

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF A NON-STANDARD OIL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 14,523

VERIFIED STATEMENT OF COREY MITCHELL

Corey Mitchell, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company, and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition is expected because the working interest owners being pooled are unlocatable, or have been contacted regarding the proposed well and have simply not decided whether to join in the well or lease their interests.

(b) A plat outlining the non-standard spacing unit being pooled is attached hereto as Exhibit A. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the E/2W/2 of Section 21, Township 20 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Yeso formation underlying the NE/4NW/4 of Section 21 to form a standard 40 acre oil spacing and proration unit, and (ii) the Yeso formation underlying the E/2W/2 of Section 21 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Pine Box 21 CN Fed. Com. Well No. 1H, a horizontal well with a surface location in the NE/4NW/4, and a terminus in the SE/4SW/4, of Section 21.

(c) The parties being pooled and their working interests in the non-standard well unit are as follows:

Georgia Needham

0.143480%

Oil Conservation Division

Case No. 1

Exhibit No. 1

Billy Joe Green	<u>0.017935%</u>
Harold Parrish	<u>0.086088%</u>
Wray J. Shildneck and wife Nina Shildneck	<u>0.068871%</u>
Lois Green, a widow and the Heirs or Devisees of Robert Richard Green	<u>0.017935%</u>
Nora Agnes Cockrum	<u>0.025826%</u>
Jo Ann Allen	<u>0.028696%</u>
Alan G. Needham	<u>0.053805%</u>
Barbara Daniel	<u>0.028696%</u>
Heirs or Devisees of R.A. Williams	<u>0.568182%</u>
Helen M. Needham	<u>0.027548%</u>
Minnie Cothran	<u>0.028696%</u>
Ben Richard Green	<u>0.011957%</u>
Heirs or Devisees of Martin Douglas Hardcastle	<u>0.034435%</u>
Martin Douglas Hardcastle, Jr.	<u>0.034435%</u>
Heirs or Devisees of Evelyn Barnett	<u>0.034435%</u>
Heirs or Devisees of Torita Ross	<u>0.034435%</u>
Heirs or Devisees of Leola Needham Watson	<u>0.143480%</u>
Ruth E. Hinman	<u>0.505051%</u>
J.E. Doud, Jr. (possible heir: Jean E. Doud)	<u>0.505051%</u>

Ella J. Owens	<u>1.515152%</u>
Eva D. Donaldson	<u>1.515152%</u>
George James Steele	<u>0.047827%</u>
Minnie Laverne Steele Drew	<u>0.047827%</u>
Robert Epperson	<u>0.505051%</u>
Kenneth Jones	<u>0.028409%</u>
Cathy Jones	<u>0.018939%</u>
Robin Hall	<u>0.028409%</u>
Georgia E. Kotlinski (possible heir: Melvin Burke)	<u>0.505051%</u>

A list of the above owners who have last known addresses is attached hereto as Exhibit B. All other interest owners have no known address.

(d) Copies of the proposal letters sent to the uncommitted working interest owners with last known addresses are attached hereto as Exhibit C. In addition, several phone calls have been made to the locatable interest owners.

(e) In an attempt to find the mineral interest owners, Mewbourne Oil Company examined the Eddy County records, telephone directories and records in the counties of the last known residences of the interest owners, and internet directories. Applicant has made a good faith effort to locate and obtain the voluntary joinder of all interest owners.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting working interest owner.

(g) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit D. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Eddy County.

(h) Overhead charges of \$7000/month for a drilling well, and \$700/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

- (i) The operators offsetting the non-standard unit are as follows:

S½ §16

Echo Production, Inc.

E½ §21

Echo Production, Inc.

N½ §28

Fasken Oil & Ranch, Ltd.

W½SW¼ §21

Fasken Oil & Ranch, Ltd.

W½NW¼ §21

Mewbourne Oil Company

- (j) Applicant requests that it be designated operator of the well.

VERIFICATION

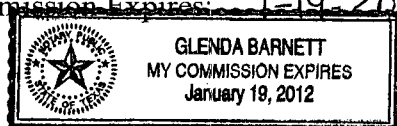
STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Corey Mitchell, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Corey Mitchell
Corey Mitchell

SUBSCRIBED AND SWORN TO before me this 2nd day of August, 2010 by Corey Mitchell.

My Commission Expires: 1-19-2012



Glenda Barnett
Notary Public

EXHIBIT

B

Georgia Needham
c/o Lewis R. Needham
8345 Cherokee Road
Lake Arthur, New Mexico 88253

Billy Joe Green
4514 S.W. 169th Place
Ocala, Florida 34473

Harold Parrish
2106 Richey
Artesia, New Mexico 88210

Wray J. Shildneck and wife Nina Shildneck
P.O. Box 111
Faywood, New Mexico 88034

Lois Green and the heirs or devisees
of Robert Richard Green
105 Dolphin Court
Aransas Pass, Texas 78336

Nora Agnes Cockrum
1606 North 26th Street
Artesia, New Mexico 88210

Jack Brock and wife Bobbie N. Brock
1180 West Bluff Road
Orange, Texas 77632

Margaret R. Sheldon
P.O. Box 404
Kingsland, Texas 78639

Dorothy Collins
825 East Llano Drive
Hobbs, New Mexico 88240

Jo Ann Allen
Apartment 3-A
200 Twin Mountain Road
Wimberley, Texas 78676

Alan G. Needham
60 West Jackson Road
Artesia, New Mexico 88210

Barbara Daniel
2504 West Hillmont
Odessa, Texas 79764

Heirs or devisees of R.A. Williams
c/o Beth Gravell
P.O. Box 1811
Ozona, Texas 76943

Helen M. Needham
9756 Blazing Star
La Porte, Texas 77571

J.C. Sims, Jr. and wife Phyllis Sims
P.O. Box 260884
Lakewood, Colorado 80226

Minnie Cothran
1214 West Avenue M
Lovington, New Mexico 88260

Robert L. Needham
1405 West Washington
Artesia, New Mexico 88210

Donna Baca
Space No. 5
300 North Ellis Street
Lake Elsinore, California 92350

Melvin Burke
Space No. 68
300 North Ellis Street
Lake Elsinore, California 92350

Summary of Communications
Pine Box 21 Fed Com No. 1H

Wray J. Shildneck
and his wife Nina Shildneck

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Mr. and Mrs. Shildneck elected not to participate.
- 2) Received green card signed by Nina Shildneck.

Lois Green and the Heirs or Devisees
of Robert Richard Green, Deceased

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Ms. Green and the heirs or devisees of Robert Richard Green elected not to participate.
- 2) Received green card signed by Lois Green.

Nora Agnes Cockrum
c/o Charlotte L. Gleghorn

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Ms. Cockrum elected not to participate.
- 2) Received green card signed by Warren Gleghorn.
- 3) Received email from Ron Lanning regarding Ms. Cockrum's interest on 6-21-2010.
- 4) Emailed Mr. Lanning back 6-22-2010.
- 5) Mr. Lanning emailed me back 6-22-2010.
- 6) Mailed Ms. Cockrum an Oil and Gas Lease for execution 6-22-2010. I never received the oil and gas lease back.

Minne Cothran

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Ms. Cothran elected not to participate.
- 2) Received green card signed by Minnie Cothran.

Melvin Burke (Heir of Georgia Kotlinski)

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Mr. Burke elected not to participate.
- 2) Returned Unclaimed.
- 3) Mailed well proposal letter with AFE via certified mail dated 6-29-2010. Offered to acquire a six (6) month lease in the event Mr. Burke elected not to participate.
- 4) Returned Unclaimed.
- 5) Mailed well proposal letter with AFE via certified mail dated 7-2-2010. Offered to acquire a six (6) month lease in the event Mr. Burke elected not to participate.
- 6) Received green card signed by Tiffany Gordon.
- 7) Received phone call from Mr. Burke requesting an oil and gas lease 7-7-2010.
- 8) Mailed Mr. Burke an Oil and Gas Lease for execution 7-7-2010. I never received the oil and gas lease back.

Helen M. Needham

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Ms. Needham elected not to participate.
- 2) Received green card signed by Helen Needham.

Harold Parrish

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Mr. Parrish elected not to participate.
- 2) Received green card signed by Barbara Parrish.

Georgia Needham

c/o Lewis R. Needham

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Ms. Needham elected not to participate.
- 2) Received green card signed by Susan Needham.

Billy Joe Green

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Mr. Green elected not to participate.
- 2) Received green card signed by Billy Green.

Estate of R.A. Williams, Deceased

c/o Beth Gravell

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event the Estate of R.A. Williams elected not to participate.
- 2) Received green card signed by Beth Gravell.

Barbara Daniel

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Ms. Daniel elected not to participate.
- 2) Received green card signed by Barbara Daniel.

Alan G. Needham

- 1) Mailed well proposal letter with AFE via certified mail dated 6-10-2010. Offered to acquire a six (6) month lease in the event Mr. Needham elected not to participate.
- 2) Received green card signed by Debra Needham.
- 3) Received phone call from Mr. Needham requesting an oil and gas lease 7-7-2010.
- 4) Mailed Mr. Needham an Oil and Gas Lease for execution 7-7-2010. I never received the oil and gas lease back.

Jo Ann Allen

- 1) Mailed well proposal letter with AFE via certified mail dated 6-16-2010. Offered to acquire a six (6) month lease in the event Ms. Allen elected not to participate.
- 2) Returned Unclaimed.

Kenneth Jones

- 1) Unable to locate

Robert J. Epperson

- 1) Unable to locate

Robin Hall

- 1) Unable to locate

M. Laverne Drew

- 1) Unable to locate

Ben Richard Green

- 1) Unable to locate

Heirs or devisees of Martin Douglas Hardcastle

- 1) Unable to locate.

Martin Douglas Hardcastle, Jr.

- 1) Unable to locate

Heirs or devisees of Evelyn Barnett

- 1) Unable to locate.

Heirs or devisees of Torita Ross

- 1) Unable to locate.

Heirs or devisees of Leola Needham Watson

- 1) Unable to locate

Ruth E. Hinman

- 1) Unable to locate

Jean E. Doud

- 1) Unable to locate

Eva D. Donaldson

- 1) Unable to locate

Georgia E. Kotlinski

- 1) Unable to locate.

Ella J. Owens

- 1) Unable to locate

J.E. Doud, Jr.

- 1) Unable to locate

Cathy Jones

- 1) Unable to locate

George James Steele

- 1) Unable to locate

44130x21

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:

Way J. and Nina Shildneck
P.O. Box 111
Faywood, New Mexico 88034

COMPLETE THIS SECTION ON DELIVERY

- A. Signature W. Shildneck ☐ Agent ☐ Addressee
- B. Received by (Printed Name) W. Shildneck C. Date of Delivery 6/5/10
- 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 0617 1053

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No. 1053

Wray J. and Nina Shildneck
P.O. Box 111
Faywood, New Mexico 88034

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. and Mrs. Shildneck:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.


Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/726 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman

Time Box 21

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ 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. 		<p>A. Signature <input checked="" type="checkbox"/> <i>Lara Green</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p style="text-align: center;">Heirs or Devisees of Robert Richard Green, deceased 105 Dolphin Court Aransas Pass, Texas 78336</p>		<p>B. Received by (Printed Name) C. Date of Delivery <i>Lara Green</i> <i>6-18-10</i></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>7009 2250 0000 0617 1060</p>	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No. 1060

Heirs or Devisees of Robert Richard Green, deceased
105 Dolphin Court
Aransas Pass, Texas 78336

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Green:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

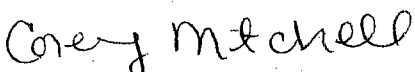
In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/69696 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

The above lease offer is subject to proper documentation showing the heirs of Robert Richard Green, deceased.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 22, 2010

Nora Agnes Cockrum
c/o Charlotte L. Gleghorn
1606 N. 26th Street
Artesia, New Mexico 88210

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Gleghorn:


Per my conversation with Mr. Ron Lanning, enclosed for your further handling is an Oil and Gas Lease prepared for Nora Agnes Cockrum's ("Nora") signature. Also, enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers Nora's 1/1936 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month term and providing a 1/4 royalty interest.

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 cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman



"Ron Lanning"
<rlanning@mec.com>
06/22/2010 07:57 AM

To <cmitchell@mewbourne.com>
cc "Charlotte Gleghorn" <cgleghorn@mec.com>
bcc
Subject RE: Pine Box 21 CN Fed Com 1H

OK - I may be out of town so send it to Charlotte.
Thanks - Ron

-----Original Message-----

From: cmitchell@mewbourne.com [mailto:cmitchell@mewbourne.com]
Sent: Tuesday, June 22, 2010 6:55 AM
To: Ron Lanning
Subject: Re: Pine Box 21 CN Fed Com 1H

Ron,

That will be fine, we can do a 1/4 royalty. Just give me the final ok and I will send over the Oil and Gas Lease for her/your review. Let me know if you have any questions. Thanks.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus. (432) 682-3715
Fax (432) 685-4170

"Ron Lanning"
<rlanning@mec.com>
>

06/21/2010 03:09
PM

"Corey Mitchell"
<cmitchell@mewbourne.com>

"Charlotte Gleghorn"
<cgleghorn@mec.com>

Pine Box 21 CN Fed Com 1H

To

cc

Subject

Corey - Charlotte brought me your letter to Nora Agnes Cockrum. I know this is very small interest. Since you are not offering any bonus, how about a lease @ 25% royalty???

Ronald W. Lanning
Land Manager

Mack Energy Corporation
Chase Oil Corporation
Chase Farms LLC
Caza Ranches LLC
575-748-1288 office
575-748-7374 fax
432-934-4592 cell
rlanning@mec.com

Pine Box 21

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:

Nora Agnes Cockrum
c/o Charlotte L. Gleghorn
1606 N. 26th Street
Artesia, New Mexico 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Handwritten Signature]

- ☒ Agent
☐ Addressee

B. Received by (Printed Name)

Charlotte L. Gleghorn

C. Date of Delivery

6/15/10

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 0616 5236

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.5236

Nora Agnes Cockrum
c/o Charlotte L. Gleghorn
1606 N. 26th Street
Artesia, New Mexico 88210

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Cockrum:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

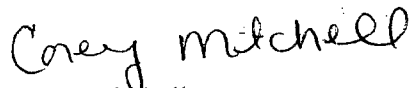
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1936 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

Dim Box 21

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:

Minnie Cothran
1214 W. Ave. M
Lovington, NM 88260

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *Minnie Cothran* ☐ 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

7009 2250 0000 0616 5243

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.5243

Minnie Cothran
1214 W. Ave. M
Lovington, NM 88260

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Cothran:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.


Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/43560 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

July 7, 2010

Melvin Burke
240 S.W. Edgeway Dr., #393
Beaverton, OR 97006

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Burke:

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. The Oil and Gas Lease covers your 1/198 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

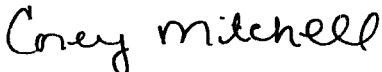
Also, I have included an Affidavit of Heirship regarding the heirs of Georgia Kotlinski.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and have the Affidavit filled out and signed by a third party 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 cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

Time Box

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ 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. 		<p>A. Signature <i>XT. GORDON</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p style="text-align: center;">Melvin Burke 240 S.W. Edgeway Dr., #393 Beaverton, OR 97006</p>		<p>B. Received by (Printed Name) <i>T. Gordon</i></p>	<p>C. Date of Delivery <i>7-6-10</i></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>7009 2250 0000 0617 6331</p>	

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

July 2, 2010

Via Certified Mail-Return Receipt No. 6331

Melvin Burke
240 S.W. Edgeway Dr., #393
Beaverton, OR 97006

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Burke:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yezo formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/198 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 20, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

UNITED STATES POSTAL SERVICE
 02 1P \$ 006.15
 00034 28214 JUN 29 2016
 MAILED FROM ZIP CODE 79701

FIRST CLASS MAIL

POSTAGE WILL BE PAID BY ADDRESSEE
 RETURN TO: MEWBOURNE OIL COMPANY
 500 WEST TEXAS, SUITE 1020
 MIDLAND, TEXAS 79701

FROM	SHIP TO
MEWBOURNE OIL COMPANY 500 WEST TEXAS, SUITE 1020 MIDLAND, TEXAS 79701	Melvin Burke 300 North Ellis Street, Space #68 Lake Elsinore, CA 92530
RETURN POSTAGE GUARANTEED	

PS Form 3811, February 2004
 Domestic Return Receipt
 102595-02-M-1540

7009 2250 0000 0616 9609
 (Transfer from service label)

2. Article Number

1. Article Addressed to:

☒ 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.

3. Service Type

☒ Certified Mail
☐ Registered
☐ Return Receipt for Merchandise
☐ Insured Mail
☐ C.O.D.
☐ Restricted Delivery (Extra Fee)

4. Is delivery address different from item 1? ☐ Yes ☐ No

5. If YES, enter delivery address below:

6. Received by (Printed Name)

7. Date of Delivery

8. Signature

9. Agent

10. Address

11. COMPLETE THIS SECTION ON DELIVERY

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 29, 2010

Via Certified Mail-Return Receipt No. 9609

Melvin Burke
300 North Ellis Street, Space #68
Lake Elsinore, CA 92530

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Burke:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yezo formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/198 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



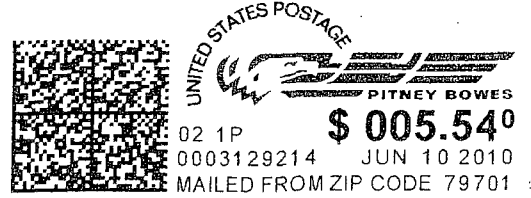
Corey Mitchell
Landman

CERTIFIED MAIL™

OIL COMPANY

AS, SUITE 1020
TEXAS 79701

7009 2250 0000 0617 1992



Melvin Burke
300 North Ellis Street, Space #5
Lake Elsinore, CA 92530

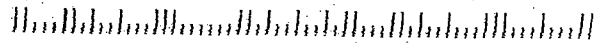
NIXIE 923 DE 1 05 06/19/10

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

TF

BC: 79701427970 *1110-06070-10-39

9253033943 0010
7970104279



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.1992

Melvin Burke
300 North Ellis Street, Space #5
Lake Elsinore, CA 92530

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Burke:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

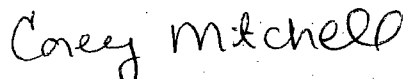
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/198 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman

Pin Box 21

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:

**Helen M. Needham
9756 Blazing Star
La Porte, Texas 77571**

2. Article Number
(Transfer from service label)

7009 2250 0000 0617 2104

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Helen Needham ☐ 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

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.2104

Helen M. Needham
9756 Blazing Star
La Porte, Texas 77571

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Needham:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

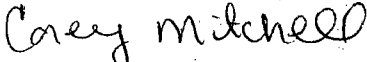
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman

Pine Box 21

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:

**Harold Parrish
2106 Richey
Artesia, New Mexico 88210**

2. Article Number
(Transfer from service label)

7009 2250 0000 0617 2111

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Barbara Parrish*

☐ Agent

☒ Addressee

B. Received by (Printed Name)

Barbara Parrish

C. Date of Delivery

6-12-10

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

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.2111

Harold Parrish
2106 Richey
Artesia, New Mexico 88210

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Parrish:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

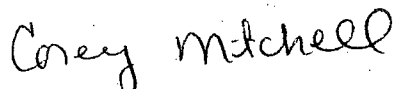
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 5/2904 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

Pina 3/11/24

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:

Georgia Needham ✓
c/o Lewis R. Needham
8345 Cherokee Road
Lake Arthur, New Mexico 88253

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Georgia Needham ☐ Agent ☒ Addressee
- B. Received by (Printed Name) Georgia Needham C. Date of Delivery 06-12-10
- D. Is delivery address different from item 1? ☐ Yes ☐ No
- If YES, enter delivery address below:

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) ☐ Yes ☐ No

2. Article Number (Transfer from service label) 7009 2250 0000 0617 2128

PS Form 3811, February 2004

Domestic Return Receipt

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.2128

Georgia Needham
c/o Lewis R. Needham
8345 Cherokee Road
Lake Arthur, New Mexico 88253

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Needham:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

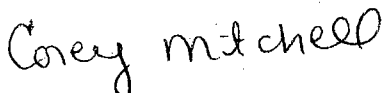
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/8712 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

Pin Box 21

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:

Billy Joe Green
4514 S.W. 169 Pl.
Ocala, Florida 34473

2. Article Number
(Transfer from service label)

7009 2250 0000 0617 2548

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Billy Joe Green

☐ Agent

☒ Addressee

B. Received by (Printed Name)

Billy Joe Green

C. Date of Delivery

06/11/04

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

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.2548

Billy Joe Green
4514 S.W. 169 Pl.
Ocala, Florida 34473

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Green:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

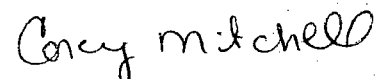
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/69696 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman

Pine Box 21

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:

Estate of R.A. Williams, Deceased
c/o Beth Gravell
P.O. Box 1811
Ozona, Texas 76943

2. Article Number
(Transfer from service label)

7009 2250 0000 0617 1046

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Beth Gravell ☒ Agent ☐ Addressee

B. Received by (Printed Name)

Beth Gravell

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

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.1046

Estate of R.A. Williams, Deceased
c/o Beth Gravell
P.O. Box 1811
Ozona, Texas 76943

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Gravell:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

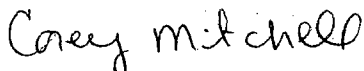
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/88 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman

PIN BOX 24

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:

Barbara Daniel
2504 W. Hillmont
Odessa, Texas 79764

COMPLETE THIS SECTION ON DELIVERY

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

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 2531

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.2531

Barbara Daniel
2504 W. Hillmont
Odessa, Texas 79764

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Daniel:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/43560 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

Corey Mitchell/Mewbourne
07/07/2010 02:44 PM

To aneedham@pvtnetworks.net
cc
bcc
Subject Pine Box 21 OGL

Mr. Needham,

Per our conversation, attached is an Oil and Gas Lease covering your interest in the NW/4 of Section 21, T20S, R25E, Eddy County, NM for your review. The Oil and Gas Lease provides for a 6 month term and a 3/16 royalty interest. The originals are to follow in the mail. Let me know if you have any questions. Thanks. Have a good day.



Alan Needham.pdf

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus. (432) 682-3715
Fax (432) 685-4170

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

July 7, 2010

Alan G. Needham
60 West Jackson Road
Artesia, NM 88210

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Needham:

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. The Oil and Gas Lease covers your 25/23232 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

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 cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

Pine Box 21

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:

Alan G. Needham
60 West Jackson Road
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Debra Needham

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Debra Needham

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

☐ Registered

☐ Insured Mail

☐ Priority 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 2524

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 10, 2010

Via Certified Mail-Return Receipt No.2524

Alan G. Needham
60 West Jackson Road
Artesia, NM 88210

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Mr. Needham:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

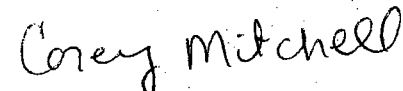
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/23232 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 10, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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 X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Jo Ann Allen 200 Twin Mountain Rd., Apt. 3-A Wimberley, Texas 78676		B. Received by (Printed Name) C. Date of Delivery	
2. Article Number (Transfer from service label)		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	
PS Form 3811, February 2004		Domestic Return Receipt	

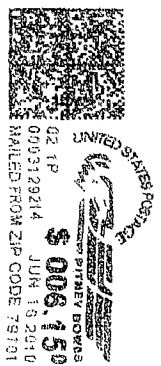
Handwritten signature/initials.

FROM MEWBOURNE OIL COMPANY 500 WEST TEXAS, SUITE 1020 MIDLAND, TEXAS 79701	SHIP TO Jo Ann Allen 200 Twin Mountain Rd., Apt. 3-A Wimberley, Texas 78676
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RETURN POSTAGE GUARANTEED

ALL TIME FORWARDING

FIRST CLASS MAIL



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 16, 2010

Via Certified Mail-Return Receipt No. 9029

Jo Ann Allen
200 Twin Mountain Rd., Apt. 3-A
Wimberley, Texas 78676

Re: Pine Box "21" CN Federal Com #1H
400' FNL & 1800' FWL (SL)
330' FSL & 2310' FWL (BHL)
Section 21, T20S, R25E
Eddy County, New Mexico

Dear Ms. Allen:

Mewbourne Oil Company (Mewbourne) hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,680 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,960 feet. The E/2W/2 of the captioned Section 21 will be dedicated to the well as the oil proration unit.

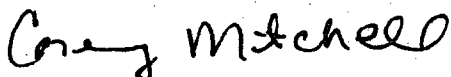
Regarding the above, enclosed for your further handling is our AFE dated May 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the W/2 of the captioned Section 21.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/43560 mineral interest in the NW/4 of the captioned Section 21 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 16, 2010.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:	Pine Box 21 CN Federal Com #1H		Prospect:	Pine Box 21	
Location:	SL: 400' FNL & 1800' FWL, BHL: 330' FSL & 2310' FWL		County:	Eddy	ST: NM
Section:	21	Blk:	Survey:	TNP: 20S	RNG: 25E Prop. Dpth: 7000'

INTANGIBLE COSTS 180	CODE	TCP	CODE	CC
Permits and Surveys	100	\$10,000	200	\$1,000
Location: Roads, Pits & Site Preparation	105	\$30,000	205	\$2,500
Location: Site Restoration, Excavation & Other	106	\$35,000		
Day Work, Footage, Turnkey Drilling 15 days drlg/1 compl @ \$10,500/day + GRT	110	\$167,000	210	\$11,200
Fuel	114	\$28,000		
Mud	120	\$29,000		
Chemicals and Additives	121		221	
Cementing	125	\$12,000	225	\$20,000
Logging, Wireline & Coring Services	130	\$6,000	230	
Casing, Tubing & Snubbing Services	134	\$3,200	234	\$10,000
Mud Logging	137	\$10,000		
Stimulation			241	\$350,000
Stimulation Rentals & Other			242	\$100,000
Water & Other	145	\$25,000		\$2,000
Bits	148	\$20,000	248	\$1,500
Inspection & Repair Services	150	\$8,000	250	
Misc. Air & Pumping Services	154		254	\$1,000
Testing	158	\$1,000	258	\$1,000
Completion / Workover Rig			260	\$15,000
Rig Mobilization	164	\$30,000		
Transportation	165	\$2,000	265	\$2,000
Welding and Construction	168	\$1,000	268	\$1,000
Engineering & Contract Supervision	170		270	
Directional Services	175	\$80,000		
Equipment Rental	180	\$20,000	280	\$5,000
Well / Lease Legal	184	\$2,500	284	
Well / Lease Insurance	185	\$1,200	285	
Intangible Supplies	188	\$1,000	288	\$1,000
Damages	190		290	\$10,000
Pipeline, Road, Electrical ROW & Easements	192		292	\$10,000
Pipeline Interconnect			293	
Company Supervision	195	\$50,000	295	\$15,000
Overhead Fixed Rate	196	\$3,000	296	\$3,000
Well Abandonment	198		298	
Contingencies 10% (TCP) 5% (CC)	199	\$57,500	299	\$28,100
TOTAL		\$632,400		\$590,300

TANGIBLE COSTS 181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	793			
Casing (10.1" - 19.0")	794			
Casing (8.1" - 10.0") 1100' 9 5/8" 36# K55 LTC @ \$27.00/ft	795	\$29,700		
Casing (6.1" - 8.0")	796			
Casing (4.1" - 6.0") 7000' 5 1/2" 17# N80/4 1/2" 11.6# N80 LTC @ \$14.00/ft			797	\$98,000
Tubing (2" - 4") 2000' 2 7/8" 6.5# J55 EUE 8rd @ \$5.00/ft			798	\$10,000
Drilling Head	860	\$1,500		
Tubing Head & Upper Section			870	\$1,500
Sucker Rods			875	\$8,500
Packer Pump & Subsurface Equipment (15 Stage Ports)			880	\$200,000
Artificial Lift Systems			884	
Pumping Unit			885	\$35,000
Surface Pumps & Prime Movers			886	
Tanks - Steel			890	\$22,000
Tanks - Others			891	\$12,000
Separation Equipment			895	\$8,000
Gas Treating Equipment			896	
Heater Treaters, Line Heaters			897	\$15,000
Metering Equipment			898	\$6,000
Line Pipe - Gas Gathering and Transportation			900	\$3,000
Misc. Fittings, Valves, Line Pipe and Accessories			906	\$6,000
Cathodic Protection			908	
Electrical Installations			909	\$12,000
Production Equipment Installation			910	\$11,000
Pipeline Construction			920	\$2,000
TOTAL		\$31,200		\$450,000
SUBTOTAL		\$663,600		\$1,040,300
TOTAL WELL COST		\$1,703,900		

Prepared by: M. Young Date: 5/27/2010

Co. Approval: *m. white* Date: 5/27/2010

Joint Owner Interest: Amount:

Joint Owner: Joint Owner Approval:

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 185. Non-Operator may elect NOT to be covered by this Operator's Extra Expense Insurance only by signing below. The undersigned elects NOT to be covered by Operator's Extra Expense Insurance for their well.

By: Name: Form Rev: 8/11/99

File: Pine Box 21 CN Federal Com #1H.xls

D
EXHIBIT