MEWBOURNE OIL COMPANY

P.O. BOX 5270 HOBBS, NEW MEXICO 88241 TEL. (505) 393-5905 FAX (505) 397-6252

July 1, 1998

State of New Mexico Oil Conservation Division 811 South First Artesia, NM 88210

Re: Completion Papers Mewbourne Oil Company Catclaw Draw 1 Fed #1 Section 1, T21S, R25E Eddy County, NM

Gentlemen,

Enclosed please find Form C-104 and C-105 along with attachments for the above captioned well. This well was drilled under Oil Conservation Division Order No. R-10872-D. This order contained the provision that the well would be produced with a 60% penalty factor based upon the well's ability to produce into a pipeline. The required test was conducted on June 2, 1998 and measured 6640 MCFD.

The well is currently producing under an allowable of 2656 MCFD as approved verbally by Mr. Tim Gum on June 3.

Should further information be required concerning this matter, please do not hesitate to contact me. Thank you for your assistance.

Sincerely,

Jerry Elgin, PE Superintendent