

# Mewbourne Oil Co

Eddy County, New Mexico

Sec 35 23W-28E

Layla 35 MD Fee Com #1H

Wellbore #1

Plan: Design #1

## DDC Well Planning Report

13 March, 2012

SL: 360 FSL + 360 FWL  
L8: 929 FSL + 360 FWL  
BHL: 330 FNL + 360 FWL

Oil Conservation Division

Case No. 14

Exhibit No. 14

**DDC**  
THE DIRECTIONAL DRILLING COMPANY

**DDC**  
Well Planning Report



<b>Database:</b>	EDM 5000.1 Single User:Db	<b>Local Co-ordinate Reference:</b>	Well Layla 35 MD Fee Com #1H
<b>Company:</b>	Mewbourne Oil Co	<b>TVD Reference:</b>	GL3021+20'KB @ 3041.0usft (Patterson UTI Rig)
<b>Project:</b>	Eddy County, New Mexico	<b>MD Reference:</b>	GL3021+20'KB @ 3041.0usft (Patterson UTI Rig)
<b>Site:</b>	Sec 35 23W-28E	<b>North Reference:</b>	Grid
<b>Well:</b>	Layla 35 MD Fee Com #1H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

<b>Project:</b>	Eddy County, New Mexico		
<b>Map System:</b>	US State Plane 1927 (Exact solution)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 (NADCON CONUS)		
<b>Map Zone:</b>	New Mexico East 3001		

<b>Site:</b>	Sec 35 23W-28E				
<b>Site Position:</b>	<b>Northing:</b>	461,407.18 usft	<b>Latitude:</b>	32° 16' 5.618 N	
<b>From:</b>	Map	<b>Easting:</b>	584,793.84 usft	<b>Longitude:</b>	104° 3' 32.396 W
<b>Position Uncertainty:</b>	0.0 usft	<b>Slot Radius:</b>	13-3/16 "	<b>Grid Convergence:</b>	0.15 °

<b>Well:</b>	Layla 35 MD Fee Com #1H					
<b>Well Position</b>	<b>+N-S</b>	-4,772.8 usft	<b>Northing:</b>	456,634.34 usft	<b>Latitude:</b>	32° 15' 18.431 N
	<b>+E-W</b>	-1,826.6 usft	<b>Easting:</b>	582,967.23 usft	<b>Longitude:</b>	104° 3' 53.810 W
<b>Position Uncertainty</b>	0.0 usft	<b>Wellhead Elevation:</b>		<b>Ground Level:</b>	3,021.0 usft	

<b>Wellbore:</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination</b>	<b>Dip Angle</b>	<b>Field Strength</b>
	IGRF2010	3/13/2012	(°)	(°)	(nT)
			7.72	60.11	48,509

<b>Design:</b>	Design #1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.0
<b>Vertical Section:</b>	<b>Depth From (TVD)</b>	<b>+N-S</b>	<b>+E-W</b>	<b>Direction</b>
	(usft)	(usft)	(usft)	(°)
	0.0	0.0	0.0	0.45

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N-S (usft)	+E-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
5,658.1	0.00	0.00	5,658.1	0.0	0.0	0.00	0.00	0.00	0.00	
6,555.7	89.76	0.45	6,231.0	570.5	4.4	10.00	10.00	0.00	0.45	
10,602.2	89.76	0.45	6,248.0	4,616.9	35.9	0.00	0.00	0.00	0.00	Layla 35 MD Fee Con

**DDC**  
Well Planning Report



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<b>Project:</b>	Eddy County, New Mexico	<b>MD Reference:</b>	GL3021+20*KB @ 3041.0usft (Patterson UTI Rig)
<b>Site:</b>	Sec 35 23W-28E	<b>North Reference:</b>	Grid
<b>Well:</b>	Layla 35 MD Fee Com #1H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

**Planned Survey**

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00

**DDC**  
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<b>Company:</b>	Mewbourne Oil Co	<b>TVD Reference:</b>	GL3021+20KB @ 3041.0usft (Patterson UTI Rig)
<b>Project:</b>	Eddy County, New Mexico	<b>MD Reference:</b>	GL3021+20KB @ 3041.0usft (Patterson UTI Rig)
<b>Site:</b>	Sec 35 23W-28E	<b>North Reference:</b>	Gnd
<b>Well:</b>	Layla 35 MD Fee Com #1H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

**Planned Survey**

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
<b>5658 MD: KOP Build @ 10° DLS</b>										
5,658.1	0.00	0.00	5,658.1	0.0	0.0	0.0	0.00	0.00	0.00	
5,700.0	4.19	0.45	5,700.0	1.5	0.0	1.5	10.00	10.00	0.00	
5,800.0	14.19	0.45	5,798.6	17.5	0.1	17.5	10.00	10.00	0.00	
5,900.0	24.19	0.45	5,892.9	50.3	0.4	50.3	10.00	10.00	0.00	
6,000.0	34.19	0.45	5,980.1	99.0	0.8	99.0	10.00	10.00	0.00	
6,100.0	44.19	0.45	6,057.5	162.1	1.3	162.1	10.00	10.00	0.00	
6,200.0	54.19	0.45	6,122.7	237.7	1.8	237.7	10.00	10.00	0.00	
6,300.0	64.19	0.45	6,173.9	323.5	2.5	323.5	10.00	10.00	0.00	
6,400.0	74.19	0.45	6,209.4	416.8	3.2	416.9	10.00	10.00	0.00	
6,500.0	84.19	0.45	6,228.1	514.9	4.0	515.0	10.00	10.00	0.00	
<b>6556 MD - 6231 TVD: EOC 89.76° Incl. Azm. 0.45°</b>										
6,555.7	89.76	0.45	6,231.0	570.5	4.4	570.6	10.00	10.00	0.00	
6,600.0	89.76	0.45	6,231.2	614.8	4.8	614.9	0.00	0.00	0.00	
6,700.0	89.76	0.45	6,231.7	714.8	5.6	714.9	0.00	0.00	0.00	
6,800.0	89.76	0.45	6,232.1	814.8	6.3	814.9	0.00	0.00	0.00	
6,900.0	89.76	0.45	6,232.5	914.8	7.1	914.9	0.00	0.00	0.00	
7,000.0	89.76	0.45	6,232.9	1,014.8	7.9	1,014.9	0.00	0.00	0.00	
7,100.0	89.76	0.45	6,233.3	1,114.8	8.7	1,114.9	0.00	0.00	0.00	
7,200.0	89.76	0.45	6,233.7	1,214.8	9.4	1,214.9	0.00	0.00	0.00	
7,300.0	89.76	0.45	6,234.2	1,314.8	10.2	1,314.9	0.00	0.00	0.00	
7,400.0	89.76	0.45	6,234.6	1,414.8	11.0	1,414.9	0.00	0.00	0.00	
7,500.0	89.76	0.45	6,235.0	1,514.8	11.8	1,514.9	0.00	0.00	0.00	
7,600.0	89.76	0.45	6,235.4	1,614.8	12.5	1,614.9	0.00	0.00	0.00	
7,700.0	89.76	0.45	6,235.8	1,714.8	13.3	1,714.9	0.00	0.00	0.00	
7,800.0	89.76	0.45	6,236.3	1,814.8	14.1	1,814.8	0.00	0.00	0.00	
7,900.0	89.76	0.45	6,236.7	1,914.8	14.9	1,914.8	0.00	0.00	0.00	
8,000.0	89.76	0.45	6,237.1	2,014.8	15.7	2,014.8	0.00	0.00	0.00	
8,100.0	89.76	0.45	6,237.5	2,114.8	16.4	2,114.8	0.00	0.00	0.00	
8,200.0	89.76	0.45	6,237.9	2,214.8	17.2	2,214.8	0.00	0.00	0.00	
8,300.0	89.76	0.45	6,238.4	2,314.8	18.0	2,314.8	0.00	0.00	0.00	
8,400.0	89.76	0.45	6,238.8	2,414.8	18.8	2,414.8	0.00	0.00	0.00	
8,500.0	89.76	0.45	6,239.2	2,514.8	19.5	2,514.8	0.00	0.00	0.00	
8,600.0	89.76	0.45	6,239.6	2,614.8	20.3	2,614.8	0.00	0.00	0.00	
8,700.0	89.76	0.45	6,240.0	2,714.8	21.1	2,714.8	0.00	0.00	0.00	
8,800.0	89.76	0.45	6,240.5	2,814.8	21.9	2,814.8	0.00	0.00	0.00	
8,900.0	89.76	0.45	6,240.9	2,914.8	22.6	2,914.8	0.00	0.00	0.00	
9,000.0	89.76	0.45	6,241.3	3,014.7	23.4	3,014.8	0.00	0.00	0.00	
9,100.0	89.76	0.45	6,241.7	3,114.7	24.2	3,114.8	0.00	0.00	0.00	
9,200.0	89.76	0.45	6,242.1	3,214.7	25.0	3,214.8	0.00	0.00	0.00	
9,300.0	89.76	0.45	6,242.5	3,314.7	25.8	3,314.8	0.00	0.00	0.00	
9,400.0	89.76	0.45	6,243.0	3,414.7	26.5	3,414.8	0.00	0.00	0.00	
9,500.0	89.76	0.45	6,243.4	3,514.7	27.3	3,514.8	0.00	0.00	0.00	
9,600.0	89.76	0.45	6,243.8	3,614.7	28.1	3,614.8	0.00	0.00	0.00	
9,700.0	89.76	0.45	6,244.2	3,714.7	28.9	3,714.8	0.00	0.00	0.00	
9,800.0	89.76	0.45	6,244.6	3,814.7	29.6	3,814.8	0.00	0.00	0.00	
9,900.0	89.76	0.45	6,245.1	3,914.7	30.4	3,914.8	0.00	0.00	0.00	

**DDC**  
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<b>Site:</b>	Sec 35 23W-28E	<b>North Reference:</b>	Grid
<b>Well:</b>	Layla 35 MD Fee Com #1H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

**Planned Survey**

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/S (usft)	+E/W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
10,000.0	89.76	0.45	6,245.5	4,014.7	31.2	4,014.8	0.00	0.00	0.00	
10,100.0	89.76	0.45	6,245.9	4,114.7	32.0	4,114.8	0.00	0.00	0.00	
10,200.0	89.76	0.45	6,246.3	4,214.7	32.7	4,214.8	0.00	0.00	0.00	
10,300.0	89.76	0.45	6,246.7	4,314.7	33.5	4,314.8	0.00	0.00	0.00	
10,400.0	89.76	0.45	6,247.2	4,414.7	34.3	4,414.8	0.00	0.00	0.00	
10,500.0	89.76	0.45	6,247.6	4,514.7	35.1	4,514.8	0.00	0.00	0.00	
10,600.0	89.76	0.45	6,248.0	4,614.7	35.8	4,614.8	0.00	0.00	0.00	
<b>TD at 10602'MD: 6248'TVD - Layla 35 MD Fee Com #1H</b>										
10,602.2	89.76	0.45	6,248.0	4,616.9	35.9	4,617.0	0.00	0.00	0.00	

**Design Targets**

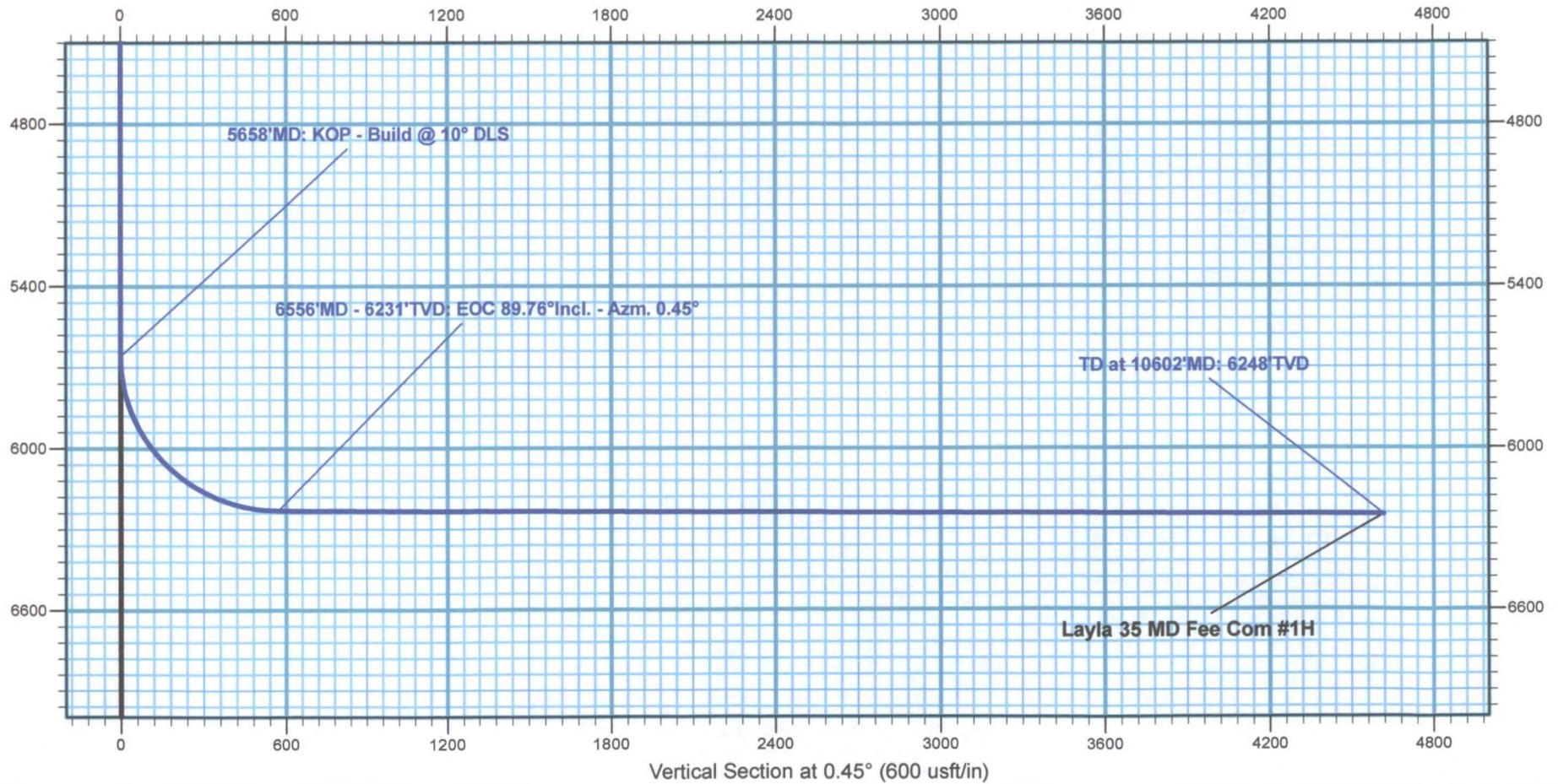
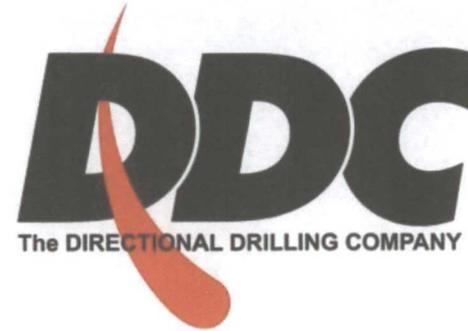
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/S (usft)	+E/W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Layla 35 MD Fee Com #	0.00	0.00	6,248.0	4,616.9	35.9	461,251.26	583,003.10	32° 16' 4.120 N	104° 3' 53.258 W
- hit/miss target									
- Shape									
- plan hits target center									
- Point									

**Plan Annotations**

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/S (usft)	+E/W (usft)	
5,658.1	5,658.1	0.0	0.0	5658'MD: KOP - Build @ 10° DLS
6,555.7	6,231.0	570.5	4.4	6556'MD - 6231'TVD: EOC 89.76°Incl. - Azm. 0.45°
10,602.2	6,248.0	4,616.9	35.9	TD at 10602'MD: 6248'TVD

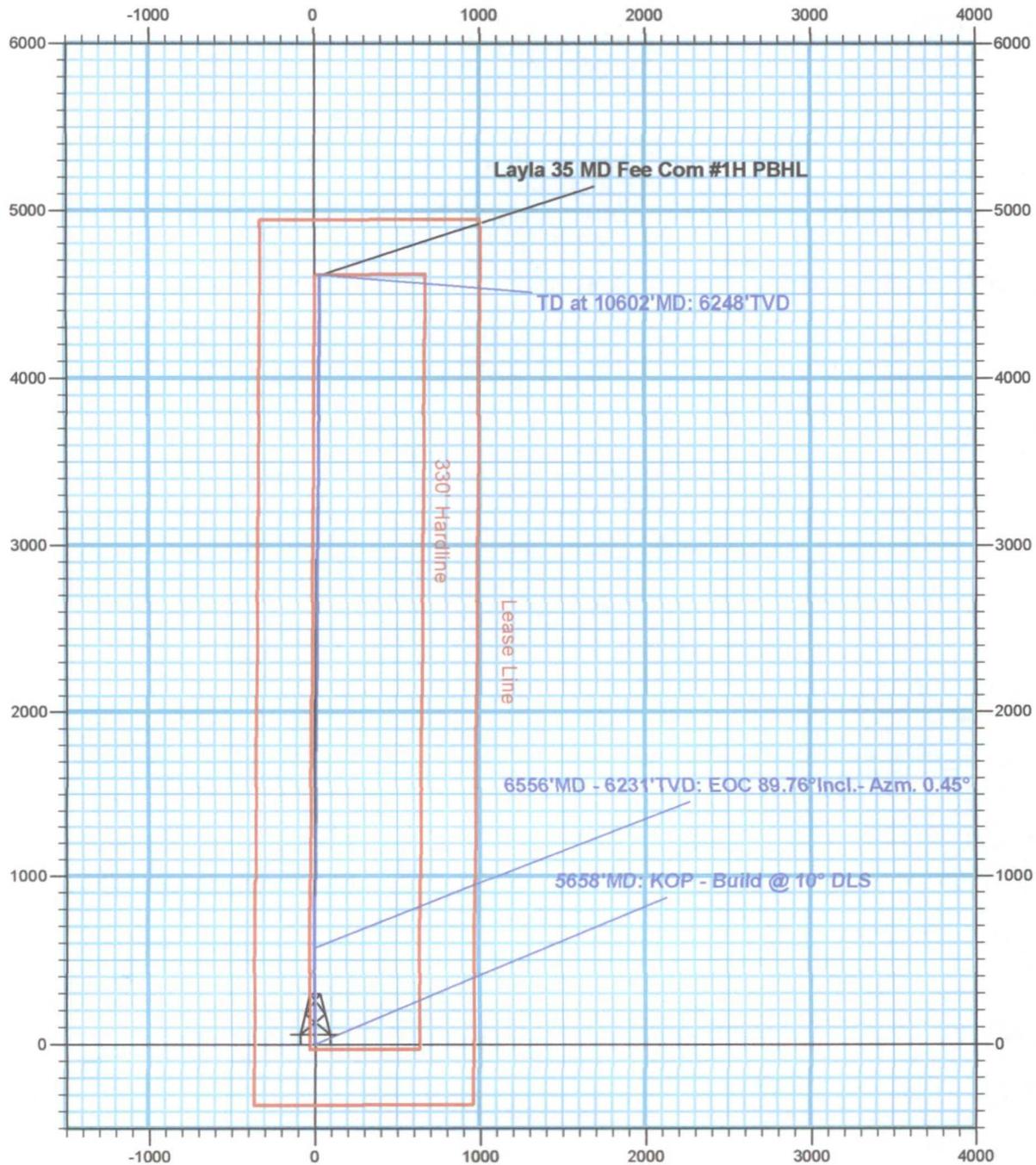
# Mewbourne Oil Co

Layla 35 MD Fee Com #1H  
Sec 35 23W-28E  
Eddy County, New Mexico  
Design #1  
Q120205



# Mewbourne Oil Co

Layla 35 MD Fee Com #1H  
Sec 35 23W-28E  
Eddy County, New Mexico  
Design #1  
Q120205



*Should be Correct*

**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:

**Carl Enderud  
510 Hemlock St.  
Centralia, Washington 98531**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressed

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

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

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

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number **7009 2250 0000 0616 6606**  
(transfer from service label)  
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-04-1540

**First Class Mail**

**FROM**  
**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

---

**SHIP TO**  
Carl Enderud  
510 Hemlock St.  
Centralia, Washington 98531

**RETURN POSTAGE GUARANTEED**

*9/26/11*

**RETURN TO SENDER UNCLAIMED**

**UNCLAIMED**

1st NOTICE 10-15  
2nd NOTICE 10-23  
RETURNED

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

September 22, 2011

Via Certified Mail Return Receipt No. 6620

Lloyd Enderud  
521 South 1<sup>st</sup>  
Arkansas City, Kansas 67005

Re: MOC's Layla "35" Prospect  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

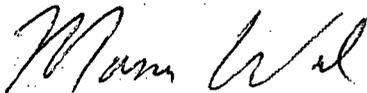
Mewbourne Oil Company ("Mewbourne") as Operator is interested in drilling multiple horizontal wells under the captioned land for Delaware and Bone Spring oil production. As part of our leasing efforts, we are trying to determine the mineral ownership of the N/2 SW/4 SW/4 NW/4 of the above mentioned Section 35. I have attached a portion of our Title Opinion that explains the discrepancies of title in this tract ("Tract 5"), which appears to be unleased.

Please advise me what interest, if any, you claim in the mineral ownership in Tract 5. Also, I would appreciate your advising me who the other owners are and their addresses so we can proceed with acquiring Oil and Gas Leases on this property. We would like to drill an initial well in the first quarter of next year.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
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:

Lloyd Enderud  
521 South 1<sup>st</sup>  
Arkansas City, Kansas 67005

2. Article Number

(Transfer from service label)

7009 2250 0000 0618 6620

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail  Express Mail

Registered  Return Receipt for Merchandise

Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

FROM  
**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS, SUITE 1020  
MIDDLAND, TEXAS 79701  
SHIP TO

**First Class Mail**

10-11  
9-29  
9-24



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

September 22, 2011

Via Certified Mail Return Receipt No. 6675

Roy O. Enderud  
P. O. Box 672  
Big Bear, California 92314

Re: MOC's Layla "35" Prospect  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

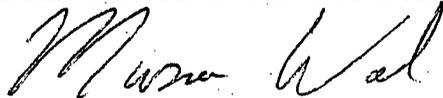
Mewbourne Oil Company ("Mewbourne") as Operator is interested in drilling multiple horizontal wells under the captioned land for Delaware and Bone Spring oil production. As part of our leasing efforts, we are trying to determine the mineral ownership of the N/2 SW/4 SW/4 NW/4 of the above mentioned Section 35. I have attached a portion of our Title Opinion that explains the discrepancies of title in this tract ("Tract 5"), which appears to be unleased.

Please advise me what interest, if any, you claim in the mineral ownership in Tract 5. Also, I would appreciate your advising me who the other owners are and their addresses so we can proceed with acquiring Oil and Gas Leases on this property. We would like to drill an initial well in the first quarter of next year.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

Hand 85

**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:

Roy O. Enderud  
 P. O. Box 672  
 Big Bear, California 92314  
 NOT KNOWN

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Agent   
 B. Received by (Printed Name)  Address   
 C. Date of Delivery   
 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  No

2. Article Number

(Transfer from service label)

7009 2250 0000 0616 6675

PS Form 3811, February 2004

Domestic Return Receipt

10295-02-00-1540

FROM
<b>MEWBOURNE OIL COMPANY</b> 500 WEST TEXAS, SUITE 1020 MIDLAND, TEXAS 79701
SHIP TO
Roy O. Enderud P. O. Box 672 Big Bear, California 92314 NOT KNOWN <b>RETURN POSTAGE GUARANTEED</b>

**First Class Mail**



RECEIVED  
 FEB 10 10 10  
 ENDERUD  
 UNDELIVERED  
 RETURNED TO SENDER  
 ADDRESSES NOT KNOWN  
 NO SUCH PERSON  
 NO SUCH OFFICE OR STREET  
 NO POST OFFICE IN AREA

272

9/23/10  
 10-1  
 10/10



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9660

Clarence W. Ervin and Mary I. Ervin  
4016 Jones Street  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

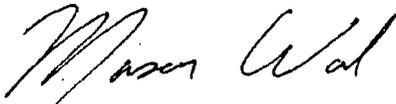
Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
Clarence W. Ervin

By: \_\_\_\_\_  
Mary I. Ervin

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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. Easton*

B. Received by (Printed Name) *Easton* C. Date of Delivery *2-22-10*

1. Article Addressed to:

**Clarence W. Ervin and**  
**Mary I. Ervin**  
**4016 Jones Street**  
**Carlsbad, New Mexico 88220**

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

2. Article Number *7009 2250 0000 0617 9660*  
 (Transfer from service label)

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Clarence W. Ervin and Mary I. Ervin  
4016 Jones Street  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. and Mrs. Ervin:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Clarence W. Ervin and Mary I. Ervin  
4016 Jones Street  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

*Canon Jones - Grandson  
(505) 706-4439*

Dear Mr. & Mrs. Ervin:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**CLARENCE W. ERVIN**

By: \_\_\_\_\_  
Clarence W. Ervin

\_\_\_\_\_

Date signed: \_\_\_\_\_

**MARY I. ERVIN**

By: \_\_\_\_\_  
Mary I. Ervin

\_\_\_\_\_

Date signed: \_\_\_\_\_

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

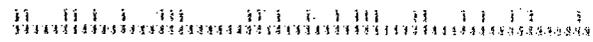
*Paul*

**Clarence W. Irvin  
c/o 16 Jones Street  
Carlsbad, New Mexico 88220**



NIXIE. 871 5A 1 00 04/2  
RETURN TO SENDER  
INSUFFICIENT ADDRESS  
UNABLE TO FORWARD  
RC: 79701420099 \*2810-05588-1

88220329901@4200



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Clarence W. Irvin  
c/o 16 Jones Street  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Irvin:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/tdm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9783

Pavlos P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

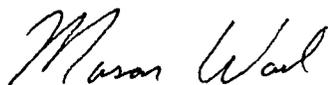
Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Pavlos P. Panagopoulos**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

**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:

**Pavlos P. Panagopoulos**  
~~1805 Sandy Lane~~  
~~Carlsbad, New Mexico 88220~~

2. Article Number

*(Transfer from service label)*

7009 2250 0000 0617 9783

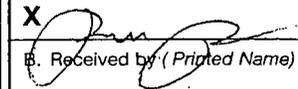
PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X 

Agent

Addressee

B. Received by (*Printed Name*)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

615 Willowbrook Ln

Belen NM 87002

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

March 6, 2012

Pavlos P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Pavlos:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY

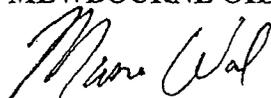


Mason Wood  
Landman

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company an Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Pavlos P. Panagopoulos**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 4, 2012

Via Certified Mail-Return Receipt No. 7634

Pavlos P. Panagopoulos  
615 Willowbrook  
Belen, New Mexico 87002

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Pavlos P. Panagopoulos  
615 Willowbrook  
Belen, New Mexico 87002

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Panagopoulos:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**PAVLOS P. PANAGOPOULOS**

By: \_\_\_\_\_  
Pavlos P. Panagopoulos

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Pavlos P. Panagopoulos  
615 Willowbrook  
Belen, New Mexico 87002

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

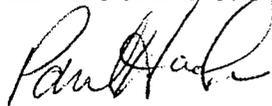
Dear Mr. Panagopoulos:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/tgm



Re: Layla "35" WIU  
Paul Haden to: pavlos

05/01/2012 10:28 AM

From: Paul Haden/Mewbourne  
To: pavlos@financialnetwork.com

Mr. Panagopoulos , see attached letter and portions of our Drilling Title Opinion. Corey Mitchell of this office advised me that you needed some information regarding title to a 12.6/350 mineral interest which is subject to being force pooled. Let me know if I can be of any further help. As this interest is such a title mess , I'm not certain that the title can be cured. However , you are welcome to try. Thanks.

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

----- Forwarded by Paul Haden/Mewbourne on 05/01/2012 10:08 AM -----

From: midland@mewbourne.com  
To: phaden@mewbourne.com  
Date: 05/01/2012 10:05 AM  
Subject:

---

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TASKalfa 520i  
[00:c0:ee:7a:75:8d]  
-----



doc02590320120501100500.pdf

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 1, 2012

(C) 505-828-4068  
(C) 505-610-8398

Via email pavlos@financialnetwork.com and  
First Class Mail

Mr. Pavlos P. Panagopoulos  
615 Willowbrook  
Belen, New Mexico 87002

Re: Layla "35" WIU  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Panagopoulos:

Regarding the captioned Working Interest Unit (WIU) and land, enclosed for your information is a copy of the pertinent pages to our Drilling Opinion of Title dated May 16, 2011 regarding the mineral ownership of Tracts 8 and 9 as described therein. This is in regard to a 12.6/350 mineral interest in Tracts 8 and 9 which tracts collectively cover 350 acres.

As referenced in Title Requirement Y on Page 59, the parties claiming an interest in the 12.6/350 mineral interest referenced above must execute a Stipulation of Interest setting forth their respective ownership. This ownership may require judicial determination. If the ownership can be agreed on between the parties, we would be willing to prepare a Stipulation of Interest for the owners to execute so we can obtain Oil and Gas Leases from them. Otherwise, this interest will be subject to being force pooled at an Examiner's Hearing in Santa Fe. Should you need the address for the respective owners, please let me know and I'll furnish you the addresses we have for those parties. Some of them we could not find.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

May 30th, 2012

Re: Pre Hearing Statement

Case:14857

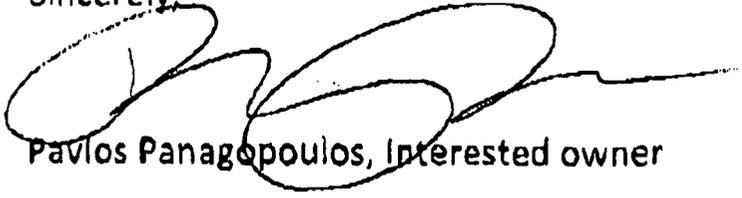
Dear Mr. Willam V. Jones and David K. Brooks:

I would like to request a continuance for the June 7, 2012 meeting to a later date. I am asking this on behalf of myself as an interested owner being forced pooled as well as my family members that represent 5 of the 17 Interested parties. We need additional time inorder to retain counsel and prepare for our case of not being forced pooled and prove our rightful ownership of of our interest in the mineral rights.

Please add my name to the list of witnesses to be called at the hearing on June 7th.

I may be reached at (505)828-4068 or (505) 610-8398 or pavlos@financialnetwork.com. I have contacted Mr. James Bruce the coustil for Mewborne Oil Company and he has not responded to me. I will fax this letter to his office.

Sincerely,

A handwritten signature in black ink, consisting of several large, overlapping loops and a long horizontal stroke extending to the right.

Pavlos Panagopoulos, Interested owner

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 1, 2012

Via email pavlos@financialnetwork.com and  
First Class Mail

Mr. Pavlos P. Panagopoulos  
615 Willowbrook Lane  
Belen, New Mexico 87002

Re: Layla "35" MD Fee Com #1H Well  
W/2W/2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Panagopoulos:

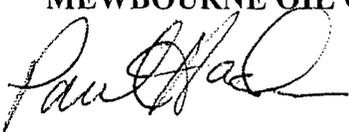
We are in receipt of your Pre Hearing Statement regarding Pooling Case No. 14857 pertaining to your mineral ownership in the captioned proposed well. Pursuant to your request, we are continuing the referenced case to be heard at the Examiner's Hearing on Thursday, July 12, 2012 at 8:15 A.M. in their office in Santa Fe. This will give you additional time to research and/or prove your mineral ownership in the W/2SW/4 of the captioned Section 35, among other lands.

As stated in my previous letter to you dated May 1, 2012 the examining title attorney was unable to determine what your mineral ownership was in a 12.6/350 mineral interest in Tracts 8 and 9 referenced in our Drilling Opinion of Title dated May 16, 2011. I sent you a copy of the pages of the referenced title opinion which sets forth the confusion associated with the chain of title pertaining to your mineral ownership. We hope you and the other owners owning an interest in the referenced 12.6/350 mineral interest can come to agreement as to who owns this interest so we can acquire Oil and Gas Leases covering such interest.

If there is anything else I can help you with regarding the above, please let me know.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

xc: Mr. James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9653

Panagopoulos Enterprises  
929 Lee Trevino Blvd.  
Belen, New Mexico 87002

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

**PANAGOPOULOS ENTERPRISES**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

- 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:

**Panagopoulos Enterprises**  
~~929 Lee Trevino Blvd.~~  
**Belen, New Mexico 87002**

A. Signature

- Agent  
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

615 Willowbrook

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 0617 9653

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Panagopoulos Enterprises  
929 Lee Trevino Blvd.  
Belen, New Mexico 87002

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Panagopoulos Enterprises  
929 Lee Trevino Blvd.  
Belen, New Mexico 87002

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**PANAGOPOULOS ENTERPRISES**

By: \_\_\_\_\_

Date signed: \_\_\_\_\_

: \_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Panagopoulos Enterprises  
929 Lee Trevino Blvd.  
Belen, New Mexico 87002

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9806

Magdalene P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Magdalene P. Panagopoulos**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

SENDER COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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 \_\_\_\_\_

1. Article Addressed to:

Magdalene P. Panagopoulos  
 1805 Sandy Lane  
 Carlsbad, New Mexico 88220



D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No  
 10008 Ranch Hand  
 LAS VEGAS NV 89117

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 0617 9806



Re: Fwd: mewbourne oil company   
Mason Wood to: dolly panagopoulos

03/01/2012 08:15 AM

Hello Dolly,

As mentioned in the portions of the Title Opinion I sent you, the ownership in this small tract is uncertain. If you wish to participate in this well, you must first provide me with documentation that clears up the title and proves that you own it. The discrepancies in the title are outlined on pages 53-60 of the Title Opinion I sent to you. If you cannot prove your ownership, Mewbourne offered to purchase a lease from you on the basis of a \$100 bonus and a 3/16 royalty on your unknown interest. Please let me know if you have any more questions.

Regards,

**Mason Wood**

Landman

Phone: (432) 682-3715 | Fax: (432) 685-4170

Email: [MWood@Mewbourne.com](mailto:MWood@Mewbourne.com)

Mewbourne Oil Company

500 W. Texas, Suite 1020

Midland, Tx 79701 US

dolly panagopoulos

Good Morning Mason, We just received your c...

02/29/2012 09:37:22 AM

---

From: dolly panagopoulos <[fitrealtor@aol.com](mailto:fitrealtor@aol.com)>  
To: [mwood@mewbourne.com](mailto:mwood@mewbourne.com)  
Cc: [pavlos@financialnetwork.com](mailto:pavlos@financialnetwork.com), [npanagopoulos@comcast.net](mailto:npanagopoulos@comcast.net), [pennypana@aol.com](mailto:pennypana@aol.com)  
Date: 02/29/2012 09:37 AM  
Subject: Fwd: mewbourne oil company

---

***Good Morning Mason,***

***We just received your certified letter in the mail. We are the owner's of the property and the mineral rights to it. Please provide us on how to proceed forward.***

***Thank you!***

***Magdalene "Dolly" Panagopoulos***

**Dolly Panagopoulos  
Realty One Group  
Team DMV! Dolly\*Margie\*Vegas!  
10750 W. Charleston Suite #180  
Las Vegas, NV 89135  
Direct: 702-592-8867  
Email: [Fitrealtor@aol.com](mailto:Fitrealtor@aol.com)  
[www.teamdmvlasvegas.com](http://www.teamdmvlasvegas.com)**

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Magdalene P. Panagopoulos  
10008 Ranch Hand  
Las Vegas, NV 89117

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Magdalene:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

3  
RITNEY BOWEN  
\$ 001.50<sup>0</sup>  
02 4P  
000342924  
APR 17 2012  
MAILED FROM ZIP CODE 79701

MIDLAND TX 79701  
TUE 17 APR 2012 PM

**FROM**  
**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

**SHIP TO**  
Magdalene P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

**RETURN POSTAGE GUARANTEED**

  
**REASON CHECKED**  
 Unclaimed  Refused  
 Attempted - Not Known  
 No Such Street  No Such Number  
 No Such Office In State  
 Do Not Remail This Envelope

FOE

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Magdalene P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Panagopoulos:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**MAGDALENE P. PANAGOPOULOS**

By: \_\_\_\_\_  
Magdalene P. Panagopoulos

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 21, 2012

Via Certified Mail-Return Receipt No. 8273

Magdalene P. Panagopoulos  
10008 Rand Hand Avenue  
Las Vegas, Nevada 89117

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Panagopoulos:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**MAGDALENE P. PANAGOPOULOS**

By: \_\_\_\_\_  
Magdalene P. Panagopoulos

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9776

Andreas P. Panagopoulos  
1805 Sandy lane  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

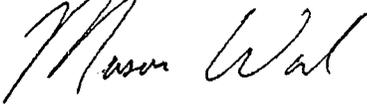
Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Andreas P. Panagopoulos**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

- 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:

**Andreas P. Panagopoulos** ✓  
~~1805 Sandy Lane~~  
**Carlsbad, New Mexico 88220**

A. Signature

X



Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

615 Willowbrook LN  
 Belen NM 87002

3. Service Type

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

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label)

7009 2250 0000 0617 9776

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Andreas P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Andreas:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

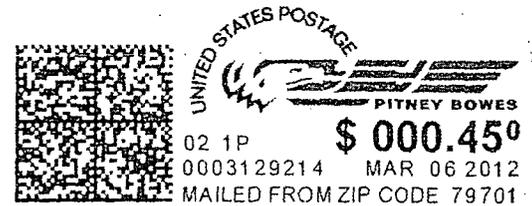
MEWBOURNE OIL COMPANY



Mason Wood  
Landman

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701



**Andreas P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220**

NIXIE 871 SE 1 00 03/08/12  
RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD  
BC: 79701427970 \*2910-06641-06-35

8822038801 @4279



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 4, 2012

Via Certified Mail-Return Receipt No. 7627

Andreas P. Panagopoulos  
615 Willowbrook  
Belen, New Mexico 87002

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company an Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Andreas P. Panagopoulos**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Andreas P. Panagopoulos  
615 Willowbrook  
Belen, New Mexico 87002

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Panagopoulos:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**ANDREAS P. PANAGOPOULOS**

By: \_\_\_\_\_  
Andreas P. Panagopoulos

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Andreas P. Panagopoulos  
615 Willowbrook  
Belen, New Mexico 87002

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Panagopoulos:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9790

Panagotia P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

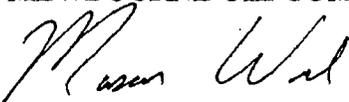
Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Panagotia P. Panagopoulos**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

**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:

Panagotia P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

2. Article Number  
(Transfer from service label)

7009 2250 0000 0617 9790

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature <i>x Penny Lindall</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>PENNY LINDALL</i>	C. Date of Delivery <i>MAR 1 2004</i>	
D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No		
<i>6251 FORT WEST LAS VEGAS NV 89108</i>		
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Panagotia P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

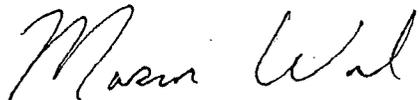
Dear Panagotia:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701



**Panagotia P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220**

NIXIE 871 DE 1 00 03/08/12  
RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD  
BC: 79701427970 \*1110-02485-06-44

88220358270 88279



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Panagotia P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Panagopoulos:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**PANAGOTIA P. PANAGOPOULOS**

By: \_\_\_\_\_  
Panagotia P. Panagopoulos

Date signed: \_\_\_\_\_

\_\_\_\_\_

02-110 \$ 001.5  
000342941 APR 17 2  
MAILED FROM ZIP CODE 79

MIDLAND TX 79701  
TUE 17 APR 2012 PM

**FROM**

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

**SHIP TO**

Panagotia P. Panagopoulos  
1805 Sandy Lane  
Carlsbad, New Mexico 88220

**RETURN POSTAGE GUARANTEED**

REASON CHECKED  
 Unclaimed  
 Attempted  
 Not Known  
 No Such Street  
 No Such Office in State  
 No Such Number  
 Do Not Remail This Envelope

*Deceased*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 21, 2012

Via Certified Mail-Return Receipt No. 8280

Panagotia P. Panagopoulos  
6251 Fort West Road  
Las Vegas, Nevada 89117

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Panagopoulos:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**PANAGOTIA P. PANAGOPOULOS**

By: \_\_\_\_\_  
Panagotia P. Panagopoulos

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9714

Laura Meade  
611 N. Mesa Avenue  
Carlsbad, New Mexico 88203

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above..

By: \_\_\_\_\_  
**Laura Meade**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

**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:

**Laura Meade**  
**611 N. Mesa Avenue**  
**Carlsbad, New Mexico 88203**

2. Article Number

*(Transfer from service label)*

7009 2250 0000 0617 9714

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

Agent  
 Addressee  
*Laura O Meade*

B. Received by (Printed Name)

*Laura O Meade*

C. Date of Delivery

*7/22/12*

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Laura Meade  
611 N. Mesa Avenue  
Carlsbad, New Mexico 88203

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mrs. Meade:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Laura Meade  
611 N. Mesa Ave.  
Carlsbad, New Mexico 88203

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Meade:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**LAURA MEADE**

By: \_\_\_\_\_  
Laura Meade

Date signed: \_\_\_\_\_

\_\_\_\_\_



**Re: Laura Meade - Layla "35" Ownership**   
Paul Haden to: lisa fregosi

04/23/2012 08:38 AM

From: Paul Haden/Mewbourne  
To: lisa fregosi <ldontest@hotmail.com>

Lisa and Laura , see below. Laura , I'll call you later today to discuss. Thanks for your response.

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

---

lisa fregosi

to who it may concern: i am contacting you in re...

04/20/2012 01:26:34 PM

From: lisa fregosi <ldontest@hotmail.com>  
To: <phaden@mewbourne.com>  
Date: 04/20/2012 01:26 PM  
Subject:

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to who it may concern: i am contacting you in regards to the ownership of layla "35" MD Fee com #1h well

330" FSL 360' FWL SL)  
330'FNL 7 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, new mexico

i have proof of ownership. i you will send me a Fax# i will fax you a copy.  
Thank you

laura meade

# Mail Service Center

522 W. Mermod St. Carlsbad, NM 88220

(575) 887-0900 (575) 885-1140

Fax: (575) 887-0794

- Bulk Mailing
- Printing
- Shipping
- UPS
- USPS
- Fedex
- Business Cards
- Copies
- Binding

# Fax

1 of 2 PAGES

DATE: 4-27-12

ATTENTION: D Paul Haden, Senior Purchaser

FAX # DAILED: (432) 685-4170

FROM: Kaura Meade

PHONE: (575) 985-5825 FAX:

NOTES: Certificate of Oil Shares

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197871

**CERTIFICATE**  
**DS 2562**

INCORPORATED UNDER THE LAWS  
OF THE STATE OF DELAWARE



# MGF

OIL CORPORATION

**CERTIFICATE**  
**100**

THIS CERTIFICATE IS TRANSFERABLE  
IN THE CITY OF DALLAS, TEXAS  
OR NEW YORK, NEW YORK

**CUSIP 552813 10 7**  
SEE REVERSE FOR CERTAIN DEFINITIONS

CERTIFIES THAT

LAURA MEADE

ONE HUNDRED

SHARES OF THE CAPITAL STOCK OF THE PAR VALUE OF ONE DOLLAR (\$1.00) PER SHARE OF  
**MGF OIL CORPORATION**

transferable only on the books of the Corporation, by the holder hereof in person or by attorney upon surrender of this certificate properly endorsed. This certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.  
IN WITNESS WHEREOF, the Corporation has caused the facsimile signatures of its duly authorized officers and its facsimile seal to be fixed hereto.

Dated: MAY 13 1983

*R.D. Meyer*  
President

*B.W. Proctor*  
Secretary



Countersigned and Registered:  
**TEXAS AMERICAN BANK/DALLAS**  
(Dallas, Texas)  
Transfer Agent and Registrar

By

*[Signature]*  
Authorized Signature

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Laura Meade  
611 N. Mesa Ave.  
Carlsbad, New Mexico 88203

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mrs. Meade:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9615

LBD, a Limited Partnership  
Post Office Box 686  
Hobbs, New Mexico 88241

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

**LBD, LIMITED PARTNERSHIP**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

- 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:

**LBD, Limited Partnership**  
**Post Office Box 686**  
**Hobbs, New Mexico 88241**

2. Article Number  
(Transfer from service label)

7009 2250 0000 0617 9615

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-15

A. Signature X <i>Erica Zamora</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>Erica Zamora</i>	C. Date of Delivery <i>2/3</i>	
D. Is delivery address different from item 1? If YES, enter delivery address below:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Service Type		
<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail	
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise	
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

LBD, a Limited Partnership  
Post Office Box 686  
Hobbs, New Mexico 88241

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

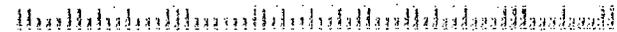
*File Mason*



**LBD, a Limited Partnership  
Post Office Box 686  
Hobbs, New Mexico 88241**

NIXIE 871 3E 1 00 03/15/12  
RETURN TO SENDER  
ATTEMPTED - NOT KNOWN  
UNABLE TO FORWARD  
BC: 79701427970 \*2910-07054-06-36

88241379701@4279



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

LBD, a Limited Partnership  
P.O. Box 686  
Hobbs, New Mexico 88241

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

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Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**LBD, A LIMITED PARTNERSHIP**

By: \_\_\_\_\_

Date signed: \_\_\_\_\_

Tax I.D. No.: \_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 19, 2012

Via Certified Mail-Return Receipt No. 7863

LBD, a Limited Partnership  
928 Mesa Verde  
Hobbs, New Mexico 88240

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less. Enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned proposed well. In the event you can prove your ownership in the W/2W/2 of the captioned Section 35, please sign and return the AFE if you want to participate in the proposed well.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

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Layla "35" MD Fee Com #1H Well  
April 19, 2012  
Page 2 of 2

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**LBD, A LIMITED PARTNERSHIP**

By: \_\_\_\_\_

Date signed: \_\_\_\_\_

Tax I.D. No.: \_\_\_\_\_

*Label 35*

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>■ Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> <i>Bobby Thomas</i>      <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)      C. Date of Delivery  <i>Bobby Thomas</i>      <i>9-24-12</i></p>	
<p>1. Article Addressed to:</p> <p style="text-align: center;"><b>LBD, a Limited Partnership</b>  <b>928 Mesa Verde</b>  <b>Hobbs, New Mexico 88240</b></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail      <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered      <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail      <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee)      <input type="checkbox"/> Yes</p>	
<p>2. Article Number  (Transfer from service label)</p>	<p style="text-align: center;">7010 1870 0001 6456 7863</p>	

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

LBD, a Limited Partnership  
928 Mesa Verde  
Hobbs, New Mexico 88240

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/tgm

**Mewbourne Oil Company**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

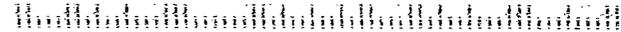


*Not this  
address*

**LBD, a Limited Partnership  
928 Mesa Verde  
Hobbs, New Mexico 88240**

NIXIE 871 SE 1 00 05/04/12  
RETURN TO SENDER  
ATTEMPTED - NOT KNOWN  
UNABLE TO FORWARD  
BC: 79701427970 \*2810-05525-24-35

8824030251@4279



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9554

James W. Klipstine, Jr.  
Klipstine & Honigmann, LLC  
1601 N. Turner, Suite 400  
Hobbs, New Mexico 88240

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

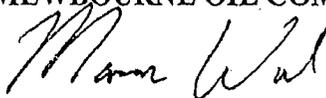
Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

MEWBOURNE OIL COMPANY

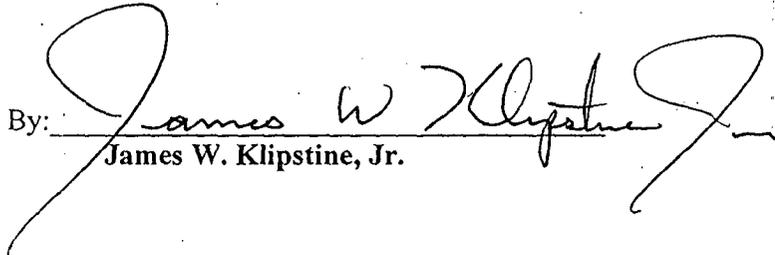


Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By:



James W. Klipstine, Jr.

Date signed:

3-13-12

Tax I.D.#:

585-10-0519

**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:

**James W. Klipstine, Jr.** ✓  
**Klipstine & Honigmann, LLC**  
**1601 N. Turner, Suite 400**  
**Hobbs, New Mexico 88240**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 *Kathy Turner*       Agent  
 Addressee

B. Received by (Printed Name)      C. Date of Delivery  
*Kathy Turner*      *2-22-02*

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

2. Article Number: 7009 2250 0000 0617 9554  
 (Transfer from service label)

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

James W. Klipstine, Jr.  
Klipstine & Honigmann, LLC  
1601 N. Turner, Suite 400  
Hobbs, New Mexico 88240

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Klipstine:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 19, 2012

James W. Klipstine, Jr.  
Klipstine & Honigmann, LLC  
1601 N. Turner, Suite 400  
Hobbs, New Mexico 88240

Re: MOC's LAYLA "35" Prospect  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Klipstine:

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. Upon my receipt of the executed lease, I will send you a check for \$100.00 which represents the lease bonus payment we agreed upon for your unknown portion of a 12.6/350 interest in the S/2 S/2 NE/4, SE/4, E/2 SW/4, W/2 NW/4 SW/4, SE/4 NW/4 SW/4, S/2 NE/4 NW/4 SW/4, E/2 SW/4 SW/4, SW/4 SW/4 SW/4, N/2 NW/4 SW/4 SW/4, all in the captioned section 35.

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 [mwood@mewbourne.com](mailto:mwood@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9561

Kevin J. Hanratty  
P.O. Box 1330  
Artesia, New Mexico 88211

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Kevin J. Hanratty**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

SENDER TO COMPLETE THIS SECTION

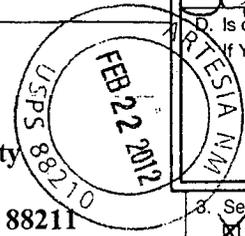
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature  Agent  
 Address  
*Sophy Brisen*

B. Received by (Printed Name)  Date of Delivery  
*Sophy Brisen*

1. Article Addressed to:

Kevin J. Hanratty  
 P.O. Box 1330  
 Artesia, New Mexico 88211



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 0617 9561**

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Kevin J. Hanratty  
P. O. Box 1330  
Artesia, New Mexico 88211

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hanratty:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

(03/30/2012)

Phone call from Kevin Hanratty's secretary, said he would settle for \$500. Told her "No thank you"; told her we think \$100 is a fair price since we don't know what he owns or if he owns anything.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Kevin J. Hanratty  
P.O. Box 1330  
Artesia, New Mexico 88211

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hanratty:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

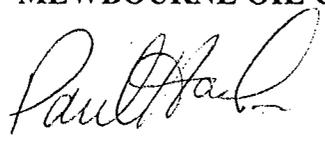
Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**KEVIN J. HANRATTY**

By: \_\_\_\_\_  
Kevin J. Hanratty

Date signed: \_\_\_\_\_

\_\_\_\_\_  
[Redacted]

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Kevin J. Hanratty  
P.O. Box 1330  
Artesia, New Mexico 88211

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hanratty:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9677

Bonnie R. Gregory  
305 S. Hemlock Ave.  
Roswell, New Mexico 88203

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Bonnie R. Gregory**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

**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:

**Bonnie R. Gregory**  
**305 S. Hemlock Ave.**  
**Roswell, New Mexico 88203**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressee

X *Bonnie R. Gregory*

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

*Bonnie R. Gregory* *2/27*

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

2. Article Number 7009 2250 0000 0617 9677  
(Transfer from service label)

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Bonnie R. Gregory  
305 S. Hemlock Ave.  
Roswell, New Mexico 88203

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mrs. Gregory:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

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Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Bonnie R. Gregory  
305 S. Hemlock Ave.  
Roswell, New Mexico 88203

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Gregory:

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Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**BONNIE R. GREGORY**

By: \_\_\_\_\_  
Bonnie R. Gregory

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Bonnie R. Gregory  
305 South Hemlock Ave.  
Roswell, New Mexico 88203

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Gregory:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9745

Nevill Manning  
2112 Indiana  
Lubbock, Texas 79410

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

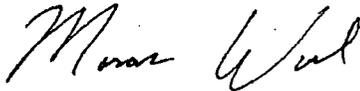
Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
Nevill Manning

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

SENDER COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

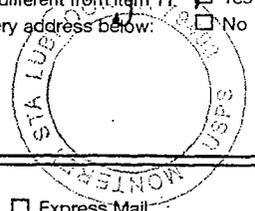
1. Article Addressed to:

Nevill Manning  
2112 Indiana  
Lubbock, Texas 79424

A. Signature  Agent  
 Address

B. Received by (Printed Name) C. Date of Delivery  
 Brenda Berry 5/22/04

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

2. Article Number  
 (Transfer from service label)

7009 2250 0000 0617 9745

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Nevill Manning  
2112 Indiana  
Lubbock, Texas 79410

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

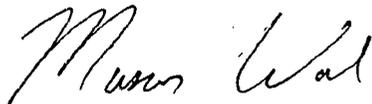
Dear Nevill:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Nevill Manning  
2112 Indiana  
Lubbock, Texas 79410

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Manning:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

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Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**NEVILL MANNING**

By: \_\_\_\_\_  
Nevill Manning

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Nevill Manning  
2112 Indiana  
Lubbock, Texas 79410

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Manning:

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In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9622

John Edward Hall III  
P.O. Box 1525  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

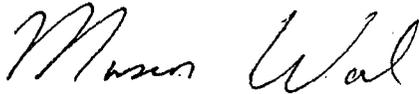
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In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

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Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**John Edward Hall III**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_



**First Class Mail**

**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(s) addressed to:  
**John Edward Hall III**  
**P.O. Box 1525**  
**Carlsbad, New Mexico 88220**

2. Article Number (transfer from service label) **7009 2250 0000 0617 9622**

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

4. Restricted Delivery? (Extra Fee)  Yes  No

5. Signature  Agent  Addressee

6. Received by (Printed Name) \_\_\_\_\_

7. Date of Delivery \_\_\_\_\_

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

PS Form 3811, February 2004 102595-02-M-1540

**FROM**

**MEWBOURNE OIL COMPANY**  
 500 WEST TEXAS, SUITE 1020  
 MIDLAND, TEXAS 79701

**SHIP TO**

**John Edward Hall III**  
**P.O. Box 1525**  
**Carlsbad, New Mexico**

**RETURN POSTAGE GUARANTEED**

*CLAIMED 2/27*

*2nd 2-27  
RT 3-7*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

John Edward Hall, III  
P. O. Box 1525  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hall:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

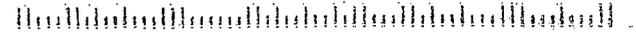
*Mason Not At Home PO Box*



**John Edward Hall, III  
P. O. Box 1525  
Carlsbad, New Mexico 88220**

NIXIE 871 SE 1 GO 03/15/12  
RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD  
BC: 79701427970 \*2910-09530-06-35

8822131525  
79701@4279



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

John Edward Hall, III  
P.O. Box 1525  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hall:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

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Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**JOHN EDWARD HALL, III**

By: \_\_\_\_\_  
John Edward Hall, III

Date signed: \_\_\_\_\_

\_\_\_\_\_

MIDLAND TX 797

TUE 17 APR 2012 PM

*Paul*

**FROM**

**MEWBOURNE OIL COMPANY**  
 500 WEST TEXAS, SUITE 1020  
 MIDLAND, TEXAS 79701

---

**SHIP TO**

John Edward Hall, III  
 P.O. Box 1525  
 Carlsbad, New Mexico 88220

**RETURN POSTAGE GUARANTEED**

**RETURNED TO WRITER**

REASON CHECKED

Incorrect address

Refused

No such address

No such person in state

No such office in state

Do not re-ship in this envelope

*NOT AT THIS ADDRESS*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

John Edward Hall, III  
P.O. Box 1525  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hall:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

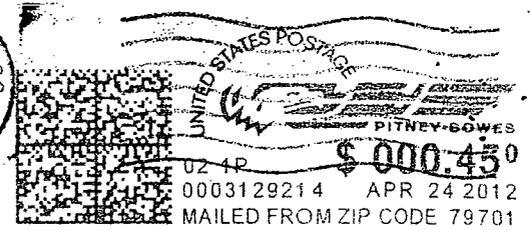
DPH/tgm

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

*Paul*

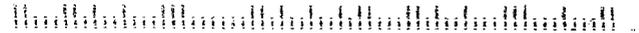
**John Edward Hall, III  
P.O. Box 1525  
Carlsbad, New Mexico 88220**



*Not at this  
ADDRESS*

NIXIE 871 SE 1 00 06/21/12  
RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD  
BC: 79701427970 \*2810-06105-24-35

88221379701@4279



*RE: APRIL 24TH LETTER  
LAYLA '35 "MD #14*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9608

Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

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Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

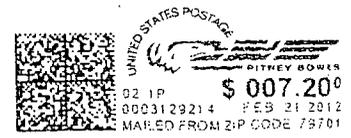
MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
**Virginia Lee Davis**

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_



**First Class Mail**

**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:

Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  X

B. Received by (Printed Name)  Agent  Address

C. Date of Delivery  Yes  No

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

3. Service Type  Express Mail  Certified Mail  Return Receipt for Merchandise  Registered  Insured Mail  C.O.D.  Yes  No

4. Restricted Delivery? (Extra Fee)  Yes  No

2. Article Number 7009 2250 0000 0617 9608  
(Transfer from service label)

PS Form 3811, February 2004 10296-02-00-1040

**FROM**

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

**SHIP TO**

**REFUSED BY ADDRESSEE**  
Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220

**RETURN POSTAGE GUARANTEED**

*Deceased*

*2-22-12  
DAVIS, U*

*2nd 2-27  
RT 3-7*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mrs. Davis:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Davis:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**VIRGINIA LEE DAVIS**

By: \_\_\_\_\_  
Virginia Lee Davis

Date signed: \_\_\_\_\_

\_\_\_\_\_

MIDLAND TX 797

TUE 17 APR 2012 PM

FROM

**MEWBOURNE OIL COMPANY**

500 WEST TEXAS, SUITE 1026  
MIDLAND, TEXAS 79701

SHIP TO

Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220

**RETURN POSTAGE GUARANTEED**

Mailed  
 No Address  
 No Such Number  
 Refused  
 Insufficient Address  
 No Return Address

*Handwritten:* 4/17/12  
address

*Handwritten:* NDA  
6-10  
4/20/12

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Davis:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/tdm

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

*Paul*

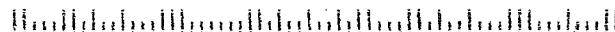
~~Virginia Lee Davis  
2605 W. Ohio  
Carlsbad, New Mexico 88220~~

*Return to  
order.  
this*



NIXIE 871 SE 1 00 05/06/12  
RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD  
BC: 79701427970 \*2810 05677 24 35

88220329701@4279



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9646

First Federal Savings and Loan Association  
of Littlefield, Texas  
301 Xit Drive  
Littlefield, Texas 79339

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

**FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION  
OF LITTLEFIELD, TEXAS**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

**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:

First Federal Savings and Loan Association of Littlefield, Texas  
~~301 XII Drive~~ Moved  
 Littlefield, Texas 79339

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Handwritten Signature]*  
 Agent  
 Addressee

B. Received by (Printed Name)

*J. S. Williams*

C. Date of Delivery

*FEB 22 2012*

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

PO Box 1390 ← 1843  
 Littlefield, TX 79339

3. Service Type

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

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
(Transfer from service label)

7009 2250 0000 0617 9646

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

First Federal Savings and Loan  
Association of Littlefield, Texas  
P. O. Box 1390  
Littlefield, Texas 79339

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman



Re: MOC Layla 35 prospect.  
Nolan Greak to: Mason Wood

04/04/2012 05:57 AM

Mason:

The board voted not to convey the interest of First Federal. I have not decided on my interest, but will do so this weekend.

Sorry, I did not get back to you last wed., but I left for a seminar, and have been covered up since I got back.

Thanks Nolan

On 4/3/2012 1:05 PM, Mason Wood wrote:

> Hi Nolan,

>

> Just wanted to see how your meeting went with First Federal. I am trying  
> to make a compilation of uncommitted owners as our force pooling hearing is  
> next week.

>

> Thanks,

> Mason Wood

> Landman

> Phone: (432) 682-3715 | Fax: (432) 685-4170

> Email: MWood@Mewbourne.com

> Mewbourne Oil Company

> 500 W. Texas, Suite 1020

> Midland, Tx 79701 US

>

>

>

> From: Nolan Greak<ngreak@greaklaw.com>

> To: Mason Wood<mwood@mewbourne.com>

> Date: 03/26/2012 11:20 AM

> Subject: Re: MOC Layla 35 prospect.

>

>

>

> I am taking them to the board meeting Wednesday. I will let you know  
> after the meeting.

>

> Thank Nolan

>

> On 3/26/2012 11:16 AM, Mason Wood wrote:

>> Hi Nolan,

>>

>> I wanted to check on the status of the deeds we had discussed. Please  
> let

>> me know where we stand.

>>

>> Thanks,

>> Mason Wood

>> Landman

>> Phone: (432) 682-3715 | Fax: (432) 685-4170

>> Email: MWood@Mewbourne.com

>> Mewbourne Oil Company

>> 500 W. Texas, Suite 1020

>> Midland, Tx 79701 US

>>

>>

>>

>> From: Nolan Greak<ngreak@greaklaw.com>  
>> To: Mason Wood<mwood@mewbourne.com>  
>> Date: 03/12/2012 01:31 PM  
>> Subject: Re: MOC Layla 35 prospect.

>>

>>

>>

>> I think this will work, but I need to present this to First Federal. The  
>> president is out until Thursday.

>>

>> Thanks Nolan

>>

>> On 3/9/2012 3:18 PM, Mason Wood wrote:

>>> Mr. Greak,

>>>

>>> Regarding the above, mentioned prospect, I have attached two simple deeds  
>>> for your review. Please let me know if they are agreeable. I opted for  
>>> Quit Claim deeds in order to avoid any warranty. They are very basic  
> and

>> I

>>> think that they will suffice. The trade we talked about was \$100 each  
> to

>>> both yourself and First Federal.

>>>

>>>

>>> (See attached file: Nolan Greak& First Federal.pdf)

>>>

>>>

>>> Thanks,

>>> Mason Wood

>>> Landman

>>> Phone: (432) 682-3715 | Fax: (432) 685-4170

>>> Email: MWood@Mewbourne.com

>>> Mewbourne Oil Company

>>> 500 W. Texas, Suite 1020

>>> Midland, Tx 79701 US

>> --

>> Nolan Greak

>> Greak Law, P.C.

>> Attorney at Law

>> 8008 Slide Road, Suite 30

>> Lubbock, Texas 79424-2828

>> 806/783-0081 (Telephone)

>> 806/783-0045 (Facsimile)

>>

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>> an opinion as to any tax or other matter. They are not intended or  
> written

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> of

>> avoiding penalties that may be imposed on the taxpayer under any Federal  
>> tax law or otherwise. (The foregoing has been affixed pursuant to U.S.  
>> Treasury Regulations governing tax practice.)

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>>  
>>  
>>

> --

> Nolan Greak  
> Greak Law, P.C.  
> Attorney at Law  
> 8008 Slide Road, Suite 30  
> Lubbock, Texas 79424-2828  
> 806/783-0081 (Telephone)  
> 806/783-0045 (Facsimile)

>  
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> avoiding penalties that may be imposed on the taxpayer under any Federal  
> tax law or otherwise. (The foregoing has been affixed pursuant to U.S.  
> Treasury Regulations governing tax practice.)

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> it is virus free and Greak Law, P.C. disclaims all responsibility for any  
> loss or damages arising from its use. Thank you.

>  
>  
>

--

Nolan Greak  
Greak Law, P.C.  
Attorney at Law  
8008 Slide Road, Suite 30  
Lubbock, Texas 79424-2828  
806/783-0081 (Telephone)  
806/783-0045 (Facsimile)

The statements contained herein are not intended to and do not constitute an opinion as to any tax or other matter. They are not intended or written to be used, and may not be relied upon, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under any Federal tax law or otherwise. (The foregoing has been affixed pursuant to U.S. Treasury Regulations governing tax practice.)

This email message is privileged and confidential information intended only for the use of the recipient named above. If the reader of this message is not the named recipient or the agent responsible to deliver it to the named recipient, you are hereby notified that any dissemination, distribution or copy of this telecopy is strictly prohibited and no privilege is waived. If you have received this communication in error, please notify us immediately by telephone. Although this email and any attachments are believed to be free of viruses or other defects that might affect other computer systems, it is the responsibility of the recipient to ensure that it is virus free and Greak Law, P.C. disclaims all responsibility for any loss or damages arising from its use. Thank you.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

First Federal Savings and Loan  
Association of Littlefield, Texas  
301 Xit Drive  
Littlefield, Texas 79339

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**FIRST FEDERAL SAVINGS AND LOAN  
ASSOCIATION OF LITTLEFIELD, TEXAS**

By: \_\_\_\_\_

Date signed: \_\_\_\_\_

Tax I.D. No.: \_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 23, 2012

First Federal Savings and Loan  
Association of Littlefield, Texas  
P.O. Box 1390  
Littlefield, Texas 79339-1390

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb.

The undersigned elects to accept Mewbourne's offer as referenced above.

**FIRST FEDERAL SAVINGS AND LOAN  
ASSOCIATION OF LITTLEFIELD, TEXAS**

By: \_\_\_\_\_

Date signed: \_\_\_\_\_

Tax I.D. No.: \_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

First Federal Savings and Loan  
Association of Littlefield, Texas  
P.O. Box 1390  
Littlefield, Texas 79339-1390

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9752

Nolan Greak  
8008 Slide Road, Suite 33  
Lubbock, Texas 79424

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a northerly direction to a southerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,700 feet beneath the surface and drilled horizontally to an approximate measured depth of 11,200 feet to evaluate the Middle Avalon Shale interval in the Bone Spring formation for oil and gas production. The nonstandard oil proration unit for the proposed well will comprise the E/2W/2 of the captioned Section 35 containing 160 acres, more or less. Enclosed for your further handling regarding the above proposed well is our AFE dated December 5, 2011 which is an estimated well cost.

Regarding the above, you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the captioned Section 35. However our title attorney was unable to ascertain your exact mineral ownership in Tracts 8 and 9 in said 350 acre tract of land due to the confused chain of title associated with such interest. For your information I've enclosed the pertinent pages of our Drilling Opinion of Title dated May 16, 2011. In the event you elect to participate in the proposed well as to your unleased mineral interest, please furnish me proof of your ownership.

In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.

Should you elect to lease your interest to us as referenced above, please sign and return this letter to me at your earliest convenience and I'll send you an Oil and Gas Lease to you for execution. Upon our receipt of the executed lease, I will forward you \$100 which represents the lease bonus payment. Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [mwood@mewbourne.com](mailto:mwood@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



Mason Wood  
Landman

MW/gb

The undersigned elects to grant Mewbourne Oil Company and Oil and Gas Lease as referenced above.

By: \_\_\_\_\_  
Nolan Greak

Date signed: \_\_\_\_\_

Tax I.D.#: \_\_\_\_\_

- 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:

**Nolan Greak**  
**8008 Slide Road, Suite 33**  
**Lubbock, Texas 79424**

A. Signature <b>X</b> 		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <b>Greak Greak</b>	C. Date of Delivery <b>2-22</b>	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below: <input type="checkbox"/> No		
3. Service Type		
<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail	
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise	
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		

2. Article Number  
(Transfer from service label)

**7009 2250 0000 0617 9752**

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 6, 2012

Nolan Greak  
8008 Slide Road, Suite 33  
Lubbock, Texas 79424

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 21550' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Greak:

Reference is made to my previous letter dated February 21, 2012 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well. To date, you have not responded to our well proposal regarding your decision to participate in the proposed well as an unleased mineral interest owner, or alternatively, our offer to lease your unleased mineral interest in the event you elect not to participate in the captioned proposed well. Accordingly, we will be filing an Application for Compulsory Pooling regarding your uncommitted interest whereby your interest will be force pooled at an Examiner's Hearing in Santa Fe, New Mexico at the offices of the New Mexico Oil Conservation Division. You will be notified of the hearing date which is scheduled for Thursday, April 12, 2012.

To avoid the necessity of our having to force pool your unleased mineral interest so we can drill the captioned proposed well in a timely manner, please respond to our well proposal or our offer to lease your interest on the terms offered.

Sincerely yours,

MEWBOURNE OIL COMPANY



Mason Wood  
Landman



Re: MOC Layla 35 prospect.  
Nolan Greak to: Mason Wood

04/04/2012 05:57 AM

Mason:

The board voted not to convey the interest of First Federal. I have not decided on my interest, but will do so this weekend.

Sorry, I did not get back to you last wed., but I left for a seminar, and have been covered up since I got back.

Thanks Nolan

On 4/3/2012 1:05 PM, Mason Wood wrote:

> Hi Nolan,

>

> Just wanted to see how your meeting went with First Federal. I am trying  
> to make a compilation of uncommitted owners as our force pooling hearing is  
> next week.

>

> Thanks,  
> Mason Wood  
> Landman

> Phone: (432) 682-3715 | Fax: (432) 685-4170

> Email: MWood@Mewbourne.com

> Mewbourne Oil Company  
> 500 W. Texas, Suite 1020

> Midland, Tx 79701 US

>

>

>

> From: Nolan Greak<ngreak@greaklaw.com>

> To: Mason Wood<mwood@mewbourne.com>

> Date: 03/26/2012 11:20 AM

> Subject: Re: MOC Layla 35 prospect.

>

>

>

> I am taking them to the board meeting Wednesday. I will let you know  
> after the meeting.

>

> Thank Nolan

>

> On 3/26/2012 11:16 AM, Mason Wood wrote:

>> Hi Nolan,

>>

>> I wanted to check on the status of the deeds we had discussed. Please  
> let

>> me know where we stand.

>>

>> Thanks,  
>> Mason Wood  
>> Landman

>> Phone: (432) 682-3715 | Fax: (432) 685-4170

>> Email: MWood@Mewbourne.com

>> Mewbourne Oil Company  
>> 500 W. Texas, Suite 1020

>> Midland, Tx 79701 US

>>

>>  
>>  
>> From: Nolan Greak<ngreak@greaklaw.com>  
>> To: Mason Wood<mwood@mewbourne.com>  
>> Date: 03/12/2012 01:31 PM  
>> Subject: Re: MOC Layla 35 prospect.  
>>  
>>  
>>  
>> I think this will work, but I need to present this to First Federal. The  
>> president is out until Thursday.  
>>  
>> Thanks Nolan  
>>  
>> On 3/9/2012 3:18 PM, Mason Wood wrote:  
>>> Mr. Greak,  
>>>  
>>> Regarding the above mentioned prospect, I have attached two simple deeds  
>>> for your review. Please let me know if they are agreeable. I opted for  
>>> Quit Claim deeds in order to avoid any warranty. They are very basic  
> and  
>> I  
>>> think that they will suffice. The trade we talked about was \$100 each  
> to  
>>> both yourself and First Federal.  
>>>  
>>>  
>>> (See attached file: Nolan Greak& First Federal.pdf)  
>>>  
>>>  
>>> Thanks,  
>>> Mason Wood  
>>> Landman  
>>> Phone: (432) 682-3715 | Fax: (432) 685-4170  
>>> Email: MWood@Mewbourne.com  
>>> Mewbourne Oil Company  
>>> 500 W. Texas, Suite 1020  
>>> Midland, Tx 79701 US  
>> --  
>> Nolan Greak  
>> Greak Law, P.C.  
>> Attorney at Law  
>> 8008 Slide Road, Suite 30  
>> Lubbock, Texas 79424-2828  
>> 806/783-0081 (Telephone)  
>> 806/783-0045 (Facsimile)  
>>  
>> The statements contained herein are not intended to and do not constitute  
>> an opinion as to any tax or other matter. They are not intended or  
> written  
>> to be used, and may not be relied upon, by any taxpayer, for the purpose  
> of  
>> avoiding penalties that may be imposed on the taxpayer under any Federal  
>> tax law or otherwise. (The foregoing has been affixed pursuant to U.S.  
>> Treasury Regulations governing tax practice.)  
>>  
>> This email message is privileged and confidential information intended  
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>> copy of this telecopy is strictly prohibited and no privilege is waived.  
>> If you have received this communication in error, please notify us  
>> immediately by telephone. Although this email and any attachments are  
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>> computer systems, it is the responsibility of the recipient to ensure  
> that  
>> it is virus free and Greak Law, P.C. disclaims all responsibility for any  
>> loss or damages arising from its use. Thank you.

>>

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>>

> --

> Nolan Greak  
> Greak Law, P.C.  
> Attorney at Law  
> 8008 Slide Road, Suite 30  
> Lubbock, Texas 79424-2828  
> 806/783-0081 (Telephone)  
> 806/783-0045 (Facsimile)

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Nolan Greak  
Greak Law, P.C.  
Attorney at Law  
8008 Slide Road, Suite 30  
Lubbock, Texas 79424-2828  
806/783-0081 (Telephone)  
806/783-0045 (Facsimile)

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# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 16, 2012

Nolan Greak  
8008 Slide Road, Suite 33  
Lubbock, Texas 79424

Re: Layla "35" MD Fee Com #1H Well  
330' FSL & 360' FWL (SL)  
330' FNL & 360' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Greak:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally from a southerly direction to a northerly direction to a terminus point at the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,246 feet beneath the surface and drilled horizontally to an approximate measured depth of 10,597 feet to evaluate the Brushy Canyon interval in the Delaware formation for oil production. The W/2W/2 of the captioned Section 35 will be dedicated to the well as the oil proration unit and project area which contains 160.00 acres, more or less.

Title examination indicates you may own a portion of a 12.6/350 mineral interest in a 350 acre tract of land in the S/2S/2NE/4 (Tract #8), SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4 SW/4 and N/2NW/4SW/4SW/4 (Tract #9). For your information, I have included a copy of Page 1 of our Drilling Title Opinion dated May 16, 2011 which describes the above referenced Tract #8 and Tract #9, among other lands. I have also included a copy of Pages 11, 12, 13, 53, 54, 55, 56, 57, 58, 59 and 60 which describes the uncertainty and title confusion associated with Tracts #8 and #9 as to the 12.6/350 mineral interest referenced above.

As our title attorney nor I can determine your ownership, if any, in the referenced 350 acre tract of land, Mewbourne hereby offers to purchase a Quit Claim Assignment of your interest in the referenced 350 acre tract of land on the basis of \$100 cash. If you are agreeable to such offer, please acknowledge such acceptance by signing and returning this letter to me within thirty (30) days of receipt of same. Failure to respond will subject your interest to being force pooled at an Examiner's hearing in Santa Fe, New Mexico on June 7, 2012 in order to allow us to timely drill the proposed well.

Should you have any questions regarding the above, please call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned elects to accept Mewbourne's offer as referenced above.

**NOLAN GREAK**

By: \_\_\_\_\_  
Nolan Greak

Date signed: \_\_\_\_\_

\_\_\_\_\_

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 24, 2012

Nolan Greak  
8008 Slide Road, Suite 33  
Lubbock, Texas 79424

Re: Layla "35" MD Fee Com #1H Well  
W/2/W2 Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Greak:

In reference to my previous letter dated April 16, 2012 whereby Mewbourne Oil Company as Operator proposed drilling the captioned well, enclosed for your information and further handling is a copy of our Authorization For Expenditure (AFE) for the captioned well which is an estimated well cost. In the event you can prove your mineral ownership in the captioned land and you desire to participate in the proposed well as to your respective mineral ownership, please sign and return the AFE to me at your earliest convenience.

In the event you can not prove your ownership in the captioned Section 35, our offer to purchase whatever interest you own, if any, is available for your acceptance on the terms as previously offered.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 21, 2012

Via Certified Mail-Return Receipt No. 9592

Mary Jo Dickerson  
P.O. Box 642  
Glenpool, Oklahoma 74033

Re: Layla "35" #2H Well  
185' FNL & 2150' FWL (SL)  
330' FSL & 2150' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

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In the event you elect not to participate in the proposed well or you can not prove your ownership, Mewbourne offers to purchase an Oil and Gas Lease from you on the basis of \$100.00 for a three year paid up lease providing a 3/16<sup>th</sup> royalty interest. This would be in lieu of our having to force pool your interest since we can not determine what your mineral interest is.