

DATE IN 4.12.11	SUSPENSE	ENGINEER R.E	LOGGED IN 4.12.11	TYPE CTB	PTG 4	APP NO. 1110255811
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Mewbourne  
14744

Wyatt Draw 24/25 LE1

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-38083

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

30-015-38307

Wyatt Prow 24L #1

30-015-37490

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Robin Terrell  
Print or Type Name

Signature

SR Production Engineer  
Title

04/11/11  
Date

rterrell@mewbourne.com  
e-mail Address

CTB-625

MEWBOURNE OIL COMPANY  
PO BOX 5270  
HOBBS, NM 88240  
575-393-5905 FAX 575-397-6252

RECEIVED OCD

2011 APR 12 P 12:42

April 11, 2011

Engineering Bureau  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RE: Surface Commingle leases

To Whom It May Concern:

Mewbourne Oil Co is requesting permission to surface commingle the following wells

Wyatt Draw 24/25 LE # 1H (API # 30-015-38083)  
Wyatt Draw 24 KC # 1H (API # 30-015-38307)

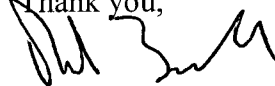
Mewbourne Oil Co request permission to produce these wells to a tank battery on our Wyatt Draw 24 L # 1 (API # 30-015-37490) with our Wyatt Draw 24 L # 1.

The reason for which Mewbourne Oil Co is requesting this off lease measurement is to save approximately \$150,000 in facilities cost as well as additional surface disturbances.  
Mewbourne Oil Co will allocate production based upon well test.

Form C107B  
Site diagram of production facility with pictures  
Explanation of testing procedure  
Form C-102 for all wells  
Map showing entire section and corresponding leases  
Administrative Application Checklist  
List of all involved parties  
Copy of letter that was sent certified mail to all involved parties informing them of proposed off lease measurement.

Mewbourne Oil Company would appreciate this commingle request being processed as soon as possible. If you need further information, please call me at (575) 390-4816.

Thank you,



Robin Terrell

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

OIL CONSERVATION DIVISION  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Mewbourne Oil Company  
OPERATOR ADDRESS: PO Box 5270, Hobbs, NM 88241  
APPLICATION TYPE:  
☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)  
LEASE TYPE: ☒ Fee ☐ State ☐ Federal  
Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling ☐ Yes ☐ No  
☒ Fee surface & minerals

(A) POOL COMMINGLING  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING  
Please attach sheets with the following information

- (1) Pool Name and Code. North Seven Rivers Glorieta Yeso 97565  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING  
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)  
Please attach sheets with the following information

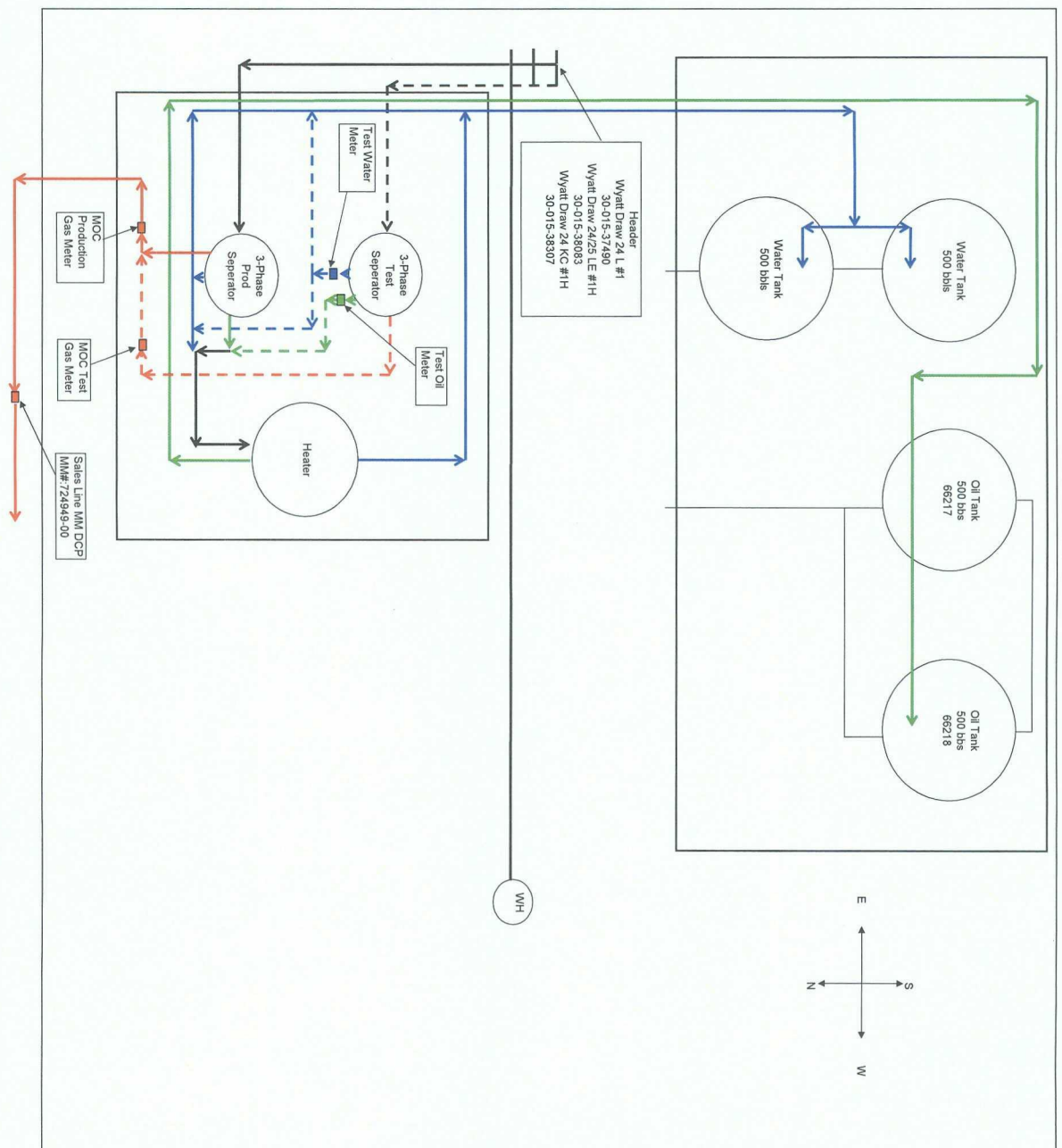
- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Robin Terrell TITLE: SR Production Engineer DATE: 04/11/11

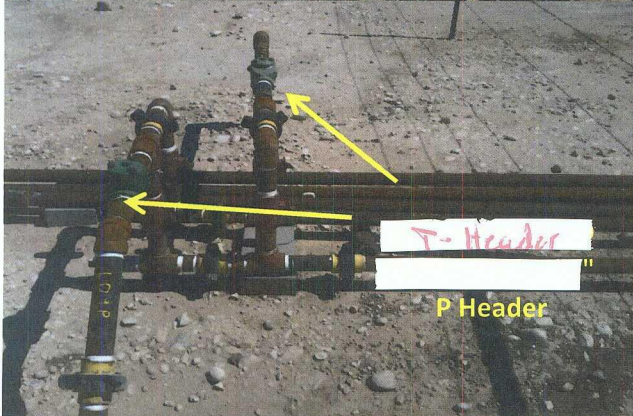
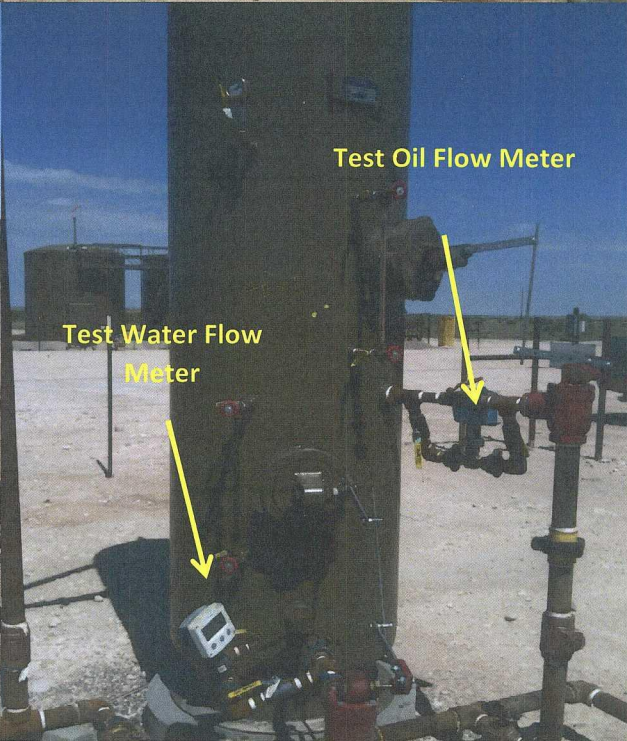
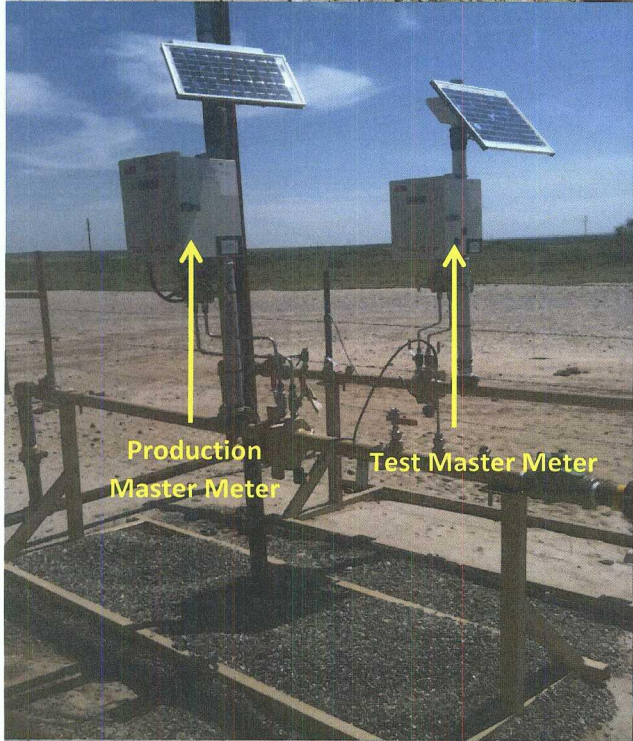
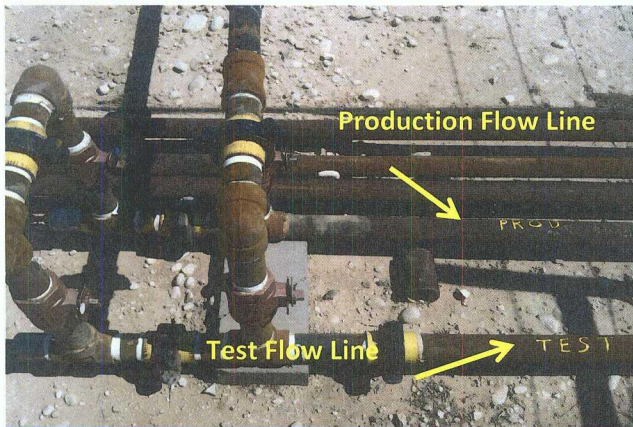
TYPE OR PRINT NAME Robin Terrell TELEPHONE NO.: 575-393-5905

E-MAIL ADDRESS: rterrell@mewbourne.com



Mewbourne Oil Company  
Wyatt Draw 24 Battery  
API #: 30-015-37490  
2310' FSL & 330' FWL  
Sec. 24 - T19S - R25E  
Eddy County, NM





## **Testing Procedure**

This production facility is equipped with a testing header. At the header produced fluids (oil, water, and gas) enter the production facility. (Header is seen in picture #1).

At the header produced fluids may be sent to the testing vessel or the production vessel. Only one well will be sent to the testing vessel at a given time. The other wells that flow to this battery will be sent to the production vessel. The testing vessel is a 3 phase separator (seen in picture # 2) that will meter all phases prior to it commingling with other producing wells. The oil will flow thru the oil dump and pass thru an oil meter and be recorded. The water will pass thru the water dump and thru a water meter and be recorded. The gas will flow out the top of the separator and then thru a gas test meter and then be commingled with gas from the other wells at the production meter. Once the fluids leave the 3 phase separator and pass thru the meters the volume of oil, water, and gas has been determined.

All wells will be tested for a period of no less than 3 days per month to achieve the most accurate test information. In this case where there are only 3 wells being tested at this battery so each well will have approximately 10 – (24 hr well test) each month. Well test information is recorded in our auditable production system by the name of eVIN. Wells will be rotated in test and then into the production separators throughout there producing lives.

Allocation of oil, water, and gas production in a testing facility is very simple. At the end of the month the battery made a given amount of oil, water, and gas and all wells that flow to that battery have been tested. The well test will be used to determine each wells contribution to the entire batteries production and from that each well will get its percent of oil, water, and gas produced.



DISTRICT I  
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DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 15, 2009

Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name UNDESIGNATED YESO
Property Code	Property Name WYATT DRAW "24KC"	Well Number 1H
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3398'

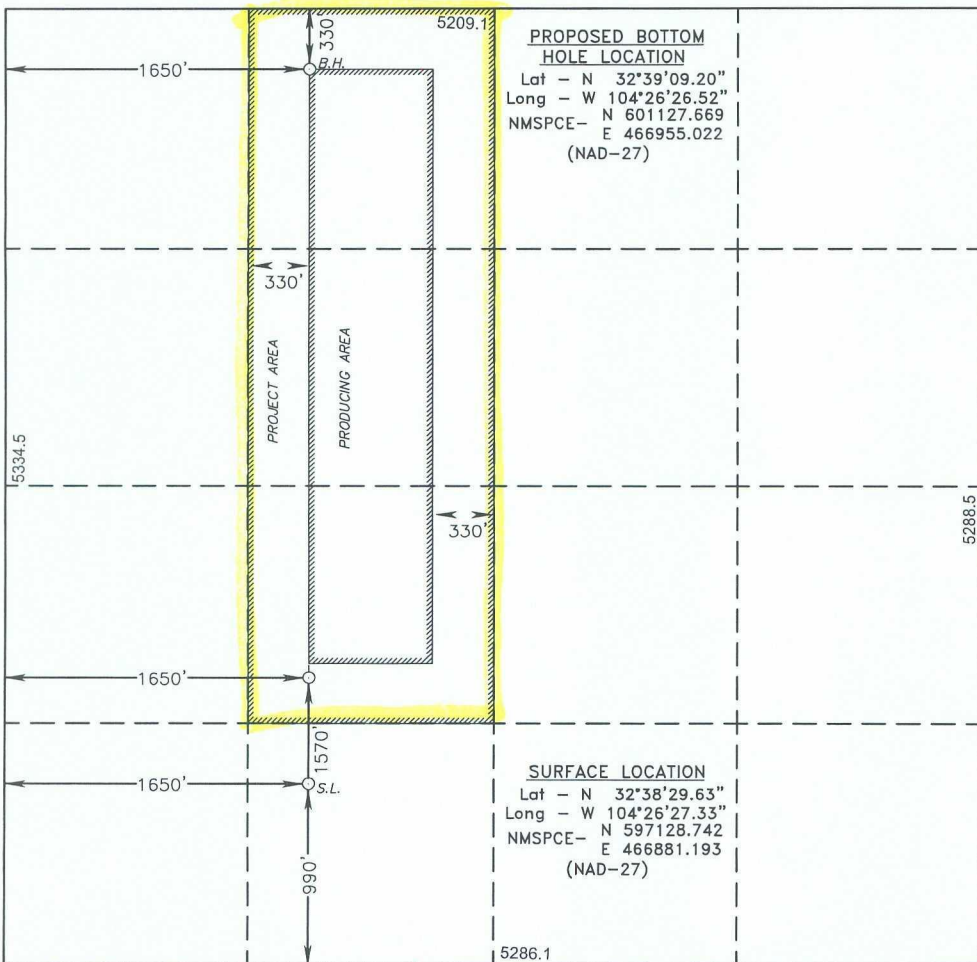
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	24	19 S	25 E		990	SOUTH	1650	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	19 S	25 E		330	NORTH	1650	WEST	EDDY
Dedicated Acres 120	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 <p><b>PROPOSED BOTTOM HOLE LOCATION</b> Lat - N 32°39'09.20" Long - W 104°26'26.52" NMSPCE- N 601127.669 E 466955.022 (NAD-27)</p> <p><b>SURFACE LOCATION</b> Lat - N 32°38'29.63" Long - W 104°26'27.33" NMSPCE- N 597128.742 E 466881.193 (NAD-27)</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jackie Lathan</i> 4/14/11 Signature Date</p> <p><i>Jackie Lathan</i> Printed Name</p>
		<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOV 14 2009 Date Surveyed Signature &amp; Seal of Professional Surveyor 7977 Certificate No. 21900 Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
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State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 15, 2009

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name WYATT DRAW "24/25" LE	Well Number 1H
GRID No.	Operator Name MEWBOURNE OIL COMPANY	Elevation 3413'

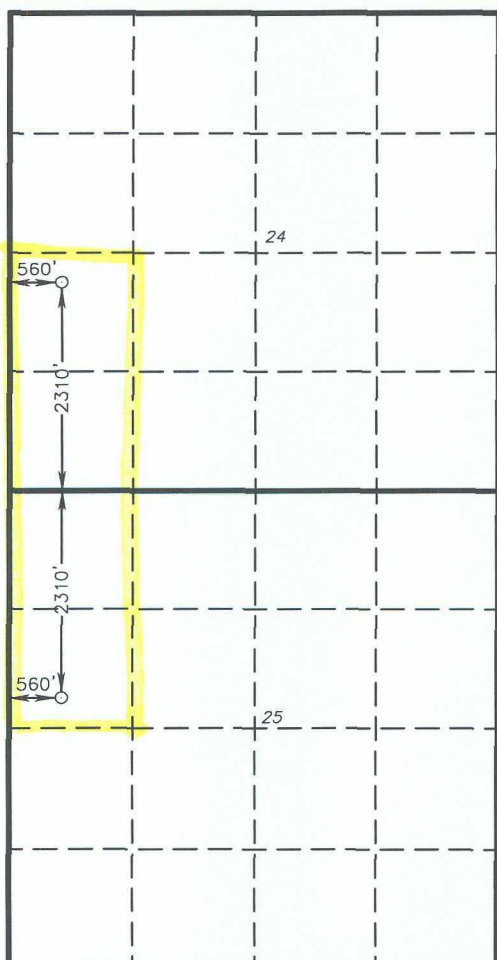
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	24	19 S	25 E		2310	SOUTH	560	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	19 S	25 E		2310	NORTH	560	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>SURFACE LOCATION</b> Lat - N 32°38'42.99" Long - W 104°26'39.81" NMSPCE- N 598480.550 E 465816.161 (NAD-27)</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Jackie Lathan</u> 4/1/11 Signature Date</p> <p><u>Jackie Lathan</u> Printed Name</p>
<p><b>PROPOSED BOTTOM HOLE LOCATION</b> Lat - N 32°37'57.28" Long - W 104°26'40.28" NMSPCE- N 593860.718 E 465770.931 (NAD-27)</p>		<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><u>JUNE 22, 2011</u> Date Surveyed</p> <p><u>W. O. JONES</u> Signature &amp; Seal of Professional Surveyor</p> <p><u>W. O. JONES</u> Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>



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1000 Rio Brazos Rd., Aztec, NM 87410

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 15, 2009

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name WYATT DRAW "24L"	Well Number 1
OGRID No.	Operator Name MEWBOURNE OIL COMPANY	Elevation 3411

Surface Location

UL or lot No. L	Section 24	Township 19 S	Range 25 E	Lot Idn	Feet from the 2310	North/South line SOUTH	Feet from the 330	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Jaekie Lathan</u> 4/11/11 Signature Date</p> <p><u>Jaekie Lathan</u> Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 20, 2009 Date Surveyed</p> <p><u>Gary L. Jones</u> Signature &amp; Seal of Professional Surveyor</p> <p>7977 No. 2</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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**WI and RI Ownership  
Section 24, T19S, R25E  
Eddy County, New Mexico**

*\* This plat is based on the assumption that all parties participate in the proposed wells.  
(Subject to change based on the parties in the Working Interest Unit)*

	<p><b><u>Fee Leases</u></b></p> <p><b>WI and RI is Common</b></p> <p><b>(1 Battery)</b></p>	<p><b><u>Fee Leases</u></b></p> <p><b>WI and RI is Common</b></p> <p><b>(1 Battery)</b></p>
	<p><b><u>Fee Leases</u></b></p> <p><b>WI and RI is Common</b></p> <p><b>(1 Battery)</b></p>	<p><b><u>Fee Leases</u></b></p> <p><b>WI and RI is Common</b></p> <p><b>(1 Battery)</b></p>

OFF LEASE STORE AND MEASURE PRODUCTION

Wyatt Draw 24 L No. 1  
Wyatt Draw 24 KC No. 1H  
Wyatt Draw 24/25 LE No. 1H  
Section 24 and 25, T19S, R25E  
Eddy County, New Mexico

**Mineral Owners:**

Apache Corporation  
303 Veterans Airpark Lane, Ste. 3000  
Midland, Texas 79705  
Attn: Mr. Paul Brindle

Danny Eichenberger, Trustee of the  
2004 Eichenberger Family Trust  
P.O. Box 2737  
Los Alamitos, CA 90720

Good Earth Minerals, LLC  
P.O. Box 1090  
Roswell, NM 88202-1090

Myrtle Heard  
c/o Charles Heard  
33 Marcus Lane  
Castle Rock, CO 80108

Sherman U. Hickam  
1120 Pepper Drive #173  
El Cajon, CA 92021

Marshall & Winston, Inc.  
P.O. Box 50880  
Midland, Texas 79710  
Attn: Mr. Kevin Hammit

Matlock Minerals Ltd. Co.  
P.O. Box 1090  
Roswell, NM 88202-1090

Phyllis J. Miller  
10400 Delicado PL. N.E.  
Albuquerque, NM 87111

Bonnie Powell  
5071 Rio Penasco Road  
Hope, New Mexico 88250

Gary and Alyse Ross  
205 Indian Trail  
Searcy, Arkansas 72143

**Working Interest Owners:**

Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, Texas 79701  
Attn: Mr. Larry Cunningham

Marshall & Winston, Inc.  
P.O. Box 50880  
Midland, Texas 79710  
Attn: Mr. Kevin Hammit

Fiske Energy, Ltd.  
306 W. Wall, Ste. 1105  
Midland, Texas 79701  
Attn: Mr. Doug Fiske

Petro-Quest Oil & Gas, LP  
P.O. Box 294151  
Kerrville, Texas 78029  
Attn: Mr. Mark W. Hoffman

Teton Petroleum Corporation  
1104 Lois St.  
Kerrville, Texas 78028  
Attn: Mr. Kent Rhyne

Harvey E. Yates Company  
P.O. Box 1933  
Roswell, NM 88202  
Attn: Mrs. Melissa Randle

Hollyhock, Ltd.  
44 Vista Montana Loop  
Placitas, NM 87043  
Attn: Mr. Richard B. Lodewick

Lodewick, LLC  
3305 Wentwood  
Dallas, TX 75225  
Attn: Mr. John W. Lodewick

COG Operating, LLC  
550 W. Texas Avenue, Suite 100  
Midland, Texas 79701  
Attn: Mr. Stuart Dirks



OFF LEASE STORE AND MEASURE PRODUCTION

Wyatt Draw 24 L No. 1  
Wyatt Draw 24 KC No. 1H  
Wyatt Draw 24/25 LE No. 1H  
Section 24 and 25, T19S, R25E  
Eddy County, New Mexico

J.T. Ross  
P.O. Box 216  
Lakewood, New Mexico 88254

Ralph and Laurie Ross  
2197 Liliuokalani Street  
Kilauea, HI 96754

Robert and Kary Ross  
P.O. Box 8334  
Searcy, AR 72145

Ronald and Barbara Ross  
1902 Hermosa  
Artesia, New Mexico 88210

Ruby S. Ross, Trustee of the  
Ruby S. Ross Trust  
1408 James Street  
Artesia, NM 88210

William Ross  
3401 S. 13<sup>th</sup> Street  
Artesia, NM 88210

Eva Troike  
630 32<sup>nd</sup> Street  
Richmond, CA 94804

B&G Royalties Partnership  
P.O. Box 376  
Artesia, New Mexico 88211  
Attn: Mr. William J. McCaw

John W. Gates, LLC  
706 W. Grand  
Artesia, NM 88210

Nora Helen McCaw, Trustee of the Marital Trust, and  
Norbert M. McCaw, Roberta A. Cleary and Winie H. Hayes,  
Trustees of the Family Trust, all under the McCaw Family Trust dated 3-1-1992  
210 Crossbow Road  
Artesia, NM 88210

Charlene S. Byers  
579 Popular Way  
Denver, CO 80224

MEC Petroleum Corporation  
P.O. Box 11265  
Midland, Texas 79702  
Attn: Mr. Marion Causey

Murchison Oil & Gas, Inc.  
300 N. Marienfeld, Suite 300  
Midland, Texas 79701  
Attn: Mr. Mike Heathington

Sacramento Partners Lim. Part.  
105 S. Fourth Street  
Artesia, NM 88210

Sharbro Oil Ltd. Co.  
P.O. Box 840  
Artesia, NM 88211  
Attn: Mrs. Hannah Palomin

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

OFF LEASE STORE AND MEASURE PRODUCTION

Wyatt Draw 24 L No. 1  
Wyatt Draw 24 KC No. 1H  
Wyatt Draw 24/25 LE No. 1H  
Section 24 and 25, T19S, R25E  
Eddy County, New Mexico

Samuel H. Soto, Jr.  
401 E. Orchard Lane  
Carlsbad, New Mexico 88220

Catherine Ball  
31442 CR 40.2  
Trinidad, CO 81082

Adeline and Wesley Brown  
135 East Troy Avenue  
Raton, New Mexico 87440

Dora Hartman  
205 N. Mesa Street, Apt. 203  
Susanville, CA 96130

William Valentine  
5206 7<sup>th</sup> Street  
Lubbock, Texas 79416

Marilyn Van DeMark, Trustee of the  
Marilyn Van DeMark Trust dated 9-17-2001  
146 Garden Street  
Prescott, AZ 86301

Ralph Gagliardi  
16301 County Road 81.6  
Trinidad, CO 81082

Loretta Paolucci  
2015 Raton Avenue  
La Junta, CO 81050

Lynn Sundfor-McPherson  
4536 Natalie Drive  
San Diego, California 92115

Paul Sundfor  
5001 Raymond Place  
San Diego, CA 92116

Hollyhock, Ltd.  
Lodewick, LLC  
Sacramento Partners Limited Partnership

OFF LEASE STORE AND MEASURE PRODUCTION

Wyatt Draw 24 L No. 1  
Wyatt Draw 24 KC No. 1H  
Wyatt Draw 24/25 LE No. 1H  
Section 24 and 25, T19S, R25E  
Eddy County, New Mexico

Spiral, Inc.  
P.O. Box 1933  
Roswell, NM 88202  
Attn: Melissa Randle

PJC Limited Partnership  
P.O. Box 1713  
Roswell, New Mexico 88202

S.P. Johnson, III & Barbara Jo Johnson,  
Co-Trustees of the S.P. Johnson, III &  
Barbara Jo Johnson Trust UTA dated 1-24-1985  
P.O. Box 1641  
Roswell, New Mexico 88202

**Overriding Royalty Owners:**

El Paso E&P Company, LP  
P.O. Box 2511  
Houston, Texas 77252

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

Nearburg Producing Company  
3300 North "A" Street, Bldg. 2, Ste. 120  
Midland, Texas 79705  
Attn: Mr. Russell Wickman



## MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 7, 2011

Via Certified Mail-Return Receipt No. 6133

Murchison Oil & Gas, Inc.  
300 N. Marienfeld, Suite 300  
Midland, Texas 79701  
Attn: Mr. Mike Heathington

Re: Off Lease Store &  
Measure Production  
Wyatt Draw 24 L No. 1  
2310' FSL & 330' FWL  
Section 24, T19S, R25E  
Eddy County, New Mexico

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

Wyatt Draw 24/25 LE No. 1H  
2310' FSL & 560' FWL (SL) (Sec. 24)  
2310' FNL & 560' FWL (BHL) (Sec. 25)  
Section 24/25, T19S, R25E  
Eddy County, New Mexico

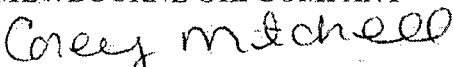
Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking authorization to off lease store & measure production from the North Seven Rivers; Glorieta-Yeso Pool originating from the Wyatt Draw 24 L No. 1, Wyatt Draw 24 KC No. 1H and the Wyatt Draw 24/25 LE No. 1H wells located on Fee Leases, which comprise the W/2SW/4, NE/4SW/4 and E/2NW/4 of Section 24 and the W/2NW/4 of Section 25, all in T19S, R25E, Eddy County, New Mexico. All production from these wells is to be stored in the Wyatt Draw 24 L Tank Battery, located in the NW/4SW/4 of Section 24. Mewbourne Oil Company will use well test in order to accurately determine each wells production. The reason for doing this is to save approximately \$150,000.00 in oil production facilities. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman