

Summary of Communications
Case No. 14435
Wyatt Draw "24" L No. 1 Well
NW/4SW/4 Section 24, T19S, R25E
Eddy County, New Mexico

Nearburg Exploration Company, LLC **10.3125%**
Mr. Terry Gant – Manager
Mr. Ken Dixon – Senior Landman

- 1-7-10 Proposed Wyatt Draw "24" L No. 1 Well via certified mail with AFE enclosed.
- 1-15-10 Sent Nearburg copy of our Original Drilling Title Opinion dated 12-10-09 requesting Nearburg to cure their title. Title opinion credited the Nearburg 18.75% WI to Nearburg Exploration Company, LLC (55%) and El Paso Gas Marketing Company (45%).
- 1-21-10 Follow up email regarding the Nearburg and El Paso title.
- 1-25-10 Proposed the captioned well via certified mail with AFE enclosed with Operating Agreement dated 1-15-10 enclosed.
- 2-19-10 Mailed revised pages of the Operating Agreement dated 1-15-10.

El Paso Gas Marketing Company
Mr. Marty Wirth – Landman

- 1-25-10 Proposed captioned well via certified mail with AFE enclosed.
- 2-8-10 Received faxed copy of my letter dated 1-25-10 advising me that Marty Wirth handled this area advising me of his email address for future correspondence purposes.
- 2-8-10 Emailed Marty requesting him to advise me if their records show they own this interest (45% of 18.75%).
- 2-8-10 Received email from Marty advising me that their records did show that they owned the referenced interest.
- 2-8-10 Received email from Marty advising me of the terms they would be interested in receiving regarding a term assignment to Mewbourne as to their interest.
- 2-8-10 Follow up email to Marty regarding their interest.

Summary of Communications
Case No. 14435
Wyatt Draw "24" L No. 1 Well

- 2-9-10 Email from Marty regarding the El Paso entity that they show as owning an interest.
- 2-15-10 Follow up email to Marty.
- 2-15-10 Response email from Marty as to trade terms.
- 2-15-10 Response email to Marty regarding trade terms.
- 2-15-10 Response email to Marty regarding trade terms.
- 2-16-10 Response email to Marty and response email from me to Marty regarding trade terms.
- 2-16-10 Response email to Marty regarding trade terms.
- 2-16-10 Marty accepted our trade terms per email.
- 2-16-10 Response email to Marty acknowledging that they accepted our trade terms.
- 2-24-10 Follow up email to Marty regarding our pending trade.

Paul Haden/Mewbourne
02/24/2010 02:29 PM

To "Wirth, Martin E (Marty)" <Martin.Wirth@EIPaso.com>
cc
bcc
Subject RE: Wyatt Draw "24" L #1 

Thanks Marty.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

Paul Haden/Mewbourne
02/24/2010 02:28 PM

To martin.wirth@elpaso.com
cc
bcc
Subject Re: Wyatt Draw "24" L #1

Marty , are you preparing the term assignment we agreed on ?? Please prepare same and email it to me for our acceptance. The form that you previously emailed to me is OK , I just need the form completed. I also need El Paso's Tax I.D. #. Until we have a signed agreement, El Paso will continue to be subject to the upcoming Pooling Hearing so I need to get this trade finalized. We'll dismiss El Paso from the Pooling as soon as we have an executed agreement. Thanks Marty.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

Paul Haden/Mewbourne
02/16/2010 10:19 AM

To "Wirth, Martin E (Marty)" <Martin.Wirth@EIPaso.com>
cc
bcc
Subject RE: Wyatt Draw "24" L #1 Well 

Great Marty, I was hoping you would tell me that. Now, what's El Paso's Tax I.D. # ?? You are preparing the Term Assignment , correct ?? Thanks Marty for your understanding.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX



"Wirth, Martin E (Marty)"
<Martin.Wirth@ElPaso.com>
02/16/2010 10:19 AM

To Paul Haden <phaden@Mewbourne.com>
cc
bcc

Subject RE: Wyatt Draw "24" L #1 Well

History

☞ This message has been replied to.

The offer is acceptable. Saves paying lawyers.

Thank you

Martin (Marty)Wirth
El Paso E&P Company, L.P.
Sr. Staff Landman South Texas Business Assets
Office: (713) 420-3762
Fax: (713) 420-1521
Cell: (281) 682-8041
martin.wirth@elpaso.com

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

From: Paul Haden [mailto:phaden@Mewbourne.com]
Sent: Tuesday, February 16, 2010 9:37 AM
To: Wirth, Martin E (Marty)
Subject: RE: Wyatt Draw "24" L #1 Well

Marty , just because the title opinion referenced El Paso as owning an interest , doesn't mean El Paso has good title to that interest. Yes, the leases were purported to have been extended , but it doesn't guarantee those leases are still good as they are in their extended term under the rework provision. Nearburg is in the process of trying to establish oil production to keep those leases alive.

They advise me that they commenced rework operations on or about Dec. 30th or 31st. To keep those leases alive, they had to commence their operations on or before 12:00 midnight on Dec. 30th.

We are not absolutely sure that was accomplished. The burden of proof is not on us to prove your leases are still in effect. After 6 weeks of Nearburg pumping their well to get their load back, they are making a little oil. How long that will continue to occur is questionable.

Regarding good faith negotiations,

we did offer a consideration assuming your leases were good but later found out they may have expired or will expire which is the reason we offered to acquire a 1 yr. term assignment @ no bonus providing us a 75%NRI. Just because you advised me that El Paso received \$300/ac. in August in Eddy Co.

doesn't mean we have to accept that counter offer. The market acreage price depends where the acreage is in Eddy Co. We've been paying \$200 to \$250 per acre in this area for 3 to 5 yr. leases providing 3/16th to 1/5 royalties. In the S/2 Sec. 24 I did pay BP America \$150/ac. for 1 yr. term providing for 180 day contin. developmt @ end of primary term. In the spirit of cooperation , we are offering El Paso the same terms being \$150/ac. for 1 yr. term providing us a 75%NRI. This offer is available for El Paso's acceptance for a period ending Feb. 26th @ 4:00 P. M. If you must file a protest , please feel free to do so as you will later find that in New Mexico, all we have to do is propose the well to interest owners. They can choose to join or not. We are not obligated to negotiate a trade for their interest although we always do. If

Paul Haden/Mewbourne
02/16/2010 05:51 AM

To "Wirth, Martin E (Marty)" <Martin.Wirth@EIPaso.com>
cc
bcc
Subject RE: Wyatt Draw "24" L #1 Well 

Marty , just because the title opinion referenced El Paso as owning an interest , doesn't mean El Paso has good title to that interest. Yes, the leases were purported to have been extended , but it doesn't guarantee those leases are still good as they are in their extended term under the rework provision. Nearburg is in the process of trying to establish oil production to keep those leases alive. They advise me that they commenced rework operations on or about Dec. 30th or 31st. To keep those leases alive, they had to commence their operations on or before 12:00 midnight on Dec. 30th. We are not absolutely sure that was accomplished. The burden of proof is not on us to prove your leases are still in effect. After 6 weeks of Nearburg pumping their well to get their load back, they are making a little oil. How long that will continue to occur is questionable. Regarding good faith negotiations, we did offer a consideration assuming your leases were good but later found out they may have expired or will expire which is the reason we offered to acquire a 1 yr. term assignment @ no bonus providing us a 75%NRI. Just because you advised me that El Paso received \$300/ac. in August in Eddy Co. doesn't mean we have to accept that counter offer. The market acreage price depends where the acreage is in Eddy Co. We've been paying \$200 to \$250 per acre in this area for 3 to 5 yr. leases providing 3/16th to 1/5 royalties. In the S/2 Sec. 24 I did pay BP America \$150/ac. for 1 yr. term providing for 180 day contin. developmt @ end of primary term. In the spirit of cooperation , we are offering El Paso the same terms being \$150/ac. for 1 yr. term providing us a 75%NRI. This offer is available for El Paso's acceptance for a period ending Feb. 26th @ 4:00 P. M. If you must file a protest , please feel free to do so as you will later find that in New Mexico, all we have to do is propose the well to interest owners. They can choose to join or not. We are not obligated to negotiate a trade for their interest although we always do. If negotiations break down , so be it. I hope you can understand our position on this matter. We'd feel a lot better about your title if Nearburg's well continues to produce a little oil. Hope to hear from you soon. Thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

negotiations break down , so be it.

I hope you can understand our position on this matter. We'd feel a lot better about your title if Nearburg's well continues to produce a little oil. Hope to hear from you soon. Thanks.

Paul Haden
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"Wirth, Martin E (Marty)"
<Martin.Wirth@ElPaso.com>
02/16/2010 05:51 AM

To Paul Haden <phaden@Mewbourne.com>
cc
bcc

Subject RE: Wyatt Draw "24" L #1 Well

As stated in the title opinion we do have interest in the subject area and have extended said leases. As noted the #1 well is currently being worked to establish further production.

I have turn this over to our legal department for handling. As Applicant the burden of title would rest in the Applicant's domain.

Please be advised El Paso entered into good faith negotiations and believed an agreement was agreed upon. The Conservation codes were not written to bypass good faith negotiations. It appears El Paso will in the near future file a protest with the Conservation Division.

Mewbourne approached El Paso Marketing, L.P. and tendered an offer to participate of lease with consideration to be paid.

Martin (Marty)Wirth
El Paso E&P Company, L.P.
Sr. Staff Landman South Texas Business Assets
Office: (713) 420-3762
Fax: (713) 420-1521
Cell: (281) 682-8041
martin.wirth@elpaso.com

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

From: Paul Haden [mailto:phaden@Mewbourne.com]
Sent: Monday, February 15, 2010 3:15 PM
To: Wirth, Martin E (Marty)
Subject: Re: Wyatt Draw "24" L #1 Well

We can't pay a bonus as your title is questionable as was stated in my email to you Feb. 8th. I originally offered to acquire a 2 yr. term assignment @ 75%NRI @ \$250/ac. but found out your leases may not be any good as referenced in the Drilling Title Opinion. Nearburg is trying to save their leases and yours by virtue of recompleting their Fairchild Farms "24" #1 Well in the SW/4NW/4 Sec. 24. If you can prove to me that your leases are good, we'll think about paying a lease bonus but it will not be for a 1 yr. term. Let me know, thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

THIS E-MAIL AND ANY MATERIALS TRANSMITTED WITH IT MAY CONTAIN CONFIDENTIAL OR

Paul Haden/Mewbourne
02/15/2010 09:52 AM

To "Wirth, Martin E (Marty)" <Martin.Wirth@EIPaso.com>
cc
bcc
Subject RE: Wyatt Draw "24" L #1 Well 

Thanks Marty. Upon the final execution of the Term Assignment, El Paso will be dismissed from the Pooling Hearing to occur March 4th.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

Paul Haden/Mewbourne
02/15/2010 02:55 PM

To "Wirth, Martin E (Marty)" <Martin.Wirth@ElPaso.com>

cc

bcc

Subject Re: Wyatt Draw "24" L #1 Well 

We can't pay a bonus as your title is questionable as was stated in my email to you Feb. 8th. I originally offered to acquire a 2 yr. term assignment @ 75%NRI @ \$250/ac. but found out your leases may not be any good as referenced in the Drilling Title Opinion. Nearburg is trying to save their leases and yours by virtue of recompleting their Fairchild Farms "24" #1 Well in the SW/4NW/4 Sec. 24. If you can prove to me that your leases are good , we'll think about paying a lease bonus but it will not be for a 1 yr. term. Let me know, thanks.

Paul Haden
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Mewbourne Oil Company
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Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX



"Wirth, Martin E (Marty)"
<Martin.Wirth@ElPaso.com>
02/15/2010 02:55 PM

To Paul Haden <phaden@Mewbourne.com>
cc
bcc
Subject Re: Wyatt Draw "24" L #1 Well

So your saying no bonus?

Sent from my iPhone

On Feb 15, 2010, at 1:33 PM, "Paul Haden" <phaden@Mewbourne.com> wrote:

>
>
> Marty , I don't need their Tax I.D. # right now as no consideration is
> being paid.
>
> Paul Haden
> Land Department
> Mewbourne Oil Company
> 500 W. Texas Ave., Ste. 1020
> Midland, Texas 79701
> (432) 682-3715
> (432) 685-4170 FAX
>

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NOT THE INTENDED RECIPIENT, OR AUTHORIZED TO RECEIVE THE INFORMATION FROM THE
RECIPIENT, PLEASE NOTIFY THE SENDER BY REPLY E-MAIL AND DELETE ALL COPIES OF
THIS MESSAGE.



"Wirth, Martin E (Marty)"
<Martin.Wirth@EIPaso.com>
02/15/2010 09:52 AM

To Paul Haden <phaden@Mewbourne.com>
cc
bcc

Subject RE: Wyatt Draw "24" L #1 Well

No problem. This is Marketing & Trading division. I had "insert description here" and they must have taken from well location. All S/2 would be included. I am assisting them.

Martin (Marty)Wirth
El Paso E&P Company, L.P.
Sr. Staff Landman South Texas Business Assets
Office: (713) 420-3762
Fax: (713) 420-1521
Cell: (281) 682-8041
martin.wirth@elpaso.com

-----Original Message-----
From: Paul Haden [mailto:phaden@Mewbourne.com]
Sent: Monday, February 15, 2010 9:47 AM
To: Wirth, Martin E (Marty)
Subject: RE: Wyatt Draw "24" L #1 Well

Marty , I noticed on your proposed Term Assignment that you only included the NW/4SW/4 Sec. 24. We are requesting that you include all of the S/2 Sec. 24 since we anticipate drilling multiple wells on said acreage. Otherwise you will be getting wells proposals on each 40 acre tract in the S/2. Please also list the respective leases on an Exhibit "A" attached to the Term Assignment. Those leases are referenced in the Drilling O(pinion of Title dated 12-17-09 which was previously furnished to Chad Shaw as referenced in my letter dated 1-25-10 which was sent to Chad. Let me know about including all of the S/2 Sec. 24 in the Term Assignment. Thanks Marty.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

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"Wirth, Martin E (Marty)"
<Martin.Wirth@ElPaso.com>
02/09/2010 02:29 PM

To Paul Haden <phaden@Mewbourne.com>
cc
bcc
Subject RE: Wyatt Draw "24" L #1 Well

Now El Paso Marketing, L.P.

This is the only thing I can find to date.

Martin (Marty)Wirth
El Paso E&P Company, L.P.
Sr. Staff Landman South Texas Business Assets
Office: (713) 420-3762
Fax: (713) 420-1521
Cell: (281) 682-8041
martin.wirth@elpaso.com

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

From: Paul Haden [mailto:phaden@Mewbourne.com]
Sent: Monday, February 08, 2010 10:18 AM
To: Wirth, Martin E (Marty)
Subject: RE: Wyatt Draw "24" L #1 Well

Marty , Nearburg Exploration has a lot of properties in Lea and Eddy County. El Paso's title comes from them as set out in the Original Drilling Title Opinion dated 12-10-09. Nearburg's contact here in Midland is Ken Dixon (432) 818-2910 or Terry Gant (432) 818-2901 if you have any questions regarding El Paso's title. The assignments into El Paso might have been from Charles Nearburg or Chama Petroleum (Nearburg Expl.'s predecessor). Let me know if you find anything out regarding El Paso's title and/or their successor. Thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

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Nearburg Producing Co (Instructions Int Owners).pdf

Paul Haden/Mewbourne
02/08/2010 09:54 AM

To "Wirth, Martin E (Marty)" <Martin.Wirth@ElPaso.com>
cc
bcc

Subject RE: Wyatt Draw "24" L #1 Well 

Marty , Nearburg Exploration has a lot of properties in Lea and Eddy County. El Paso's title comes from them as set out in the Original Drilling Title Opinion dated 12-10-09. Nearburg's contact here in Midland is Ken Dixon (432) 818-2910 or Terry Gant (432) 818-2901 if you have any questions regarding El Paso's title. The assignments into El Paso might have been from Charles Nearburg or Chama Petroleum (Nearburg Expl.'s predecessor). Let me know if you find anything out regarding El Paso's title and/or their successor. Thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX



"Wirth, Martin E (Marty)"
<Martin.Wirth@ElPaso.com>
02/08/2010 08:42 AM

To Paul Haden <phaden@Mewbourne.com>
cc
bcc

Subject RE: Wyatt Draw "24" L #1 Well

History

✉ This message has been replied to.

Thanks Paul.

We have received \$300/ac in August with a 1 year term. We have renewed the term without issues. I will get you title info.

I have attached the last Term Assignment in Eddy County.

I hope to make NAPE, but I only budgeted for 2 landmen and I have 2 going. We are also moving from one floor to another this Friday so things are a mess.

Martin (Marty)Wirth
El Paso E&P Company, L.P.
Sr. Staff Landman South Texas Business Assets
Office: (713) 420-3762
Fax: (713) 420-1521
Cell: (281) 682-8041
martin.wirth@elpaso.com

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

From: Paul Haden [mailto:phaden@Mewbourne.com]
Sent: Monday, February 08, 2010 8:32 AM
To: Wirth, Martin E (Marty)
Subject: Re: Wyatt Draw "24" L #1 Well

Marty, thanks for the response regarding the proposed well. As set out in my letter dated 1-25-10, title examination indicates El Paso Marketing Company owns a 8.4375% leasehold interest in the S/2 Sec. 24, T19S, R25E, Eddy Co., NM which corresponds to 27 net acres. We'd be interested in acquiring a Term Assignment of Oil and Gas Leases covering El Paso's interest in the S/2 Sec. 24 on the basis of \$250/ac for a 2 yr. primary term whereby Mewbourne would be delivered a 75% NRI.
with such term assignment containing a 180 day continuous development provision @ the end of the primary term. After the end of the primary term and continuous development period whichever occurs later, MOC would retain acreage around producing proration units and 100 feet below TD drilled in each proration unit. For oil, the proration units are spaced on 40 acres and for gas the proration units are spaced on 320 acres. Send me your proposed term assignment form and we'll consider it. As we plan on drilling the initial well the first week in March we are moving forward in pooling all uncommitted owners which right now include El Paso and Nearburg. The pooling hearing is set for March 4th. Once we have an executed agreement with El Paso, we'll dismiss El Paso from the pooling hearing. Thanks Marty, I'm looking forward to receiving your proposed term assignment.
Hope to meet you @ NAPE if you're going. We have a booth being booth #2151. See you there.

Paul Haden



"Wirth, Martin E (Marty)"
<Martin.Wirth@ElPaso.com>

02/08/2010 09:54 AM

To Paul Haden <phaden@Mewbourne.com>

cc

bcc

Subject RE: Wyatt Draw "24" L #1 Well

I do show interest in such, but your title shows Marketing, L.P.. Tenneco, CNG, UV Industries and Horizon Acquisitions and others in our chain of title do own various minerals and contracts. We have a lot of deals with Nearburg, but I am not aware if they were in Lea or Eddy.

I have emailed our Corporate Sec. to advise me of who an officer of Marketing, L.P. may be. We feel it may be the past Field Services Division and it may either be E&P or Pipeline. (This is some old stuff)

If it is under Pipeline, I may need to withdraw from this due to FERC (arms length).

I will keep you apprised.

Martin (Marty)Wirth
El Paso E&P Company, L.P.
Sr. Staff Landman South Texas Business Assets
Office: (713) 420-3762
Fax: (713) 420-1521
Cell: (281) 682-8041
martin.wirth@elpaso.com

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

From: Paul Haden [mailto:phaden@Mewbourne.com]
Sent: Monday, February 08, 2010 9:28 AM
To: Wirth, Martin E (Marty)
Subject: RE: Wyatt Draw "24" L #1 Well

Marty , do your records show that El Paso owns this interest ?? El Paso's interest is tied to Nearburg's leasehold. They were reworking their Fairchild "24" #1 Well in the SW/4NW/4 Sec. 24 which operations are currently keeping their leases alive and El Paso's. They recompleted their well to the Yeso formation Dec.30th and to date have no oil/gas production as a result of their recompletion operations. Accordingly, El Paso's and Nearburg's leases may expire soon. As El Paso's leases are in peril, we'd take a term assignment @ no bonus for 1 yr. term providing a 75% NRI. Your form of term assignment is acceptable.

Let me know if you are agreeable. If you are going to prepare the term assignment, style it for Mewbourne, Oil Company, P.O. Box 7698, Tyler, Tx 75711. James Allen Brinson will execute as Attorney-in-Fact. We are a Delaware corporation. Thanks Marty. Hope these terms are acceptable taking into account El Paso may soon lose their leasehold.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715

Paul Haden/Mewbourne
02/08/2010 08:42 AM

To "Wirth, Martin E (Marty)" <Martin.Wirth@EIPaso.com>
cc
bcc
Subject RE: Wyatt Draw "24" L #1 Well 

Marty , do your records show that El Paso owns this interest ?? El Paso's interest is tied to Nearburg's leasehold. They were reworking their Fairchild "24" #1 Well in the SW/4NW/4 Sec. 24 which operations are currently keeping their leases alive and El Paso's. They recompleted their well to the Yeso formation Dec.30th and to date have no oil/gas production as a result of their recompletion operations. Accordingly, El Paso's and Nearburg's leases may expire soon. As El Paso's leases are in peril, we'd take a term assignment @ no bonus for 1 yr. term providing a 75% NRI. Your form of term assignment is acceptable. Let me know if you are agreeable. If you are going to prepare the term assignment, style it for Mewbourne Oil Company, P.O. Box 7698, Tyler, Tx 75711. James Allen Brinson will execute as Attorney-in-Fact. We are a Delaware corporation. Thanks Marty. Hope these terms are acceptable taking into account El Paso may soon lose their leasehold.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

Rec'd 2/1/2010
- CMY

January 25, 2010

Via Certified Mail-Return Receipt No. 5700

El Paso Gas Marketing Company
c/o El Paso E&P Company, LP
1001 Louisiana St.
Houston, Texas 77002-5089
Attn: ~~Mr. Chad R. Shaw, Rm 526557A~~

Marty Wirth - STX

Re: Wyatt Draw "24" L No. 1 Well
2310' FSL & 330' FWL
Section 24, T19S, R25E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to evaluate the Lower Yeso formation estimated total depth being 4,600 feet beneath the surface. The NW/4SW/4 of the captioned Section 24 will be dedicated to the proposed well. Enclosed for your information and consideration is our AFE dated December 17, 2009 in the event El Paso Gas Marketing Company ("El Paso") elects to participate in the proposed well.

Regarding the above, title examination indicates El Paso Gas Marketing Company owns 45% of a 18.75% interest (8.4375%) in the SW/4 of the captioned Section 24 (see copy of our Drilling Opinion of Title dated December 10, 2009).

In the event El Paso elects not to participate in the captioned proposed well, Mewbourne would entertain a proposal from El Paso for Mewbourne to acquire El Paso's leasehold interest in the S/2 of the captioned Section 24.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

Paul,
I handle WTX, NM, STX - We have been granting term assignments in NM. Please email me @ MARTIN.WIRTH @ CIPASO.COM and I can send you our form -

MARTY

MARTIN E. WIRTH

2/2/2010

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:

El Paso Gas Marketing Company
 c/o El Paso E&P Company, LP
 1001 Louisiana St.
 Houston, Texas 77002-5089
 Attn: Mr. Chad R. Shaw, Rm-526557A

ON DELIVERY

Agent
 Addressee
 (Name) C. Date of Delivery
 2/11/10
 Agent from item 1? Yes
 address below: No

3. Service

- Registered Mail Express Mail
- Insured Mail Return Receipt for Merchandise
- C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

7009 2250 0000 0616 5700

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

January 25, 2010

Via Certified Mail-Return Receipt No. 5700

El Paso Gas Marketing Company
c/o El Paso E&P Company, LP
1001 Louisiana St.
Houston, Texas 77002-5089
Attn: Mr. Chad R. Shaw, Rm-526557A

Re: Wyatt Draw "24" L No. 1 Well
2310' FSL & 330' FWL
Section 24, T19S, R25E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to evaluate the Lower Yeso formation estimated total depth being 4,600 feet beneath the surface. The NW/4SW/4 of the captioned Section 24 will be dedicated to the proposed well. Enclosed for your information and consideration is our AFE dated December 17, 2009 in the event El Paso Gas Marketing Company ("El Paso") elects to participate in the proposed well.

Regarding the above, title examination indicates El Paso Gas Marketing Company owns 45% of a 18.75% interest (8.4375%) in the SW/4 of the captioned Section 24 (see copy of our Drilling Opinion of Title dated December 10, 2009).

In the event El Paso elects not to participate in the captioned proposed well, Mewbourne would entertain a proposal from El Paso for Mewbourne to acquire El Paso's leasehold interest in the S/2 of the captioned Section 24.

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

February 19, 2010

Nearburg Exploration Company, LLC
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attn: Ken Dixon

Re: West Wyatt Draw WIU
E/2NW/4, NE/4 and
S/2 Section 24 and
N/2 Section 25
T19S, R25E
Eddy County, New Mexico

Dear Ken:

Regarding the captioned WIU, enclosed are some revised pages to the JOA dated January 15, 2010 as follows:

- 1) Page (i), Table of Contents, Article III(A) was reinstated.
- 2) Page 1, Article II(B) is marked as there is a form of lease attached as Exhibit "B" since some joint interest owners are participating with their mineral interests.
- 3) Page 2, Article III(A) was reinstated.
- 4) Exhibit "A" on page 8, item (5) was revised to provide for a 12.5% overriding royalty interests as to Murchison's interest.
- 5) Exhibit "B" the lease form is now attached as an Exhibit.

In reference to the above, please substitute the enclosed revised pages with the ones currently in your possession.

Please call should you have any questions regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

SENDER: COMPLETE THIS SECTION

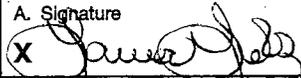
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nearburg Exploration
3300 N. "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attn: Terry Gant

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

X 

B. Received by (Printed Name) C. Date of Delivery

Laura Seitz 1/26/10

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)

7009 2250 0000 0616 5755

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

January 25, 2010

Via Certified Mail-Return Receipt No. 5755

Nearburg Exploration Company, LLC
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attn: Terry Gant

Re: West Wyatt Draw WIU
Wyatt Draw "24" L No. 1 Well
2310' FSL & 330' FWL
Section 24, T19S, R25E
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 Lower Yeso formation, estimated total depth being 4,600 feet beneath the surface. The NW/4SW/4 of the captioned Section 24 will be dedicated to the well.

Regarding the above, enclosed for your consideration is our AFE dated December 17, 2009. Also enclosed regarding the proposed well is our Operating Agreement dated January 15, 2010 which covers the E/2NW/4, NE/4 and S/2 of the captioned Section 24 and the N/2 of Section 25, T19S, R25E, Eddy County, New Mexico which acreage covers the proposed West Wyatt Draw Working Interest Unit (WIU). The agreement is limited in depth as to rights from the surface to the top of the Bone Spring Lime. Also enclosed is an extra set of signature pages of the referenced proposed Operating Agreement.

In the event your firm elects to participate in the proposed well and proposed WIU, please have the enclosed AFE and extra signature pages executed and returned to me at your earliest convenience. Retain the executed Operating Agreement for your file. As we have plans to commence drilling the proposed well on or before March 1, 2010, your timely return of the signed AFE and executed Operating Agreement signature pages would be greatly appreciated.

Sincerely yours,

MEWBOURNE OIL COMPANY


D. Paul Haden
Senior Landman

DPH/gb

Paul Haden/Mewbourne
01/21/2010 08:55 AM

To tgant@nearburg.com, kdixon@nearburg.com
cc
bcc lcunningham@mewbourne.com
Subject Re: Nearburg - El Paso title

Terry and Ken ,regarding the Drilling Opinion of Title dated 12-10-09 as to the W/2 Sec. 24 , T19S, R25E ,
is
Nearburg claiming title to 100% of leases 1-10 , 18 and 19 regarding the title of El Paso Gas Marketing
Company's ownership in said leases and other lands ?? We need to know regarding MOC's proposed
well in the NW/4SW/4 and other wells to be proposed effecting such title. The Wyatt Draw "24' L #1 Well
in the NW/4SW/4 Sec. 24 is scheduled to be drilled in early March. We would appreciate your help in
clearing title to the Nearburg - El Paso interest. On another note , any oil yet as a result of your
recompletion
operations on the Fairchild Farm Tracts "24" Well ??? Thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

MEWBOURNE OIL COMPANY

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MIDLAND, TEXAS 79701

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January 15, 2010

Nearburg Exploration Company
3300 North "A" Street,
Building 2, Suite 120
Midland, Texas 79705
Attn: Terry Gant

Re: Original Drilling Title Opinion
W/2 Section 24, T19S, R25E
Eddy County, New Mexico

Gentlemen:

Enclosed for your file is a copy of the referenced Original Drilling Title Opinion dated December 10, 2009 regarding the captioned land.

I direct your attention to Title Requirements VI, 1, 2, 3, 9 and 11 which will require your assistance. Please secure the title curative to the referenced title requirements.

Also, the interest claimed by Nearburg Exploration Company, LLC in the SW/4 of the captioned Section 24 is credited to El Paso Gas Marketing Company (45%) and Nearburg Exploration Company, LLC (55%). Does this match up with your records? Please let me know at your earliest convenience, so we can propose the WI Unit to El Paso Gas Marketing Company if necessary.

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
Landman

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:

Nearburg Exploration Co., LLC ✓
3300 N. "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attn: Mr. Terry Gant

2. Article Number

(Transfer from service label)

7005 2570 0001 0978 4766

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *D. Walton* Agent Addressee

B. Received by (*Printed Name*)

C. Date of Delivery

D. Walton | *1-8-09*

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

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (*Extra Fee*) Yes

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

January 7, 2010

Via Certified Mail-Return Receipt No. 4766

Nearburg Exploration Company, LLC
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attn: Mr. Terry Gant

Re: Wyatt Draw "24" L No. 1 Well
2310' FSL & 330' FWL
Section 24, T19S, R25E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to evaluate the Lower Yeso formation estimated total depth being 4,600 feet beneath the surface. The NW/4SW/4 of the captioned Section 24 will be dedicated to the proposed well. Enclosed for your information and consideration is our AFE dated December 17, 2009 in the event Nearburg Exploration Company, LLC ("Nearburg") elects to participate in the proposed well.

In the event Nearburg elects not to participate in the captioned proposed well, Mewbourne would entertain a proposal from Nearburg for Mewbourne to acquire Nearburg's leasehold interest in the S/2 of the captioned Section 24.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb