

Summary of Communications
Wyatt Draw "24" KC No.1H

Nearburg Exploration Company, LLC

- 1) Mailed well proposal letter with AFE via certified mail dated 12-29-2010.
- 2) Received green card signed by ???
- 3) 1-6-2011, emailed Ken Dixon to give notice of compulsory pooling application.
- 4) 2-2-2011, received letter from Ken Dixon stating Nearburg would like to participate in the well, subject to an agreeable JOA.
- 5) 2-4-2011, emailed Ken Dixon a JOA for his review.

~~WD24K1 #1~~

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:

Nearburg Exploration Company, LLC
 3300 North "A" Street, Bldg. 2, Ste. 120
 Midland, Texas 79705
 Attn: Mr. Ken Dixon

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* Agent Addressee
 B. Received by (Printed Name) _____
 C. Date of Delivery *12-30-10*

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 8014*

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

December 29, 2010

Via Fax (432) 686-7806 and
Certified Mail-Return Receipt No.8014

Nearburg Exploration Company, LLC
3300 North "A" Street, Bldg. 2, Ste. 120
Midland, Texas 79705
Attn: Mr. Ken Dixon

Re: Wyatt Draw "24" KC No. 1H Well
990' FSL & 1650' FWL (SL)
330' FNL & 1650' FWL (BHL)
Section 24, T19S, R25E
Eddy County, New Mexico

Gentlemen:

Under the terms of the governing Operating Agreement, 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 2,740 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 6,508 feet. The E/2NW/4 and the NE/4SW/4 of the captioned Section 24 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated December 20, 2010 for the captioned well. In the event your firm elects to participate in the captioned proposed well, please have the enclosed AFE executed and return to me within thirty (30) days.

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

Corey Mitchell
Landman

Corey Mitchell/Mewbourne
01/06/2011 09:24 AM

To "Ken Dixon" <KDixon@nearburg.com>
cc
bcc
Subject Wyatt Draw 24 KC No. 1H

Ken,

Per our conversation, I just wanted to give you a heads up and let you know we are going to go ahead and commence compulsory pooling for the Wyatt Draw 24 KC #1H Well in the next week or so. I hate to rush you through your election period, but we have an obligation date we must meet on a BP lease in the S/2 of Section 24. I have to get it ready. We currently have this well set to spud mid February and do not have much wiggle room on our drilling schedule. I have spoken with all the other parties involved and they are expediting their respective elections. Nearburg is the only party not subject to the Operating Agreement. If there is any way you can expedite your decision on what Nearburg wants to do, whether that be a trade or participate, it will be very helpful. Hopefully we will be able to work something out. As always, we will release Nearburg as soon as we are able to work out an agreement. Let me know if you have any questions. Sorry for any inconvenience this may have caused. Thanks Ken. Have a good day.

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

NEARBURG EXPLORATION COMPANY, L.L.C.

Oil and Gas Exploration
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705-5421
432-686-8235
FAX 432-686-7806

February 2, 2011

Mewbourne Oil Company
Attn: Corey Mitchell
500 West Texas, Suite 1020
Midland, Texas 79701

VIA FAX (685-4170) AND REGULAR U.S. MAIL

Re: FAIRCHILD 24 PROSPECT
Eddy County, New Mexico
WYATT DRAW 24 KC No 1H WELL
990' FSL & 1,650' FWL (SHL)
330' FNL & 1,650' FWL (BHL)
Section 24, T-19-S, R-25-E, N.M.P.M.
Nearburg Lease No 1757-24

Gentlemen:

Reference is made to your December 29, 2010 proposal, which was received by this office on December 29, 2010, via facsimile, with AFE attached thereto, to drill the captioned well at the above location to a true vertical depth of 2,740' subsurface, with a horizontal measured depth of approximately 6,508' to test the Lower Yeso formation. Please be advised that we are recommending to management that Nearburg participate in the drilling of this well. Before we can present your proposal to management, we need to review and approve the proposed Operating Agreement for this well. A copy of said Operating Agreement needs to be forwarded to the undersigned for our review and approval. Should a mutually acceptable form of Operating Agreement be agreed to by both parties, we will then join in the Operating Agreement and sign the subject AFE. Should both parties not agree on a form of Operating Agreement and should Mewbourne move forward with its plans to drill the subject well, Nearburg reserves its right to participate under any Compulsory Pooling for said well.

If you have any questions, please feel free to contact the undersigned.

Very truly yours,

Nearburg Exploration Company, L.L.C.



Ken Dixon
Senior Landman

Corey Mitchell/Mewbourne
02/04/2011 09:23 AM

To "Ken Dixon" <KDixon@nearburg.com>
cc
bcc
Subject Wyatt Draw 24 KC No. 1H 

Ken,

Attached for your review is our proposed JOA for the Wyatt Draw 24 KC No. 1H Well. I believe this is the same JOA Nearburg signed for the West Draw WIU. Let me know if you have any questions. Thanks.



NRBG JOA.pdf

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