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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER


1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-33437	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Mewbourne Oil Company 14744		7. If Unit or CA Agreement, Name and No.	
3a. Address PO Box 5270 Hobbs, NM 88241		8. Lease Name and Well No. Fren "8" Federal Com #7	
3b. Phone No. (include area code) 505-393-5905		9. API Well No. 30-015- 33091	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1650' FNL & 1980' FWL (Unit Letter F) At proposed prod. zone		10. Field and Pool, or Exploratory Shugart Strawn	
14. Distance in miles and direction from nearest town or post office* 7 miles SE Loco Hills		11. Sec., T., R., M., or Blk. and Survey or Area Sec 8-T18S-R31E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'		12. County or Parish Eddy	
16. No. of Acres in lease 160		13. State NM	
17. Spacing Unit dedicated to this well 160			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 284'		20. BLM/BIA Bond No. on file NM-1693, Nationwide	
19. Proposed Depth 11,350'		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3690' GL	
22. Approximate date work will start* ASAP		23. Estimated duration 45 days	

24. Attachments

CAPITAN CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) FC Lathan	Date 09-24-2003
Title Hobbs District Drilling Foreman		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date OCT 8 2003
Title ACTING FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Shugart Strawn
Property Code	Property Name FREN "8" FEDERAL COM.		Well Number 7
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY		Elevation 3690

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	8	18S	31E		1650	NORTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160		Joint or Infill	Consolidation Code		Order No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>F.C. Lathan</u> Signature <u>F.C. Lathan</u> Printed Name <u>Drilling Foreman</u> Title <u>Sept. 25, 2003</u> Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. <u>7/22/2003</u> Date Surveyed <u>Hershel L. Jones</u> Signature & Seal of Professional Surveyor Certificate No. <u>Hershel L. Jones RLS 3640</u> <u>FREN 8-7</u> GENERAL SURVEYING COMPANY PROFESSIONAL SURVEYOR

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

Drilling Program
Mewbourne Oil Company
Fren "8" Federal Com #7
1650' FNL & 1980' FWL
Section 8, T18S, R31E
Eddy County, New Mexico
Lease Number NMNM-33437

1. The estimated top of geological markers are as follows:

Delaware	4,430'
Bone Spring	5,100'
Wolfcamp	9,080'
Strawn	10,570'
Atoka	11,030'
TD	11,350'

2. Estimated depths of anticipated fresh water, oil, or gas:

Water	Approximately 200'
Hydrocarbons	All zones below Wolfcamp

3. Pressure control equipment:

Two thousand psi working pressure annular preventer will be installed on the 13-3/8" surface casing. Five thousand psi working pressure BOP's will be installed on the 9 5/8" intermediate casing. Pressure tests will be conducted with the rig pump prior to drilling out all casing strings. A third party tester will pressure test and record the approved testing pressures of the pipe rams, blinds, Annular, kill manifold and all valves prior to drilling into the Wolfcamp formation.

BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOP's will be inspected and operated daily to insure mechanical integrity and the inspection will be recorded on the daily drilling report.

Kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the kelly is not in use.

Drilling Program

Mewbourne Oil Company

Fren "8" Fed Com #7

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4. Proposed casing and cementing program:

A. Casing Program:

<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft.</u>	<u>Grade</u>	<u>Depth</u>
17-1/2"	13-3/8"	48#	H40	0-625'
12-1/4"	9-5/8"	40#	N80/J55	0-4,500'
8-3/4"	5-1/2"	17#	P110/N80	0-11,350'

Minimum casing design factors: Collapse 1.2, Burst 1.1, Tensile strength 2.0.

B. Cementing Program

- WITNESS
- Surface Casing: 200 sacks Class "C" 35:65 pozmix cement containing 1/4#/sk cellophane flakes, 2% CaCl₂, 5 lbs/sack gilsonite and 6% Gel. 200 WITNESS sacks Class "C" cement containing 2% CaCl₂.
 - Intermediate Casing: 900 sacks Class "C" 35:65 pozmix cement containing 6% gel and 5 lbs/sack gilsonite. 200 sacks Class "C" cement containing 2% CaCl₂.
 - Production Casing: 600 sacks Class "H" cement containing fluid loss additive, friction reducer additive, compressive strength enhancer, and NaCl. Shallower productive zones may be protected by utilizing and multiple stage cementing tool in the production casing below potentially productive zones and cementing with a light cement slurry.

**Mewbourne Oil Company reserves the right to change cement designs as hole conditions may warrant.*

5. Mud Program:

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-625'	FW spud mud	8.6-9.4	32-34	NA
625'-4500'	Brine water	10.0-10.2	28-30	NA
4500'-9000'	Cut brine water	8.8-9.2	28.30	NA
9000'-11,350'	Cut brine water	9.2-10.0	32-42	8-12

(Note: Any weight above 8.6 ppg would be to hold back Wolfcamp shale, rather than abnormal BHP.)

Drilling Program

Mewbourne Oil Company

Fren "8" Fed Com #7

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6. Evaluation Program:

Samples:	10'samples from intermediate casing to TD
Logging:	Compensated density and dual laterlog from intermediate casing to TD
Coring:	As needed for evaluation
Drill Stem Tests:	As needed for evaluation

7. Downhole Conditions

Zones of abnormal pressure:	None anticipated
Zones of lost circulation:	Anticipated in surface and intermediate holes
Maximum bottom hole temperature:	180 degree F
Maximum bottom hole pressure:	8.3 lbs/gal gradient or less

8. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 45 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Fren "8" Federal Com #7
1650' FNL & 1980' FWL
Section 8, T18S, R31E
Eddy County, New Mexico
Lease Number NMNM-33437

This plan is submitted with Form 3160-3, Application for Permit to Drill, Covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved, and the procedures to be followed in restoring the surface so that a complete appraisal can be made of the environmental impact associated with the proposed operations.

1. Existing Roads:

- A. Exhibit #3 is a road map showing the location of the proposed well. Exhibit #3A is a topographic map showing the location of the proposed well and access road. Existing roads are highlighted in yellow and proposed roads are highlighted in green.
- B. **Directions to location: East from Loco Hills, NM, on US 82 5.5 miles. Turn right (South) on Eddy Co 222 and continue south 3.0 miles. Turn right (West) on lease road and continue 0.2 miles to "Y". Bear right and continue west 0.5 miles to Fren "8" Fed Com #5 location. Turn left (South) and continue south 850 feet to location on right.**

2. Proposed Access Road:

- A. The access to this location will be from the existing road and will enter the location pad from the South-East corner.
- B. The access to the location will be limited to 16' in width and will adequately drain runoff and control erosion as presently constructed.
- C. Access to location has an existing grade to facilitate adequate drainage.

3. Location of Existing Wells:

There are producing wells within the immediate vicinity of the well site. Exhibit #4 shows the proposed well and existing wells in the immediate vicinity.

4. Location of Existing and/or Proposed Facilities:

- A. There are no production facilities on this location at the present time.
- B. In the event that the well is productive, production facilities will be located on the well pad.
- C. If the well is productive, restoration plans are as follows:

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Fren "8" Federal Com #7

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- i. The reserve pit will be back-filled after the contents of the pit are allowed to dry (within 180 days after the well is completed).
- ii. Within 90 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location will be cleaned of all trash and junk to assure the well site is left as aesthetically pleasing as reasonably possible
- iii. All production vessels left on location will be painted to conform with BLM painting stipulations within 180 days of installation.

5. Location and Type of Water Supply

The well will be drilled with a combination of fresh water and brine water based mud systems. The water will be obtained from commercial suppliers in the area and hauled to the location by transport trucks over existing and proposed roads as indicated in Exhibit #3.

6. Source of Construction Materials

All material required for construction of the drill pad and access roads will be obtained from private, state, or federal pits. The construction contractor will be solely responsible for securing construction materials required for this operation and paying any royalties that may be required on those materials.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposed will be disposed of in the reserve pit.
- B. Drilling fluids will be allowed to evaporate in the reserve pit prior to closure.
- C. Water produced during operations will be disposed of in the reserve pit.
- D. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- E. Current regulations regarding the proper disposal of human waste will be followed.
- F. All trash, junk, and other waste materials will be stored in proper containers to prevent dispersal and will be removed to an appropriate facility within one week of cessation of drilling and completion activities.

8. Ancillary Facilities

There are no ancillary facilities within the immediate vicinity of the proposed well site.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Fren "8" Federal Com #7

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9. Well Site Layout

- A. A diagram of the drill pad is shown in Exhibit #5. Dimensions of the pad, pits, and location of major rig components are shown.
- B. The reserve pit will be lined with a high quality plastic sheeting to prevent migration of fluids.
- C. The pad dimension of 600' X 600' has been staked and flagged.
- D. An archaeological survey has been conducted on the proposed access road and location pad.

10. Plans for Restoration of Surface

- A. Upon cessation of the proposed operations, if the well is abandoned, the location and road will be ripped and re-seeded per BLM guidelines. The reserve pit area, after allowing to dry will be leveled. The entire location will be restored to the original contour as much as reasonable possible. All trash, garbage, and pit lining will be hauled to appropriate disposal to assure the location is aesthetically pleasing as reasonable possible. All restoration work will be completed within 180 days of cessation of activities.
- B. The disturbed area will be restored by re-seeding during the proper growing season with a mixture of native grasses as stipulated by the BLM.
- C. Three sides of the reserve pit will be fenced prior to and during drilling operations. The reserve pit will be fenced on the fourth side after the drilling rig is removed to prevent the endangerment of livestock. The fence will remain in place until the pit area has been leveled and restored.
- D. Upon cessation of the proposed operations, if the well is not abandoned, the reserve pit area will be treated as outlined above within the prescribed amount of time. Any additional caliche required for production facilities will be obtained from a source as described in Section 6.

11. Surface Ownership:

The surface is owned by: Bureau of Land Management

12. Other Information

- A. Topography: Refer to the archaeological report for a detailed description of flora, fauna, soil characteristics, dwellings, and historical or cultural sites.
- B. The primary use of the surface at the location is for grazing of livestock.

13. Operator's Representative:

A. Through APD approval and drilling operations:

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
505-393-5905

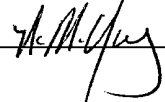
B. Through completion and production operations:

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
505-393-5905

14. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Mewbourne Oil Company, its contractors and subcontractors, in accordance with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 9/25/03

Signature: 

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
(505) 393-5905

Mewbourne Oil Company
BOP Schematic for
12 1/4" Hole

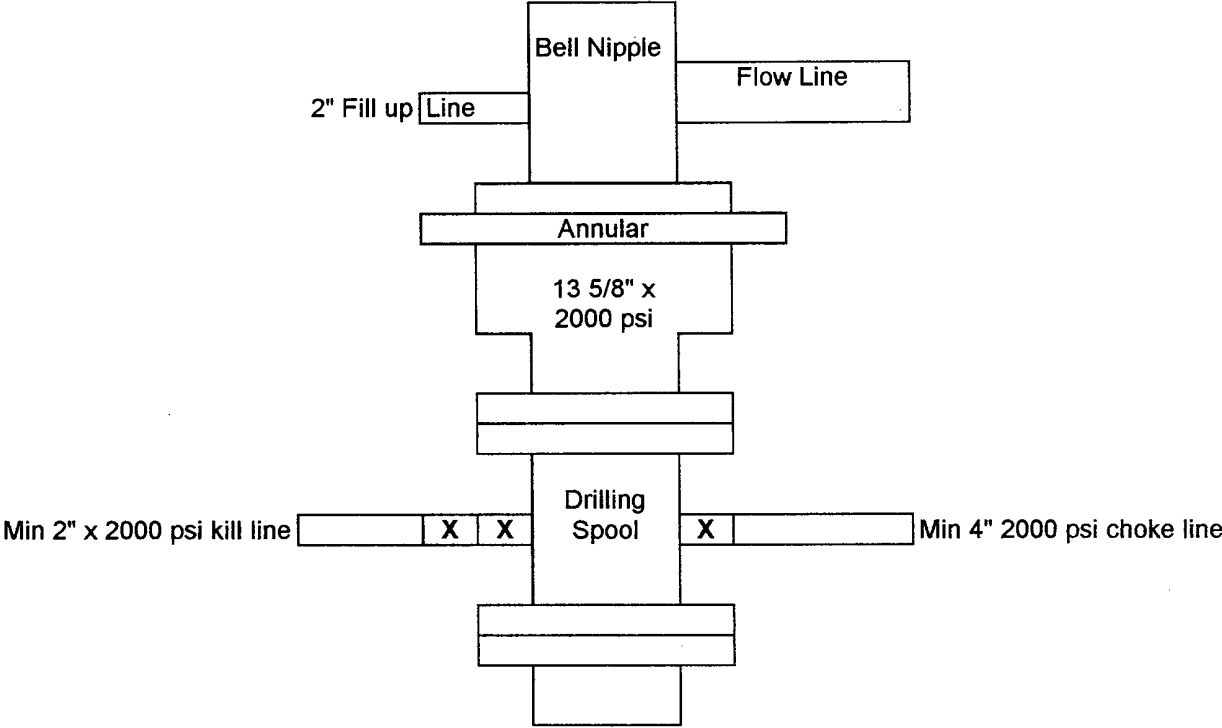


Exhibit #2

Fren "8" Federal Com #7
1650' FNL & 1980' FWL
Sec 8, T18S, R31E
Eddy County, New Mexico

Mewbourne Oil Company

BOP Schematic for

8 3/4" or 7 7/8" Hole

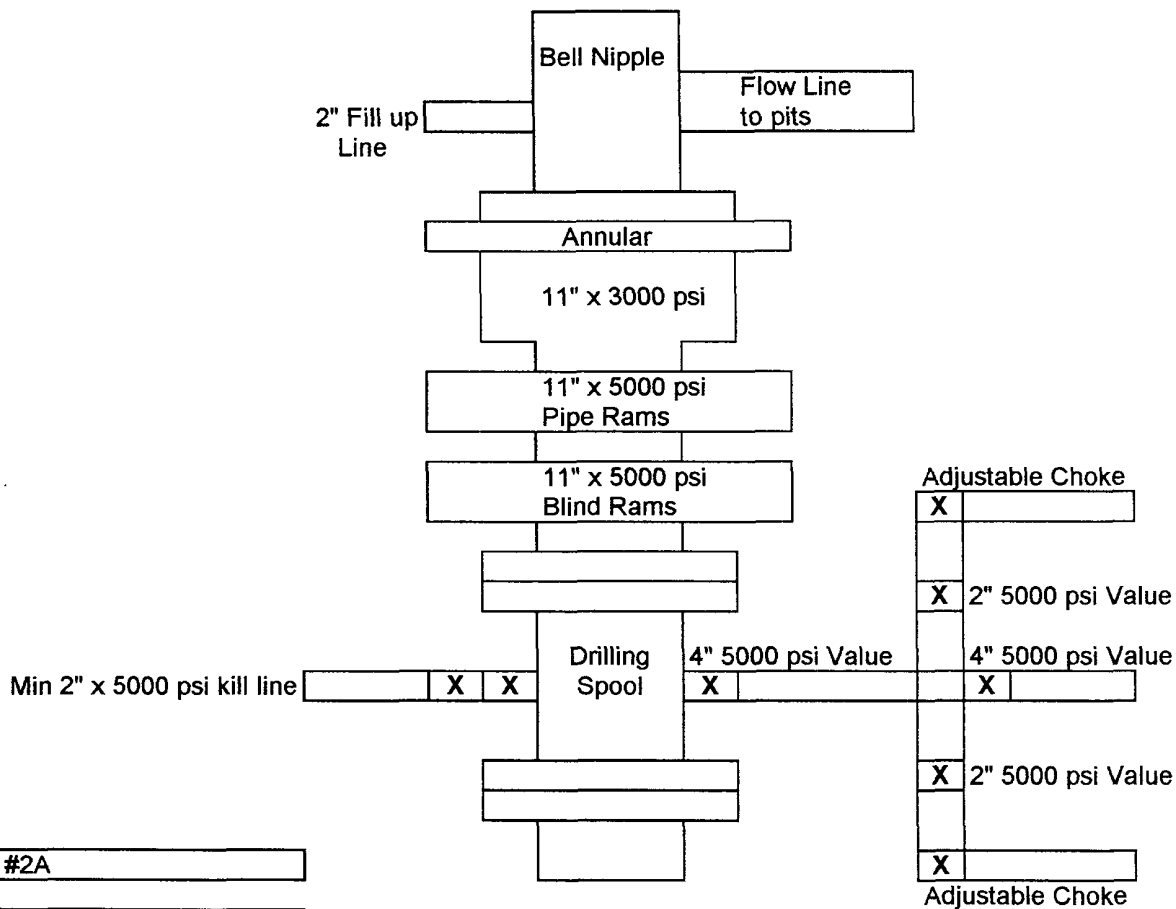


Exhibit #2A

Fren "8" Federal Com #7
1650' FNL & 1980' FWL
Sec 8, T18S, R31E
Eddy County, New Mexico

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Fren "8" Federal Com #7

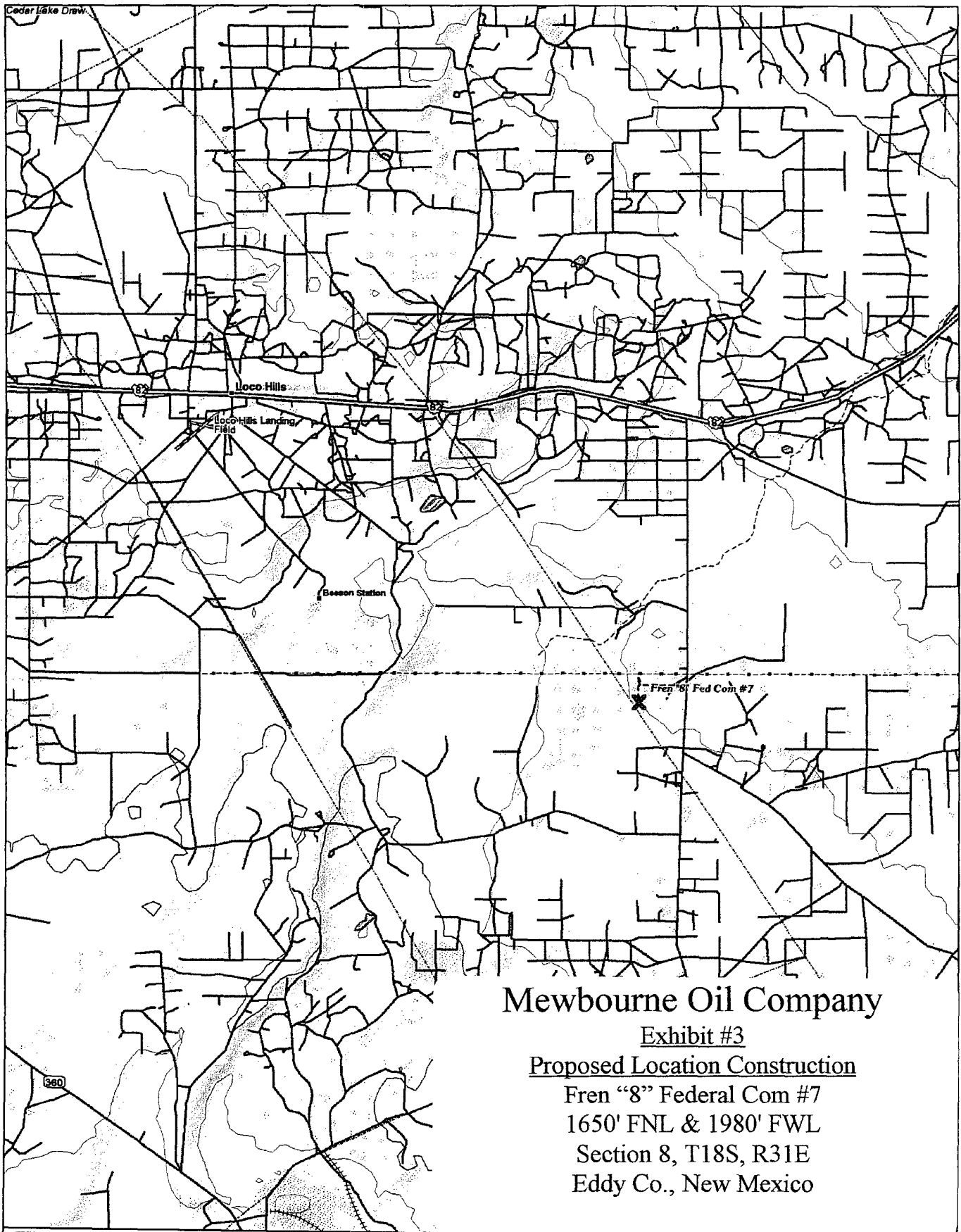
1650' FNL & 1980' FWL

Section 8, T18S, R31E

Eddy County, New Mexico

Lease Number NM-33437

1. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
2. Blowout preventer and all fittings must be in good condition with a minimum 3000 psi working pressure.
3. Safety valve must be available on the rig floor after drilling below the Wolfcamp formation with proper connections to install in the drill string. Valve must be full bore with minimum 3000 psi working pressure.
4. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
5. A kelly cock shall be installed on the kelly at all times.
6. Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.



Mewbourne Oil Company

Exhibit #3

Proposed Location Construction

Fren "8" Federal Com #7

1650' FNL & 1980' FWL

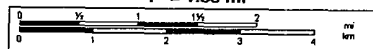
Section 8, T18S, R31E

Eddy Co., New Mexico

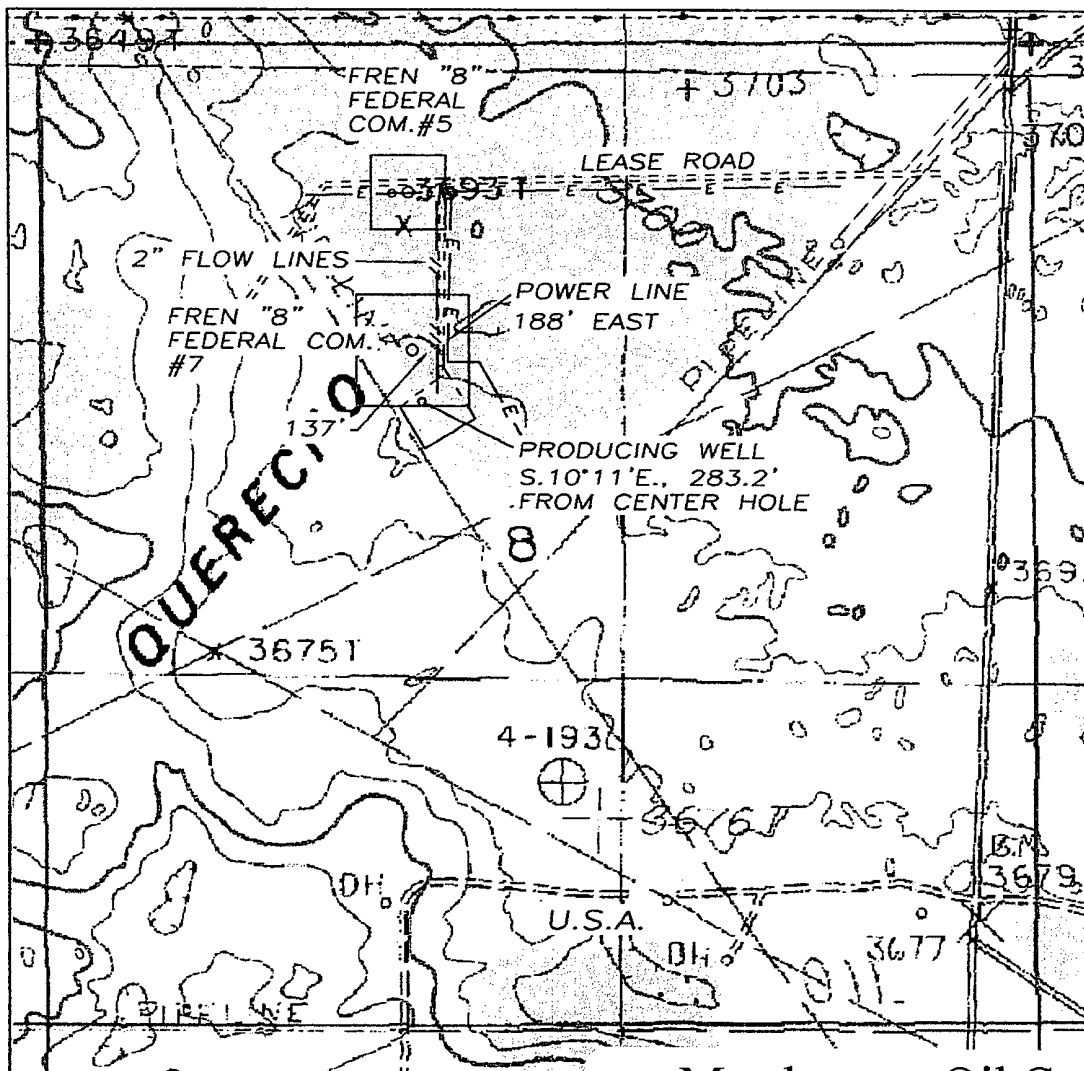


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www.delorme.com

Scale 1 : 100,000
1" = 1.58 mi



SECTION 8, TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



Mewbourne Oil Company

Exhibit #3A

Existing and Planned Road Access

Fren "8" Federal Com #7

1650' FNL & 1980' FWL

Section 8, T18S, R31E

Eddy Co., New Mexico

1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES, R.L.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

MEWBOURNE OIL COMPANY

LEASE ROAD TO ACCESS THE MEWBOURNE FREN "8" FEDERAL COM. #7 WELL, LOCATED IN SECTION 8, TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 7/22/2003	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 7/22/03	Scale 1" = 1000' FREN 8-7

Exhibit #4
Status of Wells in Immediate Vicinity
Mewbourne Oil Company
Fren "8" Federal Com #7
1650' FNL & 1980' FWL
Section 8, T18S, R31E
Eddy County, New Mexico
Lease Number NMNM-33437

Section 8, T18S, R31E

Operator: Mewbourne Oil Company
Well Name: Fren "8" Federal Com #5
Unit letter: C
Status: Producing
Field: Shugart Strawn

Operator: Mewbourne Oil Company
Well Name: Fren "8" Federal Com #2
Unit letter: A
Status: Producing
Field: Shugart Strawn

Operator: Mewbourne Oil Company
Well Name: Fren "8" Federal Com #3
Unit letter: G
Status: Producing
Field: Shugart Strawn

Operator: Concho Exploration
Well Name: PMS 8 Federal #6
Unit letter: F
Status: Producing
Field: North Shugart Bone Springs

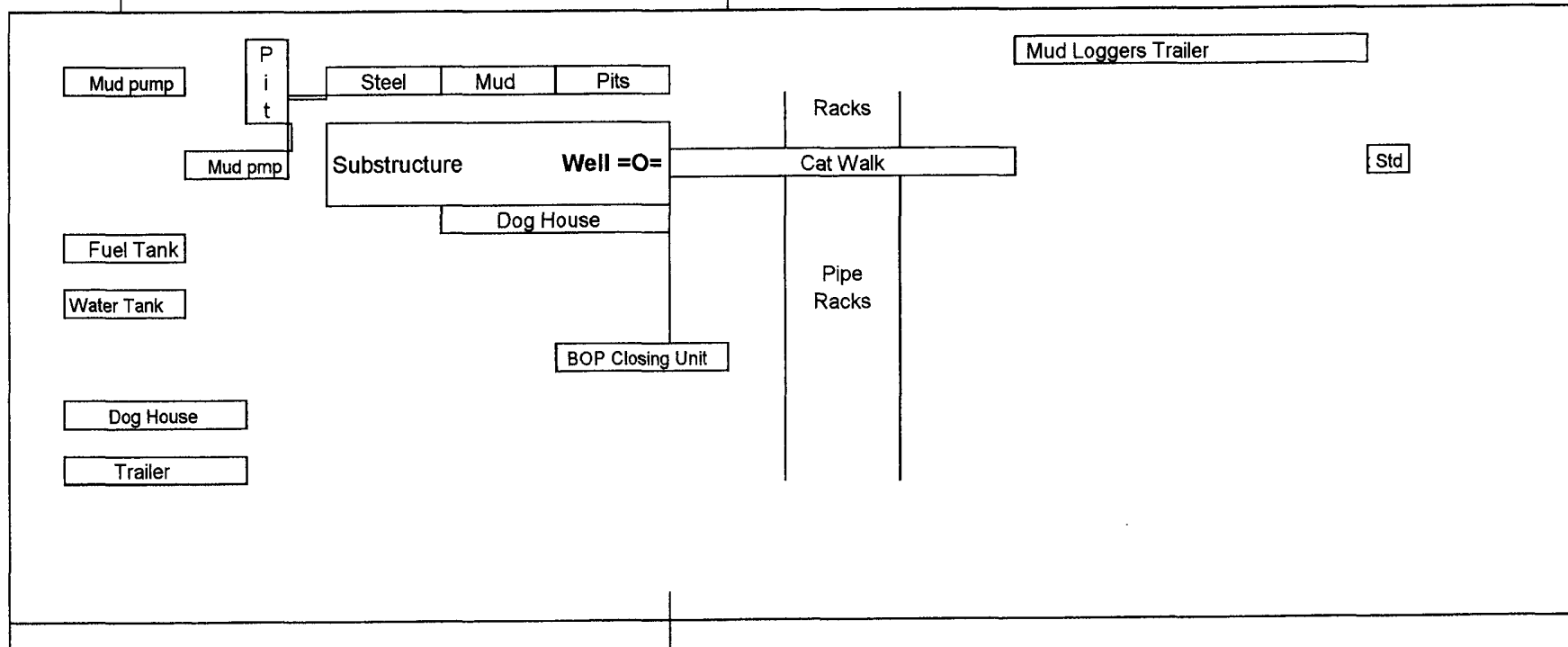
Mewbourne Oil Company

Exhibit #5

Well Name Fren "8" Federal Com #7
Footages 1650' FNL & 1980' FWL
STR Sec 8, T18S, R31E
County Eddy County
State New Mexico



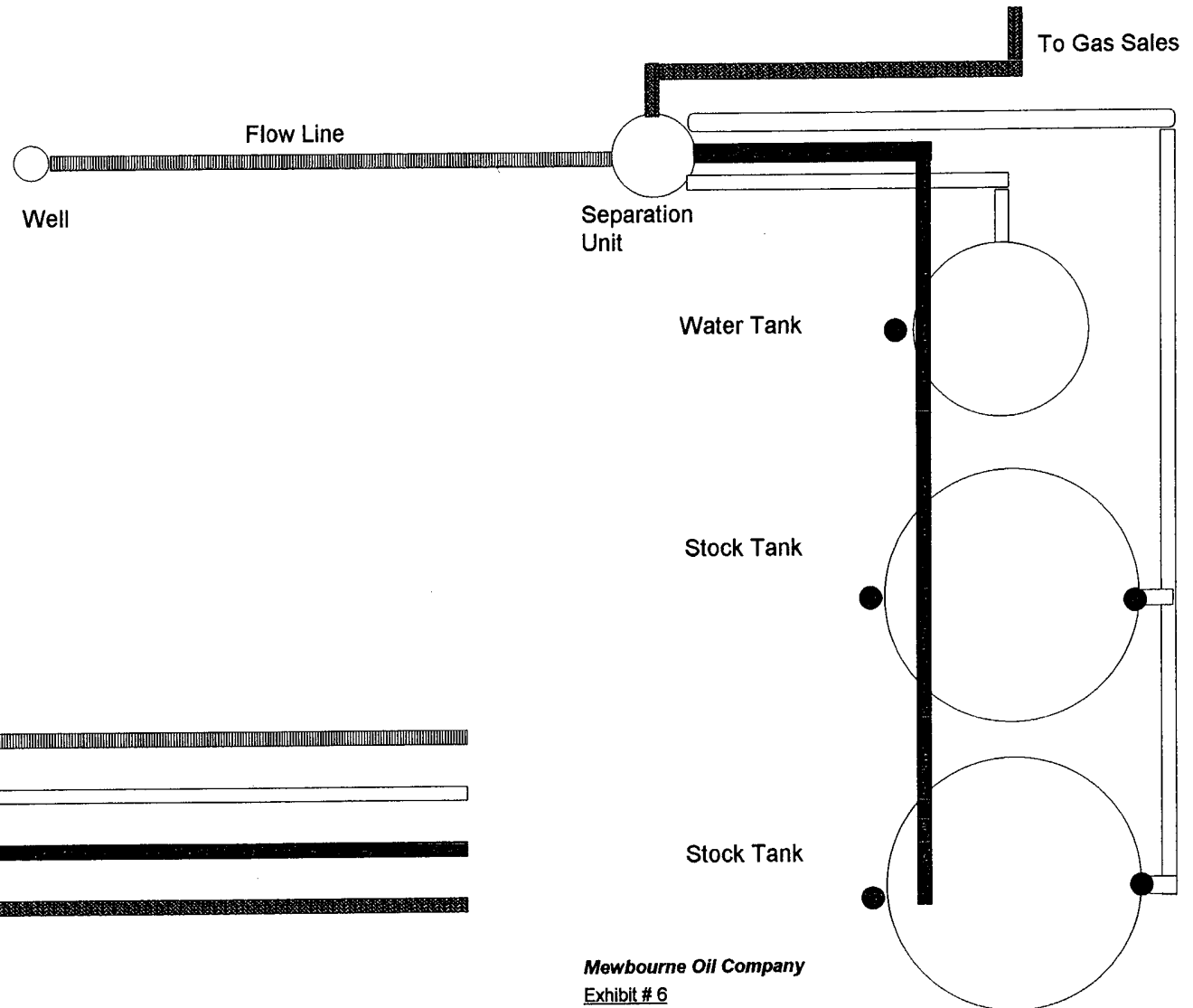
Reserve Pit
150 x 150'


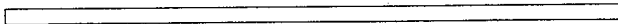






Location Size: 365' x 320'

Rig Location Schematic

Proposed Production Facilities Schematic



- Flow Line 
- Water Line 
- Oil Dump Line 
- Gas Sales Line 
- Sealing Valve 
- Non Sealing Valve 

Mewbourne Oil Company
Exhibit # 6
Proposed Production Facilities Schematic

Fren "8" Federal Com #7
 1650' FNL & 1980' FWL
 Sec 8, T18S, R31E
 Eddy County, New Mexico

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company

Fren "8" Federal Com #7

1650' FNL & 1980' FWL

Section 8, T18S, R31E

Eddy County, New Mexico

Lease Number NMNM-33437

1. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

- A. The hazards and characteristics of hydrogen sulfide gas.
- B. The proper use of personal protective equipment and life support systems.
- C. The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
- D. The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

- A. The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
- B. Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
- C. The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a known hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

2. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the intermediate casing.

- A. Well Control Equipment
 - 1. Flare line with automatic igniter or continuous ignition source.
 - 2. Choke manifold with minimum of one adjustable choke.
 - 3. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
 - 4. Auxiliary equipment including rotating head and annular type blowout preventer.
-

B. Protective Equipment for Essential Personnel

Thirty minute self contained work unit located at briefing area as indicated on well site diagram.

C. Hydrogen Sulfide Protection and Monitoring Equipment

Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 ppm.

D. Visual Warning Systems

1. Wind direction indicators as indicated on the well site diagram.
2. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

3. **Mud Program**

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

4. **Metallurgy**

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

5. **Communications**

State and County phone numbers, as well as emergency numbers, are posted in the top doghouse and supervisor's trailer. Communications in supervisor's vehicles are either two way radios or cellular phones.

6. **Well Testing**

Drill stem testing is not an anticipated requirement for evaluation of this well. A drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

7. **Area Review**

Upon review of past drilling in this area, no appreciable amounts of H₂S should be encountered while drilling this well. This plan will be kept in place while drilling, however, to increase the overall safety for the personnel on site.

**United States Department of the Interior
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287**

Statement Accepting Responsibility for Operations

Operator Name: Mewbourne Oil Company
Street or Box: P.O. Box 5270
City, State: Hobbs, New Mexico
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: Lease Number NMNM-33437

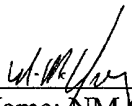
Legal Description of Land: Section 8, T18S, R31E, Eddy County, New Mexico. Location at 1650' FNL & 1980' FWL of Section 8.

Formation (if applicable):

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: September 25, 2003