEMBER COMPANY OF HEYCO ENERGY GROUP

October 26, 2007

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

Attention: Paul Haden
Senior Landman

Re: Mossberg "18" State Com #1 Well
W/2 Section 18, T19S, R28E
Eddy County, New Mexico

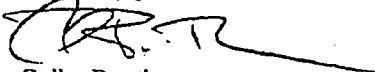
Ladies & Gentlemen:

Enclosed is an AFE and acknowledged pages to the JOA and recording supplement for the captioned well. They have been signed by Arlene T. Rowland, Vice President of Harvey E. Yates Company (HEYCO). The documents are signed conditioned upon your acceptance of the following changes to the JOA:

1. On page 17a of the JOA Article XVI. G. delete lines 5 through 9.
2. On page 1 of Exhibit "C" Article 3. B. line 51 change 15 days to 30 days.
3. On page 4 of Exhibit "C" Article 1. iii. check line 53 shall be covered by the over head rates, and take the check off of line 54.
4. On page 6 of Exhibit "C" Article IV. 2. A. (1) delete paragraphs (a), (b), (c), and (d), and replace them with the following wording: "Tubular goods other than line pipe shall be priced using the Computerized Equipment Pricing System (CEPS) published by COPAS, which takes into account historical price multipliers."
5. On page 6 of Exhibit "C" Article IV. 2. A. (2) delete paragraphs (a), (b), (c), and (d) and replace them with the following wording: "Line pipe shall be priced using the Computerized Equipment Pricing System (CEPS) published by COPAS, which takes into account historical pricing multipliers."
6. On page 7 of Exhibit "C" delete lines 62 through 63 containing the following wording, "Tubular goods other than line pipe shall be priced at the current replacement costs to operator effective at the date of transfer, equalized to the lowest prevailing price F.O.B. railroad receiving point. This revision is suggested, because revision 4 of this letter would take care of the pricing of tubular goods.
7. On page 7 of Exhibit "C" lines 65 through 70 add back in wording that describes how Condition C would be handled.
8. On page 8 of Exhibit "C" lines 1 and 2, delete wording that states, " Line Pipe shall be priced at the current replacement costs to Operator effective at the date of transfer equalized to the lowest prevailing price F.O.B. railroad receiving point. This revision is suggested, because revision 5 of this letter would take care of the pricing of line pipe goods.
9. On page 8 of Exhibit "C" add back wording from lines 3 through 9 that describes how Condition D would be handled.
10. On page 6 of Exhibit "C" line 1 change the dollar amount from \$35,000 to \$50,000.

Please sign, date and return one copy of this letter to me by November 26, 2007. HEYCO reserves the right to make additional changes once the operating agreement is complete. Also enclosed is HEYCO's well requirements list for this well. If you have any questions concerning the above, please call me at 505/623-6601.

Very truly yours,



Colby Booth
Landman

/csb

Enclosures

Mossberg\8StateCom#1conditionalletter.doc/Land:NonOp#5

AGREED AND ACCEPTED THIS _____ DAY OF _____, 200__.

Mewbourne Oil Company

By: _____

Printed Name: _____

Title: _____

HEYCO - COLBY BOOTH (505) 623-6601 1.84829% WLT

FOLLOW UP CALL THIS DATE, COLBY SAYS THEY'RE
REVIEWING THE JOA, PROBABLY WILL JOIN. THEY'LL
GET BACK WITH US.

~~DA~~
10/15/07

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

October 1, 2007

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202-1933
Attn: Colby Booth

Re: Mossberg "18" State Com #1 Well
W/2 Section 18, T19S, R28E
Eddy County, New Mexico

Dear Colby:

Reference is made to our previous correspondence regarding the captioned proposed well. To date we have not received a decision from HEYCO regarding their participation in the proposed well. Out of necessity we have filed a Compulsory Pooling Application. Our pooling case is scheduled to be heard at an Examiner's Hearing November 1, 2007.

In the event HEYCO elects not to participate in the captioned proposed well, we would be agreeable to purchasing a one (1) year Term Assignment from HEYCO on the basis of \$300 per net acre whereby Mewbourne would be delivered a 75% net revenue interest, subject to proportionate reduction. Upon execution of the term assignment we would dismiss HEYCO from the pooling hearing.

Should you have any questions regarding the above, please call me.

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

August 24, 2007

Colby Booth

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202-1933
Attn: Melissa Randle

Re: Mossberg "18" State Com #1 Well
W/2 Section 18, T19S, R28E
Eddy County, New Mexico

Dear Melissa:

Enclosed for your further handling is our proposed Operating Agreement dated August 15, 2007 with an extra set of signature pages for the captioned land and well.

Please have the Operating Agreement and extra set of signature pages executed on behalf of Harvey E. Yates Company and return only the executed extra set of signature pages to me at your earliest convenience. We anticipate spudding the captioned well in late November or early December this year with Patterson - UTI Rig #41.

Should you have any questions or concerns regarding the proposed Operating Agreement, please call me.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden

D. Paul Haden
Senior Landman

DPH/gb

Messiera "18" State Com #1

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	<p>A. Signature <i>X [Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Lore Cox</i> C. Date of Delivery <i>8-16-07</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"><p>Harvey E. Yates Company P.O. Box 1933 Roswell, New Mexico 88202-1933 Attn: Melissa A. Randle</p></div>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7006 0100 0001 2428 6504</p>

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

August 15, 2007

Via Certified Mail-Return Receipt No. 6504

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202-1933
Attn: Melissa A. Randle

Re: Mossberg "18" State Com #1 Well
660' FSL & 1850' FWL
Section 18, T19S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to evaluate the Morrow formation, estimated total depth being 11,200' beneath the surface. The W/2 of the captioned Section 18 which comprises 332.48 acres, more or less will be dedicated to the well. Enclosed for signature is our AFE dated April 9, 2007.

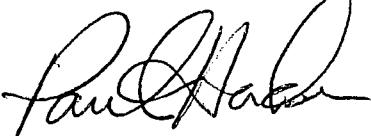
Title examination indicates Harvey E. Yates Company owns a 7.13563% leasehold interest in Lots 3 and 4 (W/2SW/4 equivalent) of the captioned Section 18. Enclosed for your information is a copy of our Original Drilling Title Opinion dated May 21, 2007 covering the W/2 of captioned Section 18.

In the event Harvey E. Yates Company elect to participate in the proposed well, please have the enclosed AFE signed and returned to me and I will forward you our Operating Agreement for execution.

Should you have any questions regarding the above, please call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb