

## SUMMARY OF COMMUNICATIONS

Case No. 15037

Layla 35 PA #1H Well

Oil Conservation Division

Case No. 3

Exhibit No. 2

**Mr. Pavlos P. Panagopoulos  
Panagopoulos Enterprises  
and Andreas P. Panagopoulos**

**(C) (505) 610-8398**

- 7-29-13 - Proposed well via certified mail with AFE enclosed. Enclosed portions of our Drilling Opinion of Title dated 5-16-11 pertaining to their chain of title which describes the confused and uncertain ownership associated with their claim to a 12.6/350 unleased mineral interest.
- 7-31-13 - Received phone call from Pavlos whereby we discussed his ownership. Advised him we would lease his interest once title was cured.
- 8-1-13 - Received email from Pavlos requesting us to send him and his family an Oil & Gas Lease for execution.
- 8-1-13 - Emailed Pavlos advising him we could not lease his interest until such time as his interest was judicially determined. Advised him that we and our partners would carry the unleased interest under the terms of a Pooling Order whereby the royalty rate would be set at 1/8. Advised him the 1/8 royalty would be held in suspense until such time as the ownership is determined.
- 8-2-13 - Received email from Pavlos regarding his claim that we acquired a lease from the Griffin family regarding this unleased interest.
- 8-12-13 - Emailed Pavlos and advised him we have not secured any lease from anybody named Griffin.
- 8-13-13 - Email to Pavlos advising him that any leases we acquired from parties who should have been force pooled would be in suspense pending title curative.
- 8-13-13 - Received email from Pavlos requesting status of amount of revenue held in suspense.
- 8-14-13 - Advised Pavlos that we will advise him about the amount of revenue being held in suspense for each well at least twice a year so he can determine whether or not it is worth pursuing a Quit Title Suite to cure title.

**Panagiota P. Panagopoulos and  
Magdalene P. Panagopoulos**

- 7-29-13 - Proposed well via certified mail with AFE and title information included. Advised them we would force pool this interest September 5, 2013.

**Wells Fargo Bank, N.A.**

7-29-13 - Proposed well via certified mail with AFE.

**Irma Jean Gregory**

7-29-13 - Proposed well via certified mail with AFE.

**Thomas W. Gregory**

7-29-13 - Proposed well via certified mail with AFE.

**Bonnie R. Gregory**

7-29-13 - Proposed well via certified mail with AFE.

**Nolan Greak and  
First Federal Savings  
and Loan Association** (C) (806) 783-0081

7-29-13 - Proposed well via certified mail with AFE.

8-15-13 - Called Nolan Greak, President of First Federal Savings and Loan Association and advised him of the amount of revenue currently being held in suspense for the Layla "35" #2H Well, approximately \$8,000.00. Advised him we would let them know at least once a year how much revenue is being held in suspense for the force pooled interests for all wells within Section 35.

**Neville Manning**

7-29-13 - Proposed well via certified mail with AFE.

**William Ervin Gregory**

7-29-13 - Proposed well via certified mail with AFE.

**Estate of Stan Gregory**

7-29-13 - Proposed well via certified mail with AFE.

**Klipstine & Hanratty and  
James W. Klipstine**

7-29-13 - Proposed well via certified mail with AFE.

**Kevin Hanratty**

7-29-13 - Proposed well via certified mail with AFE.

**Clarence Ervin and Estate  
of Mary I. Ervin**

7-29-13 - Proposed well via certified mail with AFE.



Re: Mineral Lease Agreements.

Pavlos Panagopoulos

to:

Paul Haden

08/14/2013 07:03 PM

Hide Details

From: Pavlos Panagopoulos <pavlospanagopoulos1@gmail.com>

To: Paul Haden <phaden@mewbourne.com>

Ok thank u

On Aug 14, 2013 8:01 AM, "Paul Haden" <phaden@mewbourne.com> wrote:

Pavlos , I'll see if we can do that , but it will apply to a 1/8 royalty interest attributable to the force pooled interests for each well.

Paul Haden

Land Department

Mewbourne Oil Company

500 W. Texas Ave., Ste. 1020

Midland, Texas 79701

(432) 682-3715

(432) 685-4170 FAX

From: Pavlos Panagopoulos <pavlospanagopoulos1@gmail.com>

To: Paul Haden <phaden@mewbourne.com>

Date: 08/13/2013 08:42 PM

Subject: Re: Mineral Lease Agreements.

Thank you for clarifying that for us. Can you keep us informed about both wells that are producing and send us a end of year report so that we know how much is in the suspense account? Thank you for your help.

Pavlos Panagopoulos

On Aug 13, 2013 8:45 AM, "Paul Haden" <[phaden@mewbourne.com](mailto:phaden@mewbourne.com)> wrote:

Pavlos , we don't have any leases from parties that are subject to being force pooled. The leases that we took from those that should have been force pooled were taken in error by one of our young landmen that is no longer here in this office. Those three parties were paid \$100 each.

Their

interest will be forever held in suspense unless the title is cured which

I

doubt will ever happen.

Paul Haden

Land Department

Mewbourne Oil Company

500 W. Texas Ave., Ste. 1020

Midland, Texas 79701

(432) 682-3715

(432) 685-4170 FAX

From: Pavlos Panagopoulos <[pavlospanagopoulos1@gmail.com](mailto:pavlospanagopoulos1@gmail.com)>

To: Paul Haden <[phaden@mewbourne.com](mailto:phaden@mewbourne.com)>

Cc: [tchavezlaw@gmail.com](mailto:tchavezlaw@gmail.com), Pavlos and Nicki Panagopoulos  
<[npanagopoulos@comcast.net](mailto:npanagopoulos@comcast.net)>, [pennypana@aol.com](mailto:pennypana@aol.com), Dolly  
Panagopoulos <[dollydo777@gmail.com](mailto:dollydo777@gmail.com)>

Date: 08/12/2013 08:40 PM

Subject: Re: Mineral Lease Agreements.

You told me you only took one lease and it was for Griffin I may have miss understood the name you gave but I did hear you say at the OCD hearing

"We have only one signed lease from one those individals that we are proposing to force pool" . I will go back and look at my notes to the exact spelling of the individual. Please let me know do you have any leases signed by individuals proposed to be forced pool?

Sincerely

Pavlos Panagopoulos

On Aug 12, 2013 10:27 AM, "Paul Haden" <[phaden@mewbourne.com](mailto:phaden@mewbourne.com)> wrote:

Pavlos , you are mistaken , we haven't taken any leases from anybody named Griffin.

Paul Haden

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

From: Pavlos Panagopoulos <[pavlospanagopoulos1@gmail.com](mailto:pavlospanagopoulos1@gmail.com)>  
To: Paul Haden <[phaden@mewbourne.com](mailto:phaden@mewbourne.com)>, Pavlos and Nicki  
Panagopoulos <[npanagopoulos@comcast.net](mailto:npanagopoulos@comcast.net)>, [pennypana@aol.com](mailto:pennypana@aol.com)

Dolly Panagopoulos <[dollydo777@gmail.com](mailto:dollydo777@gmail.com)>,  
[tchavezlaw@gmail.com](mailto:tchavezlaw@gmail.com)  
Date: 08/02/2013 01:09 PM  
Subject: Re: Mineral Lease Agreements.

Paul:

You took a lease from the Griffin family why would the Panagopoulos family  
be treated differently? We want to be reasonable but this would give us  
time to go through the abstract with our attorney and file a quite  
title  
which could take up to a year.

Sincerely,

Pavlos Panagopoulos

On Aug 1, 2013 4:24 PM, "Paul Haden" <[phaden@mewbourne.com](mailto:phaden@mewbourne.com)> wrote:  
Pavlos , we decided not to do that. In order for us to take a lease  
from  
you , you must prove your ownership. Its not right for us to place  
the  
entire  
unknown interest in suspense. Because we and our partners are taking  
the  
risk carrying that interest , that is why we and the partners get  
the  
revenue stream associated with that interest under the terms of the  
Pooling  
Order less the 1/8th royalty interest that will be placed in  
suspense.

After payout of 300% that 1/8th royalty interest will go to the State of New Mexico Treasury if you and the others haven't proved your ownership by then. This interest will be force pooled for every well we drill in this Section. I will be out starting tomorrow and all of next week , so don't waste your time in calling. Hope you understand. You'd be better of selling your interest to the buyer you say you have.

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

From: Pavlos Panagopoulos <[pavlospanagopoulos1@gmail.com](mailto:pavlospanagopoulos1@gmail.com)>  
To: [phaden@mewbourne.com](mailto:phaden@mewbourne.com), Pavlos and Nicki Panagopoulos  
<[npanagopoulos@comcast.net](mailto:npanagopoulos@comcast.net)>, Dolly Panagopoulos  
<[dollydo777@gmail.com](mailto:dollydo777@gmail.com)>, Penny Tindall <[pennypana@aol.com](mailto:pennypana@aol.com)>  
Date: 08/01/2013 04:57 PM  
Subject: Mineral Lease Agreements.

Dear Mr. Haden:

Please forward mineral lease agreements for our claim to 12.6/350 mineral interest in the S/2SE/4NE/4 of Section 35 to the following claimants. Per our conversation please forward 5 \$100 payments to secure a three year lease on our interest and once our ownership is determined then you will forward the Panagopoulos owners 5 \$2000 per lease payment per the agreement of a 3/16 royalty interest and any funds held in suspense. Please have the lease agreements for the following individual claimants:

Andreas Panagopoulos  
Pavlos Panagopoulos  
Panagiota P Panagopoulos (now Tinall is the last name)

Magdalene P. Panagopoulos  
Panagopoulos Enterprise

If you forward monies and lease agreements to my business address.

511 W. Reinken  
Belen, NM 87002

I can have them signed and notarized and return to Mewbourne Oil as quickly as possible.

Thank you for help in this matter feel free to call me if you have any questions 505 6108398.

Sincerely,

Pavlos Panagopoulos, Panagopoulos Enterprise LLC Managing Partner







Date: July 31, 2013


Simple Certified:

The following is in response to your July 31, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002398623. The delivery record shows that this item was delivered on July 31, 2013 at 8:07 am in BELEN, NM 87002. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature of Recipient :   
Signature of Recipient : 

Address of Recipient :

Address of Recipient : 

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

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

Sincerely,  
United States Postal Service

Pavlos P. Panagopoulos  
Panagopoulos Enterprises  
511 W REINKEN AVE  
BELEN, NM 87002  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Mr. Pavlos P. Panagopoulos,  
Panagopoulos Enterprises and  
Mr. Andres P. Panagopoulos  
511 West Reinken  
Belen, New Mexico 87002

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Mr. Pavlos P. Panagopoulos,  
Panagopoulos Enterprises and  
Mr. Andres P. Panagopoulos  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

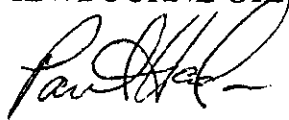
In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

**[Via Certified Mail]**

Panagiota P. Panagopoulos and  
Magdalene P. Panagopoulos  
10008 Ranch Hand Ave.  
Las Vegas, Nevada 89117

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL (SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Panagiota P. Panagopoulos and  
Magdalene P. Panagopoulos  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

**[Via Certified Mail]**

Wells Fargo Bank, N.A.  
2318 Pierce Street  
Carlsbad, New Mexico 88220

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Wells Fargo Bank, N.A.  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

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In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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**

A handwritten signature in black ink, appearing to read "D. Paul Haden", with a stylized flourish at the end.

D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Irma Jean Gregory  
14 Cork  
Alva, Florida 33920

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

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Irma Jean Gregory  
Layla "35" PA #1H Well  
July 29, 2013  
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Sincerely yours,

**MEWBOURNE OIL COMPANY**

A handwritten signature in black ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden  
Senior Landman

DPH/gb



UNITED STATES  
POSTAL SERVICE.

Date: August 14, 2013

Simple Certified:

The following is in response to your August 14, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002406977. The delivery record shows that this item was delivered on August 13, 2013 at 4:49 pm in ALBUQUERQUE, NM 87123. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section  
Signature of Recipient

Address of Recipient :

Very close  
1705 Black

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

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

Sincerely,  
United States Postal Service

Thomas W. Gregory  
1705 BLACK GOLD ST SE  
ALBUQUERQUE, NM 87123  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Mr. Thomas W. Gregory  
1705 Black Gold SE  
Albuquerque, New Mexico 87123

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL (SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

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Mr. Thomas W. Gregory  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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**

A handwritten signature in black ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden  
Senior Landman

DPH/gb



Date: July 31, 2013

Simple Certified:

The following is in response to your July 31, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407011. The delivery record shows that this item was delivered on July 31, 2013 at 11:11 am in ROSWELL, NM 88203. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	<i>[Handwritten Signature]</i>
Printed Name	<i>[Handwritten Name]</i>

Address of Recipient :

Delivery Address	<i>[Handwritten Address]</i>
------------------	------------------------------

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

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

Sincerely,  
United States Postal Service

Bonnie R. Gregory  
305 S HEMLOCK AVE  
ROSWELL, NM 88203  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

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

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Bonnie R. Gregory  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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



Date: August 1, 2013

Simple Certified:

The following is in response to your August 1, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407325. The delivery record shows that this item was delivered on July 31, 2013 at 10:45 am in LUBBOCK, TX 79424. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a handwritten signature. The signature appears to be "Hollie Wright" written in cursive. There are horizontal lines above and below the signature.

Address of Recipient :

A scanned image of a handwritten address. The address appears to be "8008 Slide Rd Suite 33 Lubbock, TX 79424".

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

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

Sincerely,  
United States Postal Service

Nolan Greak  
8008 SLIDE RD  
SUITE NO. 33  
LUBBOCK, TX 79424  
Reference #: Layla 35 PA 1H



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

**[Via Certified Mail]**

Mr. Nolan Greak  
8008 Slide Road, Suite #33  
Lubbock, Texas 79424

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Greak:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Mr. Nolan Greak  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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




Date: July 31, 2013

Simple Certified:

The following is in response to your July 31, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407288. The delivery record shows that this item was delivered on July 31, 2013 at 9:21 am in LITTLEFIELD, TX 79339. The scanned image of the recipient information is provided below.

Signature of Recipient :  
(Authorized Agent)

  
Deza Vargas

Address of Recipient :

P.O. Box 1390

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

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

Sincerely,

United States Postal Service

Federal Saving and Loan Association  
PO Box 1390  
Littlefield, TX 79339  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

**[Via Certified Mail]**

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

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL (SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

First Federal Saving and  
Loan Association  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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



Date: July 31, 2013

Simple Certified:

The following is in response to your July 31, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407349. The delivery record shows that this item was delivered on July 31, 2013 at 12:57 pm in LUBBOCK, TX 79410. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature of Recipient :  
Bryan Gray  
B. Gray

Address of Recipient :

Address of Recipient :  
2112 Indiana

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

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

Sincerely,  
United States Postal Service

Neville Manning  
2112 INDIANA AVE  
LUBBOCK, TX 79410  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Neville Manning  
2112 Indiana  
Lubbock, Texas 79410

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Manning:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Neville Manning  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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**

A handwritten signature in black ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden  
Senior Landman

DPH/gb





Date: August 3, 2013

Simple Certified:

The following is in response to your August 3, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407042. The delivery record shows that this item was delivered on August 2, 2013 at 1:47 pm in ALBUQUERQUE, NM 87123. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section  
Name  
and  
Address  
William Ervin Gregory

Address of Recipient :

very  
near  
William Ervin Gregory

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

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

Sincerely,  
United States Postal Service

William Ervin Gregory  
11910 Central Ave SE  
Suite 2B  
Albuquerque, NM 87123  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Mr. William Ervin Gregory  
11910 Central Ave. SE, Suite 2B  
Albuquerque, New Mexico 87123

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Mr. William Ervin Gregory  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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**

A handwritten signature in black ink, appearing to read "D. Paul Haden", with a stylized flourish at the end.

D. Paul Haden  
Senior Landman

DPH/gb



Date: August 3, 2013

Simple Certified:

The following is in response to your August 3, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407127. The delivery record shows that this item was delivered on August 2, 2013 at 11:29 am in CARLSBAD, NM 88220. The scanned image of the recipient information is provided below.

Signature of Recipient :

*Kathy Gregory KATHY GREGORY*

Address of Recipient :

*608 LAKESIDE DR  
CARLSBAD NM*

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

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

Sincerely,  
United States Postal Service

Kathy Gregory  
Estate of Stan Gregory  
608 LAKESIDE DR  
CARLSBAD, NM 88220  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Estate of Stan Gregory  
608 Lakeside Dr.  
Carlsbad, New Mexico 88220  
Attn: Kathy Gregory

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mrs. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Estate of Stan Gregory  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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



## **Proof of Delivery (Electronic)**

Date: 8/2/2013

Client Name: Mewbourne Oil Company

Certified with RR(E) item number 9414810699945002407226,  
addressed to James W. Klipstine was designated Delivered at 10:14  
AM on August 01, 2013 in HOBBS, NM 88240.

The item number, time, date, city, state, and zip code is a true extract of  
information provided by the United States Postal Service to  
SimpleCertifiedMail.com.

James W. Klipstine  
Klipstine and Hanratty  
1601 N TURNER ST STE 400  
HOBBS, NM 88240  
Reference #: Layla 35 PA 1H

The above information is for the sole use of SimpleCertifiedMail.com  
clients and represents information provided by the United States Postal  
Service.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Klipstine & Hanratty and  
Mr. James W. Klipstine  
1601 N. Turner, Suite 400  
Hobbs, New Mexico 88240

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL (SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.



Klipstine & Hanratty and  
Mr. James W. Klipstine  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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



Date: August 3, 2013

Simple Certified:

The following is in response to your August 3, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407240. The delivery record shows that this item was delivered on August 2, 2013 at 10:57 am in ARTESIA, NM 88210. The scanned image of the recipient information is provided below.

Signature of Recipient :

*Sophy Briseau*  
Sophy Briseau

Address of Recipient :

1330

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

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

Sincerely,  
United States Postal Service

Kevin Hanratty  
PO BOX 1330  
ARTESIA, NM 88211  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

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

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hanratty:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

Regarding the above, title examination of the captioned Section 35 indicates you may have a claim to a 12.6/350 unleased mineral interest in the S/2SE/4NE/4 of the captioned Section 35 being a 20 acre tract in Tract No. 8 of our Drilling Opinion of Title dated May 16, 2011 and a possible claim to a 12.6/350 unleased mineral interest in the E/2SE/4 of the captioned Section 35 being an 80 acre tract of land in Tract No. 9 of the referenced title opinion.

In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Mr. Kevin Hanratty  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

Regarding the above, enclosed for your further handling and information is a copy of our Authority For Expenditure (AFE) dated June 22, 2013. This is an estimate of the drilling and completion costs associated with the above proposed well.

In the event the ownership in the above referenced unleased mineral interest being 3.6 net mineral acres is judicially determined, Mewbourne welcomes such owners to participate in the above well as to such unleased mineral interest being a 2.25% interest in the well. Alternatively Mewbourne offers to purchase an Oil and Gas Lease covering such interest on the basis of a lease bonus payment of \$2,000 per net acre for a lease providing a three year primary term providing for a 3/16<sup>th</sup> royalty interest. This offer is subject to proportionate reduction.

In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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



Date: August 3, 2013

Simple Certified:

The following is in response to your August 3, 2013 request for delivery information on your Certified Mail™/RRE item number 9414810699945002407165. The delivery record shows that this item was delivered on August 3, 2013 at 10:53 am in CARLSBAD, NM 88220. The scanned image of the recipient information is provided below.

Signature of Recipient : *Bill Eaton*

*Bill Eaton*

Address of Recipient : *4016 Jones St*

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

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

Sincerely,  
United States Postal Service

Clarence Ervin  
Estate of Mary I. Ervin  
4016 Jones St  
Carlsbad, NM 88220  
Reference #: Layla 35 PA 1H

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 29, 2013

[Via Certified Mail]

Mr. Clarence Ervin and  
Estate of Mary I. Ervin  
4016 Jones St.  
Carlsbad, New Mexico 88220

Re: Layla "35" PA #1H Well  
150' FSL & 330' FEL ( SL)  
330' FNL & 660' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Ervin:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) and drill same horizontally to a terminus point in the well bore to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,360 feet beneath the surface in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The true measured depth of the proposed well will be approximately 12,950 feet with the well being dedicated to the E/2E/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

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In reference to the above enclosed for your information is a copy of the pertinent pages of the referenced Drilling Opinion of Title being pages 1, 11, 12, 13, 23, 25, 26, 29, 53, 54, 55, 56, 57, 58, 59 and 60 whereby the chain of title associated with the above referenced 12.6/350 mineral interest was undeterminable as referenced in the title opinion. To cure this title, it would take a Quit Title Suit between all of the parties that may have claim to this interest and their heirs.

Mr. Clarence Ervin and  
Estate of Mary I. Ervin  
Layla "35" PA #1H Well  
July 29, 2013  
Page 2 of 2

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In order for Mewbourne to drill the above well timely to accord to our current drilling schedule, the above interest will be subject to a Compulsory Pooling Examiner's Hearing in Santa Fe, New Mexico on September 5, 2013. You will be notified of this hearing.

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**

A handwritten signature in black ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden  
Senior Landman

DPH/gb