

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR APPROVAL OF A UNIT AGREEMENT,  
EDDY COUNTY, NEW MEXICO.

Case No. \_\_\_\_\_

AFFIDAVIT OF JASON SLAYDEN

STATE OF TEXAS                   §  
                                          § ss.  
COUNTY OF MIDLAND         §

Jason Slayden, being first duly sworn on his oath, deposes and states:

1. My name is Jason Slayden, and I reside in Midland, Texas. I am the petroleum geologist employed by Mewbourne Oil Company ("Mewbourne") who is responsible for the formation of the proposed Horseshoe State Exploratory Unit Area (the "Unit Area"), comprised of 640.00 acres of State lands situated in Eddy County, New Mexico. The horizontal limits of the Unit Area are as follows:

Township 23 South, Range 25 East, N.M.P.M.  
Section 28: S½  
Section 33: W½

2. Mewbourne, the designated Unit Operator in the Unit Agreement for the Development and Operation of the Horseshoe State Exploratory Unit Area (the "Unit Agreement"), proposes the formation of the Unit Area to test all formations.

3. **Attachment 1** to this Affidavit is a copy of the Unit Agreement. This agreement is on the form approved by the Commissioner of Public Lands of the State of New Mexico (the "Commissioner").

4. **Exhibit A** to the Unit Agreement is a plat showing the boundaries of the Unit Area.

5. **Exhibit B** to the Unit Agreement identifies interest ownership in the Unit Area. The Commissioner has preliminarily approved the Unit Agreement, and his letter of preliminary approval is **Attachment 2** to this affidavit. Mewbourne has committed its working interest to the Unit Agreement.

Oil Conservation Division  
Case No. 13,806  
Exhibit No. 1

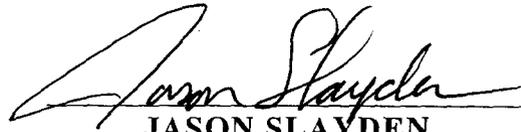
6. The initial Unit well will be drilled at a standard location 1,650 feet from the South line and 660 feet from the West line of Section 33, Township 23 South, Range 25 East, NMPM, Eddy County, New Mexico to an approximate depth of 11,400 feet subsurface to test the Morrow formation. The estimated completed well costs are \$2,232,400.00. A copy of the Authorization for Expenditure for the initial Unit well is **Attachment 3** to this affidavit.

7. **Attachment 4** to this affidavit is a geologic justification for the Unit, with appropriate Strawn structure and isopach maps. The primary objective is the Strawn formation, with Morrow production possible.

8. The Unit Area covers an area that can be reasonably developed under a unit plan of development.

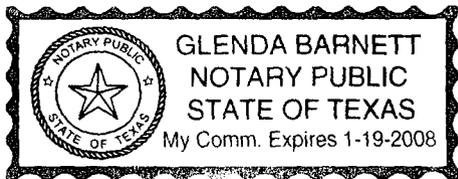
9. If the initial Unit well is successful, additional wells will be drilled in the Unit Area. Accordingly, approval of the Unit Agreement will result in the efficient recovery of hydrocarbons.

10. Approval of the Unit Agreement and the development of the Unit Area pursuant to a unit plan of development are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

  
JASON SLAYDEN

STATE OF TEXAS                   §  
                                                  § ss.  
COUNTY OF MIDLAND         §

SUBSCRIBED AND SWORN TO before me on this 9<sup>th</sup> day of October, 2006 by Jason Slayden.



  
Notary Public

My Commission Expires: 1-19-2008