

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

October 4, 2005

Mewbourne Oil Company P.O. Box 5270 Hobbs, NM 88240 Attn: Ms Kristi Green

RE:

Mewbourne Oil Company: Derringer '18' Federal # 1, located in Section 18 of Township-20-South, Range-29-East, 660' FNL & 1980' FWL, Eddy County, New Mexico, NMPM

API # 30-015-34362

Dear Kristi,

In regards to the above captioned well, the Oil Conservation Division (NMOCD) will require (in part) that Mewbourne Oil Company is to catch from the flow line drilling mud samples in order to determine the chloride levels while drilling through the Capitan reef. Please begin testing at a depth of @ 1100'-3100, every 100'. The results of the chloride tests are to be submitted to the NMOCD District II office here in Artesia. Please call if you have any questions regarding this matter.

Yours truly,

Bryan G. Arrant

PES