

DATE IN 2/14/13	SUSPENSE	ENGINEER RE.	LOGGED IN 2/10/13	TYPE PLC	APP NO. PMAM1403554469
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OOD

FEB -4 P 3:17

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Joe Bryard
 Print or Type Name

Joe Bryard
 Signature

Engineer
 Title

1/27/14
 Date

jbryard@Newbourne.com
 e-mail Address

PLC
 newbourne
 14744

Wells
 - Salt Draw
 2CN Fee #14
 30-015-41163

- Salt Draw
 2CN Fee #24
 30-015-41724

Pools
 - San Lorenzo
 Bone Spring
 North
 53610
 - WC Salt Draw
 Wolfcamp
 97721

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Mewbourne Oil Company

OPERATOR ADDRESS: PO Box 5270, Hobbs, NM 88241

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☒ Fee ☐ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☐ Yes ☒ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Joe Bryant

TITLE: Engineer

DATE: 11/1/2011

TYPE OR PRINT NAME: Joe Bryant

TELEPHONE NO.: 575-393-5905

E-MAIL ADDRESS: jlbryand@mewbourne.com

Salt Draw 2 CN Fee #1H & #2H Surface Commingle

Commingling procedure for Salt Draw 2 CN Fee #1H & #2H Wells:

Mewbourne Oil Company is requesting approval for Central Tank Battery & Pool Commingle.

<u>Well Name</u>	<u>Location</u>	<u>API#</u>	<u>Pool</u>	<u>Oil Gravity</u>	<u>Calculated Commingled Oil Gravity</u>	<u>BTU</u>	<u>Calculated Commingled BTU</u>	<u>Volumes</u>
Salt Draw 2 CN Fee #1H	150' FNL & 2170' FWL, Sec 2, T25S, R28E.	30-015-41163	53610 – San Lorenzo BS North	47	50	1301	1293	500 MCF
*Salt Draw 2 CN Fee #2H	150' FNL & 1670' FWL &, Sec 2, T25S, R28E,	30-015-41729	97721 – WC Salt Draw WC: Gas	52		1292		4000 MCF (Est)

***Denotes well being drilled**

Oil & Gas metering:

Oil, gas, and water volumes from each well producing to this battery will be determined by using meter equipment on each separator (all wells measured separately daily). Production will be allocated on a daily basis based on each wells meter volumes for oil, water, & gas.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production.

Signed:

Printed Name: Joe Bryand
Title: Production Engineer
Date: 1/22/2014

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name SALT DRAW 2 CN	
⁷ OGRID No.	⁸ Operator Name MEWBOURNE OIL COMPANY	
		⁶ Well Number 1H
		⁹ Elevation 2968'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	2	25-S	28-E		155	NORTH	2170	WEST	EDDY

¹¹ 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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁴ 2170' ¹⁵ 155' S. L. LOT 4. 40.86 AC. LOT 3. 40.48 AC. LOT 2. 40.10 AC. LOT 1. 39.62 AC. ¹⁶ CORNER DATA NAD 27 GRID - NM EAST A: BRASS CAP "1940" N 419029.5 - E 582711.1 B: BRASS CAP "1940" N 421686.2 - E 582718.6 C: BRASS CAP "1940" N 424364.4 - E 582725.4 D: BRASS CAP "1940" N 424362.8 - E 585372.0 E: BRASS CAP "1940" N 424362.1 - E 588020.4 F: BRASS CAP "1940" N 421747.7 - E 588012.1 G: BRASS CAP "1940" N 419133.6 - E 587996.8 H: BRASS CAP "1940" N 419081.7 - E 585354.1		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____
¹⁸ 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. 3/18/13 Date of Survey Signature and Seal of Professional Surveyor 19680 Certificate Number		

District I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name SALT DRAW 2 CN FEE	
⁷ OGRID No.	⁸ Operator Name MEWBOURNE OIL COMPANY	⁶ Well Number 2H
		⁹ Elevation 2971'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	2	25-S	28-E		150	NORTH	1670	WEST	EDDY

¹¹ 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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

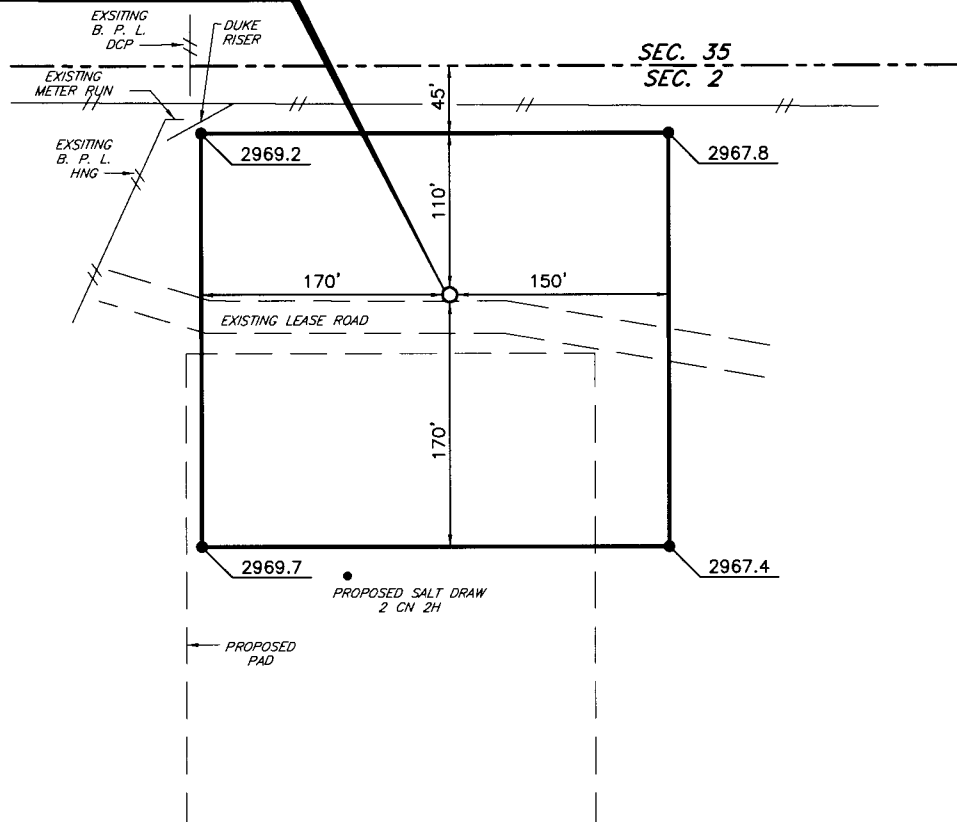
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

N 89°57'57" W 2647.27' N 89°59'05" W 2648.92' 1670' 150' LOT 4 LOT 3 LOT 2 LOT 1 GEODETIC DATA NAD 27 GRID - NM EAST SURFACE LOCATION N 424213.5 E 584394.6 LAT: 32.16598576° N LONG: 104.06059614° W CORNER DATA NAD 27 GRID - NM EAST A: FND BRASS CAP N 419029.5 - E 582711.1 B: FND BRASS CAP N 421686.2 - E 582718.6 C: FND 1940 BRASS CAP N 424364.4 - E 582725.4 D: FND BRASS CAP N 424362.8 - E 585372.0 E: FND BRASS CAP N 424362.1 - E 588020.4 F: FND BRASS CAP N 421747.7 - E 588012.1 G: FND BRASS CAP N 419133.6 - E 587996.8 H: FND BRASS CAP N 419081.7 - E 585354.1		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____ ¹⁸ 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. 10/7/13 Date of Survey Signature and Seal of Professional Surveyor 19680 Certificate Number
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MEWBOURNE OIL COMPANY

Salt Draw 2 CN 1H
(155' FNL & 2170' FWL)
Section 2, T-25-S, R-28-E,
N. M. P. M., Eddy Co., New Mexico

SALT DRAW 2 CN 1H
ELEVATION: 2968'
LAT: 32°09'57.4838339" N
LONG: 104°03'32.330470" W



DIRECTIONS TO LOCATION

From the intersection of U. S. Hwy. No. 285 and
Pulley Road (Co. Rd. No. 721);

Go South on U. S. 285 approx. 2.0 miles;

Turn Left onto a lease road;

Follow lease road East approx. 0.75 miles;

Location is approximately 20 feet North of
lease road.

SCALE: 1" = 100'
0 50 100

BEARINGS ARE
NAD 27 - NM EAST
DISTANCES ARE
GROUND.

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NO.	REVISION	DATE
JOB NO.:	LS130092	
DWG. NO.:	130092PAD	

PROSPERITY CONSULTANTS, LLC



2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664

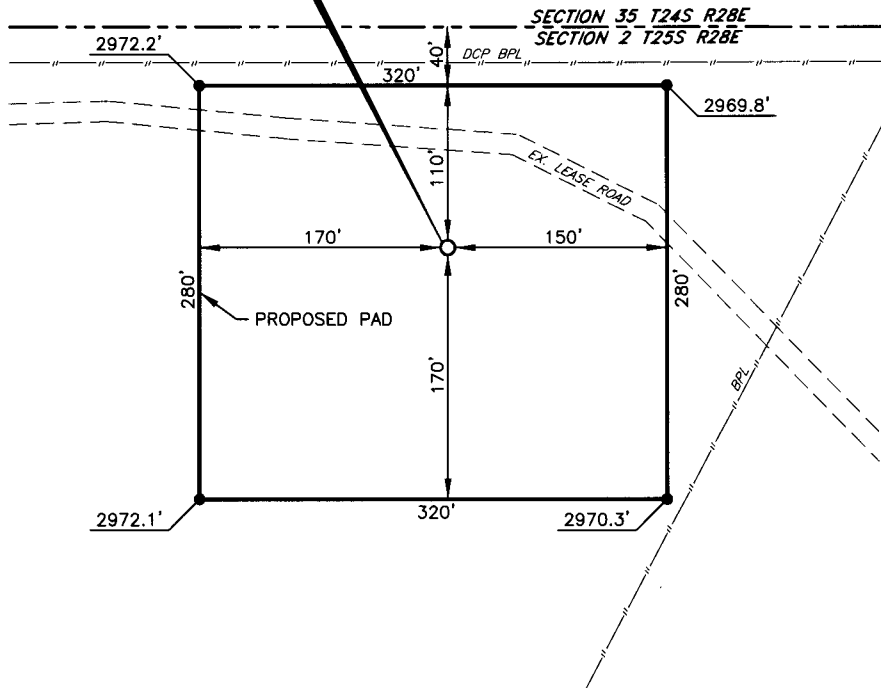
o (512) 992-2087 f (512) 251-2518

SCALE: 1" = 100'
DATE: 3/18/13
SURVEYED BY: BK/KW
DRAWN BY: LWB
APPROVED BY: LWB
SHEET : 1 OF 1

MEWBOURNE OIL COMPANY

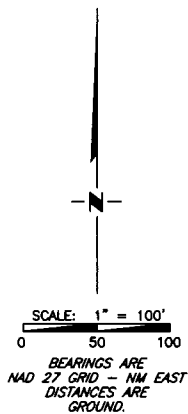
Salt Draw 2 CN Fee #2H
(150' FNL & 1670' FWL)
Section 2, T-25-S, R-28-E,
N. M. P. M., Eddy Co., New Mexico

SALT DRAW 2 CN FEE #2H
ELEVATION: 2971'
LAT: 32.16598576° N
LONG: 104.06059614° W



DIRECTIONS TO LOCATION

From the intersection of U.S. Hwy. #82 and CR-721 (Pully):
Go South on U.S. Hwy. #285 approx. 1.9 mile to lease road.
Turn left and go East approx. 0.6 mile to this location.



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NO.	REVISION	DATE
JOB NO.:	LS130396	
DWG. NO.:	130396PAD	

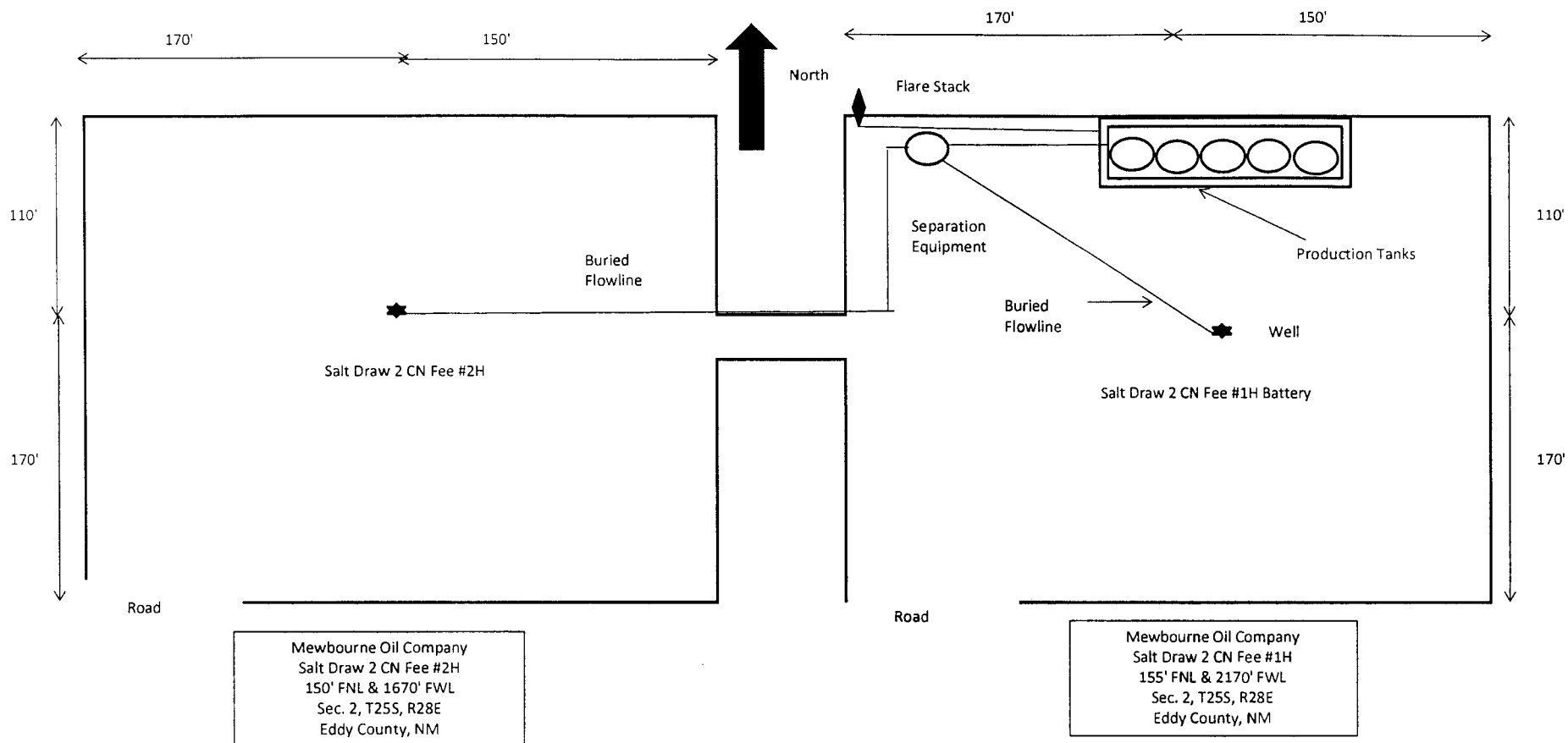
PROSPERITY CONSULTANTS, LLC



2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664

o (512) 992-2087 f (512) 251-2518

SCALE: 1" = 100'
DATE: 10/7/13
SURVEYED BY: BK/IE
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 1





Date: February 6, 2014

Simple Certified:

The following is in response to your February 6, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806189. The delivery record shows that this item was delivered on February 6, 2014 at 8:39 am in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient : *Brenda Rogers*
BRENDA ROGERS

Address of Recipient : *P.O. Box 1959*

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Robert Sykes
Wells Fargo Bank, NA
PO Box 1959
Midland, TX 79702
Reference #: Salt Draw 2 CN cm



Date: February 3, 2014

Simple Certified:

The following is in response to your February 3, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806714. The delivery record shows that this item was delivered on February 3, 2014 at 12:47 pm in HOBBS, NM 88240. The scanned image of the recipient information is provided below.

Signature of Recipient :


Agore Alexi W

Address of Recipient :

P O Box 2769

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Penroc Oil Corporation
PO BOX 2769
HOBBS, NM 88241
Reference #: Salt Draw 2 CN cm

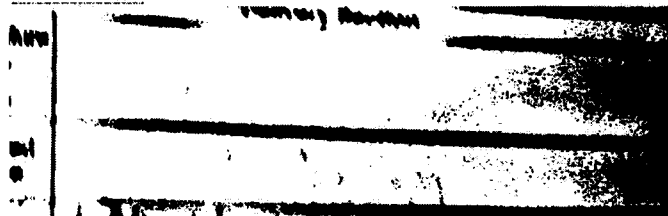


Date: January 31, 2014

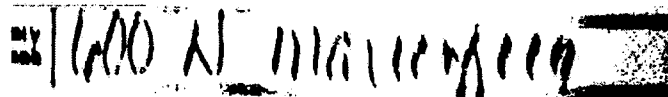
Simple Certified:

The following is in response to your January 31, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806691. The delivery record shows that this item was delivered on January 31, 2014 at 11:28 am in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Matt Hood
Magnum Hunter Production, Inc.
600 N MARIENFELD ST STE 600
MIDLAND, TX 79701
Reference #: Salt Draw 2 CN cm

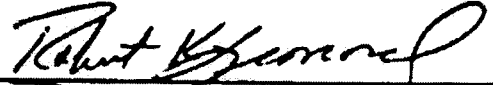


Date: February 3, 2014

Simple Certified:

The following is in response to your February 3, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806639. The delivery record shows that this item was delivered on February 3, 2014 at 11:35 am in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	
Printed Name	ROBERT K. LEONARD

Address of Recipient :

Address	P.O. Box 332
---------	--------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Robert K. Leonard
KDL Properties
PO Box 3422
Midland, TX 79702
Reference #: Salt Draw 2 CN cm



Date: February 3, 2014

Simple Certified:

The following is in response to your February 3, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806615. The delivery record shows that this item was delivered on February 3, 2014 at 1:40 pm in FORT WORTH, TX 76102. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a handwritten signature, which appears to be "P. Anderson", written in black ink on a white background.

Address of Recipient :

A scanned image of a handwritten address, which appears to be "777 Taylor St - 5214", written in black ink on a white background.

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Preston Windham
Jetta X-2, L.P.
777 TAYLOR ST
FORT WORTH, TX 76102
Reference #: Salt Draw 2 CN cm



Date: February 3, 2014

Simple Certified:

The following is in response to your February 3, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806257. The delivery record shows that this item was delivered on February 3, 2014 at 3:29 pm in MIDLAND, TX 79710. The scanned image of the recipient information is provided below.

Signature of Recipient :

C. Wayne Greenlee
C. WAYNE,
GREENLEE

Address of Recipient :

19015

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

C.Wayne Greenlee and Dixie Greenlee
PO Box 51061
Midland, TX 79710
Reference #: Salt Draw 2 CN cm



Date: February 3, 2014

Simple Certified:

The following is in response to your February 3, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806233. The delivery record shows that this item was delivered on February 3, 2014 at 12:13 pm in TYLER, TX 75701. The scanned image of the recipient information is provided below.

Signature of Recipient :

J. Clayton
S. CLAYTON

Address of Recipient :

1001 ESE LOOP STE 160

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Jean Crawley
Faulconer Resources 2001 LP, LLP
1001 ESE 323 LOOP STE 160
TYLER, TX 75701



Date: February 3, 2014

Simple Certified:

The following is in response to your February 3, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003804253. The delivery record shows that this item was delivered on February 3, 2014 at 11:58 am in MIDLAND, TX 79702. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to be "Doug C. Tull".

Address of Recipient :

A handwritten address in black ink, appearing to be "PO Box 11107".

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Doug C. Tull, et al
PO Box 11107
Midland, TX 79702
Reference #: Salt Draw 2 CN cm

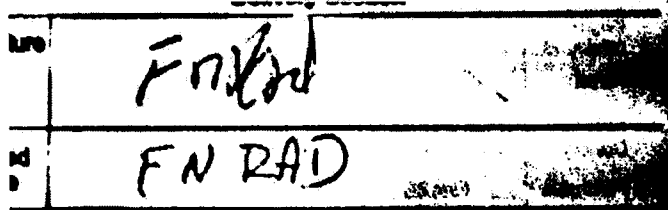


Date: February 1, 2014

Simple Certified:

The following is in response to your February 1, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806134. The delivery record shows that this item was delivered on January 31, 2014 at 3:40 pm in MIDLAND, TX 79708. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Frey Rad
Dexter Resources Co.
PO Box 7015
Midland, TX 79708
Reference #: Salt Draw 2 CN cm



Date: February 4, 2014

Simple Certified:

The following is in response to your February 4, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003806301. The delivery record shows that this item was delivered on February 4, 2014 at 9:15 am in MIDLAND, TX 79702. The scanned image of the recipient information is provided below.

Signature of Recipient :

Valorie Jones
Valorie Jones

Address of Recipient :

Box 2514
Midland TX
79702

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Jim Walton
James A. Walton Oil and Gas, L.P.
PO Box 2514
Midland, TX 79702
Reference #: Salt Draw 2 CN cm

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

January 30, 2014

Via Certified Mail

Faulconer Resources 2001 Limited Partnership, LLP
1001 ESE Loop 323, Suite 160
Tyler, Texas 75701
Attn: Jean Crawley

Re: Application for Surface Commingling

Salt Draw "2" CN Fee No. 1H
155' FNL & 2170' FWL (SL)
330' FSL & 2150' FWL (BHL)
Section 2, T25S, R28E
Eddy County, New Mexico

Salt Draw "2" CN Fee No. 2H
150' FNL & 1670' FWL (SL)
330' FSL & 1980' FWL (BHL)
Section 2, T25S, R28E
Eddy County, New Mexico

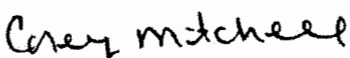
Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") has filed an application with the New Mexico Oil Conservation Division ("Division") seeking authorization to surface commingle production from the San Lorenzo; Bone Spring, North Pool originating from the Salt Draw "2" CN Fee No. 1H well and the WC; Salt Draw; Wolfcamp Pool originating from the Salt Draw "2" CN Fee No. 2H located on Fee Leases, which comprise the W/2 of Section 2, T25S, R28E, Eddy County, New Mexico. All production from these wells is to be stored in the Salt Draw "2" CN Fee No. 1H Tank Battery, located in the NE/4NW/4 of said Section 2. Mewbourne will meter each well separately daily in order to accurately determine each wells production. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

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

