

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201-1287

IN REPLY REFER TO: SCR-193 3105.2 (06300)

May 15, 2003

Mewbourne Oil Company P.O. Box 5270 Hobbs, N.M. 88241 30-015-23898 5mith 11 com #1

Gentlemen:

Communitization Agreement (CA) SCR-193 was approved November 13, 1981, effective as of September 24, 1981. This agreement communitized N½ sec. 11, T. 24 S., R. 27 E., NMPM, Eddy County, New Mexico involving 40.00 acres of Federal land in lease NM-14473, 80.00 acres of Federal land in lease NM-18613-A, and 200.00 acres of Fee land comprising a 320.00-acre well spacing unit as to dry gas and associated liquid hydrocarbons producible from the Morrow formation.

The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the well in the above-described communitized spacing unit, your No. 1-Smith 11 Com. located on Fee land in the NE½NW½ sec. 11 last produced from the communitized formation during February 2002. The communitized formation (Morrow) was abandoned and the well was recompleted in the Delaware on February 20, 2003.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, Communitization Agreement SCR-193 is considered to have expired by its own terms as of February 20, 2003, the day the well was recompleted in the Delaware formation. Lease NM-18613-A is eligible for a two year extension, pursuant to 43 CFR 3107.4 as a result termination of subject agreement. Lease NM-14473 will be held by actual production from the lease itself.

Please contact David Glass at (505) 627-0275 or at the letterhead address if any additional information is required.

Sincerely,

/S/ Larry D. Bray

Larry D. Bray Assistant Field Manager, Lands and Minerals

cc; MMOCD-Artesia