

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



July 2, 2013

James Bruce
Attorney for Mewbourne Oil Company
P.O. Box 1056
Santa Fe, NM 87504

Re: Request for extension to commence the drilling of Mewbourne Oil Company's Wyatt Draw "13" OB Well No. 1H (API No. 30-015-40302), Pursuant to Division Order No. R-13572

Dear Mr. Bruce:

The Oil Conservation Division (OCD) received your letter dated June 25, 2013 regarding the referenced subject. It is our understanding that because of DCP gas capacity issues, this well cannot be drilled at this time

The OCD has reviewed your request and hereby extends the date to commence the drilling of this well to October 31, 2013.

If you have any question, please contact Richard Ezeanyim at (505)-476-3467

Sincerely;

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/re

Cc: Oil Conservation Division District II – Artesia

JAMES BRUCE
ATTORNEY AT LAW

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RECEIVED OGD

2013 JUN 25 P 12:45

June 25, 2013

Hand delivered

Jami Bailey, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for extensions of well commencement deadlines
Order Nos. R-13572 and 13573
Mewbourne Oil Company

Dear Ms. Bailey:

Mewbourne Oil Company ("Mewbourne") respectfully requests that the well commencement deadlines in the above orders be extended.

On June 22, 2012, the Division entered Order Nos. 13570-13573, regarding the following wells to be drilled to test the Yeso formation:

1. R-13570: Wyatt Draw 13 MD No. 1 (W/2W/2 §13-19S-25).
2. R-13571: Wyatt Draw 13 NC No. 1 (E/2W/2 §13-19S-25).
3. R-13572: Wyatt Draw 13 OB No. 1 (W/2E/2 §13-19S-25).
4. R-13573: Wyatt Draw 13 PA No. 1 (E/2E/2 §13-19S-25).

The wells pooled by Order Nos. R-13570 and R-13571 have been drilled and completed. The remaining two wells have not been drilled. The orders expire on June 30, 2013.

The reasons for this request are as follows:

(i) The wells are part of a working interest unit covering all of Section 13. After the hearings in these matters Mewbourne continued negotiating with working interest owners, and succeeded in getting most of the pooled interest owners to voluntarily join in the wells. Thus, Mewbourne started drilling the first two wells later than anticipated.

(ii) The lands pooled include many "Fairchild Farm Tracts," which are small (5 acres m/l) fee parcels which have difficult title issues requiring much curative action. This also delayed commencement of the initial wells.

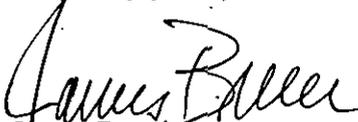
(iii) The gas gatherer in the area, DCP, is having capacity issues, and is doing "rolling" shut-ins of Mewbourne's (and other operators) Yeso wells. While this problem is being resolved, Mewbourne is reluctant to expend its drilling funds until the wells can be placed on production full time after fracing them.

The Wyatt Draw 13 OB No. 1 is now scheduled to be commenced in September, so Mewbourne requests an extension until October 31, 2013 for Order No. R-13572.

The Wyatt Draw 13 PA No. 1 is now scheduled to be commenced in February 2014, so Mewbourne requests an extension until March 31, 2014 for Order No. R-13573.

Your consideration of this request is appreciated.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company