STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

CASE NO: 14348

EXHIBIT

1

FLova Neodham

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14,348

VERIFIED STATEMENT OF COREY MITCHELL

Corey Mitchell, being duly sworn upon his oath, deposes and states:

- 1. I am a landman for Mewbourne Oil Company, and have personal knowledge of the matters stated herein.
- 2. Pursuant to Division Rule NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) No opposition is expected because the working interest owners being pooled are unlocatable, or have been contacted regarding the proposed well and have simply not decided whether to join in the well or lease or farm out their interests.
 - (b) A plat outlining the spacing unit being pooled is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the SE¼SW¼ of Section 15, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. The unit will be dedicated to the Limousine "15" N Well No. 1, to be drilled at an orthodox location in the SE¼SW¼ of Section 15. The well will be an oil well.
 - (c) The parties being pooled, their working interests in the well unit, and their last known addresses, are as follows:

1)	Georgia Needham — DISM155	0.286961%
	c/o Lewis R. Needham	
	8345 Cherokee Road	
	Lake Arthur, New Mexico 88253	

Oil Conserva	tion Division
Case No.	
Exhibit No.	

2)	Billy Joe Green 4514 S.W. 169 Pl. Ocala, Florida 34473	0.035870%
3)	Harold Parrish — DISMISS 2106 Richey Artesia, New Mexico 88210	0.172176%
4)	Wray J. Shildneck P.O. Box 111 Faywood, New Mexico 88034	0.137741%
5)	Heirs or Devisees of Robert Richard Green 105 Dolphin Court Aransas Pass, Texas 78336	0.035870%
6)	Larry Edward Fanning 1413 W. Mermod Carlsbad, New Mexico 88220	1.010101%
7)	Jack Brock and his wife, Bobbie N. Brock 1180 W. Bluff Road ~ DIMISS Orange, Texas 77632	0.055096%
8)	Margaret R. Sheldon P.O. Box 404 Kingsland, Texas 78639	0.055096%
9)	J.C. Sims, Jr. and his wife, Phyllis Sims P.O. Box 260884 Lakewood, Colorado 80226	0.055096%
10)	Bill R. Needham and his wife, Helen M. Needham 9756 Blazing Star La Porte, Texas 77571	0.055096%
11)	M. LaVerne Drew Address Unknown	0.191307%
12)	Ben Richard Green Address Unknown	0.023913%
13)	Heirs or Devisees of Martin Douglas Hardcastle, Address Unknown	0.068871%

14)	Martin Douglas Hardcastle, Jr. Address Unknown	0.068871%
15)	Heirs or Devisees of Evelyn Barnett Address Unknown	0.068871%
16)	Heirs or Devisees of Torita Ross Address Unknown	0.068871%
17)	Heirs or Devisees of Leola Needham Watson Address Unknown	0.286961%
18)	Ruth E. Hinman Address Unknown	1.010101%
19)	Jean E. Doud Address Unknown	1.010101%
20)	Ella J. Owens Address Unknown	3.030303%
21)	Eva D. Donaldson Address Unknown	3.030303%
22)	Georgia E. Kotlinski Address Unknown	1.010101%



- (d) A copy of the proposal letter sent to the uncommitted working interest owners is attached hereto as Exhibit B. In addition, several phone calls have been made to the interest owners.
- (e) In an attempt to find the mineral interest owners, Mewbourne Oil Company examined the Eddy County records, telephone directories and records in the counties of the last known residences of the out-of-state owners, and internet directories.
- (f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting working interest owner.
- (g) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Eddy County.
- (h) Overhead charges of \$4000/month for a drilling well, and \$400/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also

requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

(i) Applicant requests that it be designated operator of the well.

VERIF	ICATION

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Corey Mitchell, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Corey Mitchell
Corey Mitchell

SUBSCRIBED AND SWORN TO before me this 2165 day of July, 2009 by Corey Mitchell.

My Commission Expires: 3/14/13

Notary : ablic

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Summary of Communications Limousine "15" N Well No. 1

Larry Edward Fanning

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate and subject to him getting the liens against the property released.
- 2) Received green card signed by Larry E. Fanning.

Bill R. and Helen M. Needham

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate.
- 2) Received green card signed by Helen Needham.
- 3) Helen Needham called me 7-1-2009 to discuss the well proposal. I explained her options to her and she said she would get back with me. Also, she informed me Bill (her husband) had passed away.
- Talked with Helen Needham 7-14-2009 about the well proposal and she said she wanted to lease her interest to us. I told her I would send her a lease, but I needed to see Bill Needham's (her husband) Last Will and Testament before the deal would be complete.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Billy Joe Green

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate.
- 2) Received green card signed by Billy Green.

Georgia Needham

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event she elected not to participate.
- 2) Received green card signed by Susan Needham.
- Talked with Susan Needham 7-14-2009 about the well proposal and she said Georgia Needham wanted to lease her interest to us. She stated her husband, Lewis Needham, had Power of Attorney for Georgia Needham and that Georgia Needham is living in a nursing home. I told her I would send her a lease, but I needed to see the Power of Attorney papers before the deal would be complete.
- 4) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Harold Parrish

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate.
- 2) Received green card signed by Nathan Monk.
- 3) Harold Parrish called me 6-26-2009 and stated he received our well proposal and he would like to lease his interest to us.
- 4) I called Harold Parrish 7-1-2009 to discuss title issues per our title opinion. No answer, left message to call me back.



- 5) Harold Parrish called me back 7-1-2009 and I informed him the SE/4SW/4 of Section 15 never transferred into him. He said all his files were stolen in a home burglary, but he would look and get back with me.
- Talked with Harold Parrish 7-14-2009 and informed him we would have to force pool the interest he claimed (from Flora Needham, dec.) since he could not provide proper documentation of the interest transferring to him. He said he understood.

Jack and Bobbie N. Brock

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate.
- 2) Received green card signed by Jack Brock.
- Talked with Margaret Sheldon 7-14-2009 and she said she would like to lease her interest to us and her sister, Bobbie Brock, would too.
- 4) Talked with Bobbie Brock 7-14-2009 and she said she would like to lease her interest to us.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

J.C. Sims, Jr. and Phyllis Sims

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate.
- 2) Received green card signed by John C. Sims, Jr.
- Talked with Phyllis Sims 7-13-2009 and explained to her the well proposal. She said she would talk to Margaret Sheldon and get back with me.
- 4) Talked with Phyllis Sims 7-14-2009 and she said she would like to lease her interest to us.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Margaret R. Sheldon

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event she elected not to participate.
- 2) Received green card signed by Margaret R. Sheldon.
- Talked with Margaret Sheldon 7-13-2009 and explained to her the well proposal. She said she would talk with her son and get back to me.
- 4) Talked with Margaret Sheldon 7-14-2009 and she said she would like to lease her interest to us and her sister, Bobbie Brock, would too.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Heirs or Devisees of Robert Richard Green, deceased

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate and upon satisfaction of proper documentation showing the heirs of Robert Richard Green.
- 2) Received green card signed by Lois Green.

Wray J. Shildneck

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate.
- 2) Received green card signed by Nina Shildneck.
- Paul Haden, with Mewbourne, talked with Nina Shildneck about the well proposal. He explained to them their options at which time they stated they wanted to lease their interest to us.
- 4) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

M. LaVerne Drew

1) Unable to locate.

Ben Richard Green

1) Unable to locate.

Heirs or Devisees of Martin Douglas Hardcastle, deceased

1) Unable to locate.

Martin Douglas Hardcastle, Jr.

1) Unable to locate.

Heirs or Devisees of Evelyn Barnett, deceased

1) Unable to locate.

Heirs or Devisees of Torita Ross, deceased

1) Unable to locate.

Heirs or Devisees of Leola Needham Watson, deceased

1) Unable to locate.

Ruth E. Hinman

1) Unable to locate.

Jean E. Doud

1) Unable to locate.

Ella J. Owens

1) Unable to locate.

Eva D. Donaldson

1) Unable to locate.

Georgia E. Kotlinski

1) Unable to locate.

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 mainbiace or on the front if space permits. Article Addressed to: Larry Edward Fanning 1413 W. Mermod	B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery D. la delivery address different from item 1? Yes Yes No
Carlsbad, New Mexico 88220	3. Service Type Certified Mail
. Article Number	7005 2570 0001 0978 1115

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1116

Larry Edward Fanning 1413 W. Mermod Carlsbad, New Mexico 88220

Re:

Limousine "15" N #1 Well

SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Mr. Fanning:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/99 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

The above lease offer is subject to you getting the below described liens released.

- -Transcript of Judgment filed January 7, 1999, recorded in B341 P298, Eddy County Records, reflecting a judgment lien was taken against Myrna J. Fanning and Larry Edward Fanning by Rossrock, LLC. This judgment arose out of Case No. CV-96-347 in the District Court of Eddy County, New Mexico, and is in the amount of \$51,272.12.
- -A notice of claim of tax lien filed by the State of New Mexico on November 18, 1993 in B173 P346, Eddy County Records, reflecting a tax lien upon property of Larry Fanning in the amount of \$1,746.35 for 1988 taxes.

Larry Fanning Limousine "15" Prospect June 19, 2009 Page 2 of 2

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

Sincerely,

MEWBOURNE OIL COMPANY

Comey Mitchell

 Complete items 1, 2, and 3. Also co item 4 if Restricted Delivery is desired. Print your name and address on the so that we can return the card to your and the sold of the nor on the front if space permits. Article Addressed to: Bill R. and Helen M. Need 9756 Blazing Star La Porte, Texas 7757. 	reverse u. nailpiece,	D. Is delivery address	leedhAM	_
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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1055

Bill R. and Helen M. Needham 9756 Blazing Star La Porte, Texas 77571

Re:

Limousine "15" N #1 Well SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Mr. and Mrs. Needham:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

('ney Mitchell
Corey Mitchell
Landman

	■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X B. Received by (Minted Name) D. Is delivery address different from item 1? COMPLETE THIS SECTION ON DELIVERY Agent Addressee C. Date of Delivery
	1. Article Addressed to: Billy Joe Green 4514 S.W. 169 Pl. Ocala, Florida 34473	If YES, enter delivery address below: No Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise
•	JUN 2 9 2009 2. Article Number	□ Insured Mail □ C.O.D. 4. Restricted Delivery? (Extra Fee) □ Yes 257□ □□□1 □978 1□12
	PS Form 3811, February 2004 Domestic Ret	

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1062

Billy Joe Green 4514 S.W. 169 Pl. Ocala, Florida 34473

Re:

Limousine "15" N #1 Well

SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Mr. Green:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/69696 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey mitchell

	 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature Agent Addressee B. Received by (Printed Name) C. Date of Delivery SAL KEEDHAM C-7-09 D. Is delivery address different from item 1? Yes
	Georgia Needham c/o Lewis R. Needham 8345 Cherokee Road	If YES, enter delivery address below: ☐ No
• &	Lake Arthur, New Mexico 88253	3. Sorvice Type Certified Mail
	2. Article Number 7[(Transfer from service label)	005 2570 0001 0978 1079
	PS Form 3811, February 2004 Domestic F	Return Receipt 102595-02-M-1540 ;

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1079

Georgia Needham c/o Lewis R. Needham 8345 Cherokee Road Lake Arthur, New Mexico 88253

Re:

Limousine "15" N #1 Well

SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Ms. Needham:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/8712 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell

	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. Article Addressed to: Harold Parrish 2106 Richey	A. Signature A. Signature A. Signature Addressee B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery C. Date of Delivery C. Date of Delivery Addressee D. Is delivery address different from item 1? Yes If YES, enter delivery address below:
• 8	Artesia, New Mexico 88210	3. Service Type Certified Mail
	2." Article Number (Transfer from service label)	5 2570 0001 0978 1086
	PS Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1086

Harold Parrish 2106 Richey Artesia, New Mexico 88210

Re:

Limousine "15" N #1 Well

SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Mr. Parrish:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 5/2904 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell

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.	A. Signature A. Signature A. Signature Addressee B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery
Jack and Bobbie N. Brock 1180 W. Bluff Road	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: A-No
Orange, Texas 77632 L JUN 2 9 2009	3. Service Type Certified Mail
Article Number (Transfer from service label)	005 2570 0001 0978 1093
PS Form 3811, February 2004 Domestic Reti	urn Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1093

Jack and Bobbie N. Brock 1180 W. Bluff Road Orange, Texas 77632

Re:

Limousine "15" N #1 Well

SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Mr. and Mrs. Brock:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

Coney mitchell

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: J.C. Sims, Jr. and Phyllis Sims P.O. Box 260884 Lakewood, Colorado 80226	A. Signature A. Signature A. Signature A. Signature A. Signature A. Signature A. Agent A. Addressee B. Received by (<i>Printed Name</i>) C. Date of Derivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No 3. Service Type A. 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)	פמגג פרפט בססט סר25 כסס
PS Form 3811, February 2004 Domestic Re	turn Receipt 102595-02-M-1540

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1109

J.C. Sims, Jr. and Phyllis Sims P.O. Box 260884 Lakewood, Colorado 80226

Re:

Limousine "15" N #1 Well

SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Mr. and Mrs. Sims:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

Should you have any questions regarding the above, please email me at <u>cmitchell@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Corey mitchell

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.	A. Signature A. Signature A. Signature A. Signature Addressee B. Received by (Printed Name) D. Is delivery address different from item 12 Yes If YES, enter delivery address below: No
Margaret R. Sheldon P.O. Box 404 Kingsland, Texas 78639	3. Service Type Certified Mail
JUN 2 9 2009	☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes
Article Number (Transfer from service label)	005 2570 0001 0978 1123
PS Form 3811 February 2004 Domestic Re	turn Receipt 102505-02-M-1549

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1123

Margaret R. Sheldon P.O. Box 404 Kingsland, Texas 78639

Re:

Limousine "15" N #1 Well

SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Ms. Sheldon:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey mitchell

SENDER: COMPLETE THIS SECTION Complete trems 1, 2, and 3. Also complete ten 4 if Restricted Delivery is desired. Print your rame and address on the reverse	A. Signature A. Signature A. Agent Addressee
so that we can return the card to you. Aftach this card to the back of the mailpiece, or on the trong if space permits.	B. Received by (Printed Name) C. Date of Delivery 6-25
Anticle Addressed to:	D. Is delivery address different from item 1? If YES, enter delivery address below: No
Lois Green / 103 Dolphin Court	
Aransas Pass, Texas 78336	3. Service Type Certified Mail
UN 2 9 2009	4. Restricted Delivery? (Extra Fee)
3. Article Number 70 (Tankfel frømservice label)	05 2570 0001 0978 1130 °
P\$ Form 3811 February 2004 Domestic R	eturn Receipt 102595-02-M-1540

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1130

Heirs or Devisees of Robert Richard Green, deceased 105 Dolphin Court Aransas Pass, Texas 78336

Re:

Limousine "15" N #1 Well SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Ms. Green:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/69696 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

The above lease offer is subject to proper documentation showing the heirs of Robert Richard Green, deceased.

Should you have any questions regarding the above, please email me at <u>cmitchell@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Complete items 1, 2, and 3. Also complete item 4 if Flestricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attack this card to the back of the mailpiece, or on the front if space permits. Addict Addressed to: Wray J. Shildneck	A. Signature X
P.O. Box 111 Faywood, New Mexico 88034 JUN 3 0 2009	3. Service Type Certified Mail
Article Number 70	O5 2570 0001 0978 1147

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500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1147

Wray J. Shildneck P.O. Box 111 Faywood, New Mexico 88034 (575) 586-3111

Re:

Limousine "15" N #1 Well SE/4SW/4 of Section 15

T20S, R25E

Eddy County, New Mexico

Dear Mr. Shildneck:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/726 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell
Corey Mitchell
Landman

 PHOME CONVERSATIONS:	LIMOUSINE 15 N#1
-6-26-2009 - HAROLD PARRISH CALLED ME AND STATED PROPOSAL AND HE WANTED TO LEASE.	HE BECEINED ONE MELL
7-1-2009-CALLED HAROLD PARRISH TO DISCUSS TE TITUE OPENION. NO ANSWER, LEFT MESS	
7-1-2009 - HAROLD PARRISH CALLED ME BACK 3 I IN SWILL OF SEC. IS NEVER TRANSFERRED INT HIS FILES WERE STOLEN IN A HOME RO LOOK AND GET BACK WITH ME.	O HIM. HE SAID ALL
7-1-2009 - HELEN NEEDHAM CALLED ME TO DISCU PROPOSAL. I EXPLAINED HER OPTIONS - SHE WOULD GET BACK TO ME. ALSO, S	TOHER 3 SHE SAZD
7-8-2009-PAUL HADEN WITH MEWBOURNE TALKED W ABOUT THE WELL PROPOSAL. HE EXPLAINE OPTIONS AT WHICH TIME THEY STATED	D TO THEM THEIR
7-13-2009- TALKED WITH MARGARET SHELDON'S EXPLANT PROPOSAL. SHE SAID SHE WOULD TALK WI BACK TO ME.	
7-13-2009 - TALKED WITH PHYLLIS SIMS ZEXPLAIN PROPOSAL, SHE SAID SHE WOULD TALK TO 3 GET BACK WITH ME.	

•	
	7-14-2009 - TALKED WITH HELEN NEEDHAM ABOUT THE WELL PROPOSAL ?
	SHE SATD SHE WANTED TO LEASE.
	1-14-2009 - TALKED WITH MARGARET SHELDON & SHE SATD SHE WOULD
	LIKE TO LEASE ? HER SISTER BOBBLE BROCK WOULD TOO.
Amount of an individual statements of the statement of th	7-14-2009 - TALKED WITH PHYLLIS SIMS & SHE SAID SHE WOULD LIKE
	TO LEASE TO US.
	7-14-2009 - TALKED WITH SUSAN NEEDHAM ? SHE SATD GEORGIA NEEDHAM
	WOULD LIKE TO LEASE TO US AND SHE WAS IN A NURSING HOME.
•	7-14-2009 - TALKED WITH ROBBLE BROCK & SHE SAID SHE WOULD
	LTIKE TO LEASE TO US.
	7-14-2009 - TALKED WETH HAROLD PARRISH & INFORMED HIM WE
	WOULD HAVE TO FORCE POOL THE INTEREST HE CLAIMED
	(FROM FLORA NEEDHAM, DEC.) SINCE HE COULD NOT PROVIDE
	PROPER DOCUMENTATION OF THE INTEREST TRANSFERRENCY
	TO HIM.

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

July 14, 2009

Helen M. Needham 9756 Blazing Star La Porte, Texas 77571

Re:

MOC's Limousine "15" Prospect SW/4 of Section 15, T20S, R25E

Eddy County, New Mexico

Dear Ms. Needham:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest. Also, please send back a copy of Bill Needham's Last Will and Testament along with a death certificate with the Oil and Gas Lease. We need a copy of the referenced documents in order to ensure his interest transferred to you.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY

mitchell

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

July 14, 2009

J.C. Sims, Jr. and Phyllis Sims P.O. Box 260884 Lakewood, Colorado 80226

Re:

MOC's Limousine "15" Prospect SW/4 of Section 15, T20S, R25E Eddy County, New Mexico

Dear Mr. and Mrs.Sims:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

Should you have any questions regarding the above, please email me at <u>cmitchell@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Corey mitchell

Corey Mitchell

Landman

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

July 14, 2009

Margaret R. Sheldon 104 Bridgepoint Dr. Kingsland, Texas 78639

Re:

MOC's Limousine "15" Prospect SW/4 of Section 15, T20S, R25E Eddy County, New Mexico

Dear Ms. Sheldon:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey mitchell

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

July 14, 2009

Bobbie N. and Jack W. Brock 1180 W. Bluff Road Orange, Texas 77632

Re:

MOC's Limousine "15" Prospect SW/4 of Section 15, T20S, R25E Eddy County, New Mexico

Dear Mr. and Mrs. Brock:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY

Coney mitchell

Corey Mitchell

Landman

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

July 14, 2009

Lewis R. Needham, A-I-F for Georgia Needham 8345 Cherokee Road Lake Arthur, New Mexico 88253

Re.

MOC's Limousine "15" Prospect SW/4 of Section 15, T20S, R25E Eddy County, New Mexico

Dear Mr. Needham:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers Georgia Needham's 25/8712 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience. Also, please send back a copy of the Power of Attorney papers with the Oil and Gas Lease.

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

Sincerely,

MEWBOURNE OIL COMPANY

oney Mitchell

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

July 13, 2009

Wray J. and Nina Shildneck P.O. Box 111 Faywood, New Mexico 88034

Re:

MOC's Limousine "15" Prospect SW/4 of Section 15, T20S, R25E Eddy County, New Mexico

Dear Mr. and Mrs. Shildneck:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/726 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY

mochell

Prospect:	Long Draw/Quick Draw Yeso Well Name & No: Limou	sine 15N #1	
Field:			V L
Section:	15 Block: Survey: Township	208	Range: 25E
County: _	Eddy ST: NM Proposed Depth:	3250'	
		Cost To	Completion
	DESCRIPTION	Casing Point AFE NO.	Cost AFE NO.
300	INTANGIBLE COST 180 Permits and Surveys	\$2,000	\$1,000
301	ocation, Roads and Site Preparation (includes 80' of conductor & cement)	\$95,000	\$1,500
	Footage or Turnkey Drilling Day Work 5 Days @ \$9,000/Day + GRT + 1 day Comp.	\$47,700	\$9,000
	-uel 6 Days @ 500 gal/day @ \$1.60/gal	\$4,800	
	Completion / Workover Rig	£42.000	\$9,000
	Mud and Chemicals Cementing	\$13,000 \$7,500	\$15,000
	Logging, Wireline and Coring Services		\$17,500
	Casing, Tubing & Snubbing Services Mud Logging	\$3,500	\$4,000
	Testing	 	
	Treating 2 stage frac - Total 300000 gals & 150000# 20/40 brown sand		\$150,000
	Water & Other Bits	\$8,000 \$6,000	· <u></u>
	Inspection & Repair Services	\$0,000	
	Misc. Air and Pumping Services		
	Rig Mobilization & Transportation Welding and Construction	\$17,500 \$3,000	
	Engineering & Contract Supervision	\$5,000	
	Equipment Rental	\$8,000	\$3,000
	Well / Lease Legal	\$3,000	\$1,000
335 350	Well / Lease Insurance Intangible Supplies	\$1,200 \$500	\$500
355	Damages	\$8,000	
360	Pipeline and Electrical ROW and Easements		\$5,000
367 375	Pipeline Interconnect Company Supervision	\$7,000	\$6,000
380	Overhead Fixed Rate	\$2,500	\$2,500
398 399	Well Abandonment Contingencies 5% / 5%	\$12,000 \$12,800	(\$12,000) \$10,700
	Total Intangibles	\$268,000	\$223,700
	TANGIBLE COST 181		
797	Conductor Casing 80' 20" (included in location)		
797 797	Surface Casing 800' 8 5/8" 24# J-55 @ \$20.25/ft Intermediate Casing	\$16,400	
797	Intermediate Casing		
797	Production Casing 3,250' 4 1/2" 10.5# J55 LTC @ \$8.50/ft		\$27,800
	Tubing 3200' 2 3/8" 4.7# J-55 EUE 8rd @ \$3.89/ft Drilling Head 8 5/8" x 4 1/2" Larkin	\$1,300	\$12,500
870	Tubing Head & Upper Section 4-1/2" x 2 3/8" Larkin	ψ1,300	\$1,300
875	Sucker Rods		\$14,600
880 884	Packer Pump & Subsurface Equipment Artificial Lift Systems		\$9,800
885	Pumping Unit		\$32,000
886	Surface Pumps & Prime Movers		\$3,000
890 891	Tanks - Steel EXHIBIT Tanks - Other		\$22,000 \$7,500
895	Separation Equipment		\$7,500
896	Gas Treating Equipment		
900	Metering Equipment Line Pipe - Gas Gathering and Transportation		\$7,500
900	Line Pipe - Gas Gathering and Transportation Line Pipe - Production 2000' - 3" SDR 7 poly		\$4,000
906	Miscellaneous Fittings, Valves & Accessories		\$1,800
909 910	Electrical Installations Production Equipment Installation	 	\$20,000 \$21,000
920	Pipeline Construction		\$21,000
repared by:	L. Jackson Date Prepared: 5/28/2009 Total Tangibles	\$17,700	\$184,800
	roval: M. white Date Approved: 5/28/2009 SUBTOTAL	\$285,700	
int Owner Ir			