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MARION J. "JIMMY" CRAIG III
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June 27, 2014

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, TX 79701

Re: Layla 35B2NC Fee #2H - Case 15170
Layla 35W2OB Fee #3H - Case 15168
Layla 35NC Fee #1H - Case 15169
Layla 35B2MD Fee #3H - Case 15171

RECEIVED
JUN 30 2014

Attention: D. Paul Haden

Dear Mr. Hayden:

My client, Chasity Garza has learned that there is scheduled a hearing before the OCD on compulsory pooling regarding the above-referenced wells on July 10, 2014. She only recently learned of this, and has never received notice as required under 19.15.4.12 NMAC.

Ms. Garza was an owner of minerals prior to the date of the applications on the above wells, so therefore should have been provided actual notice by certified mail. This was not done.

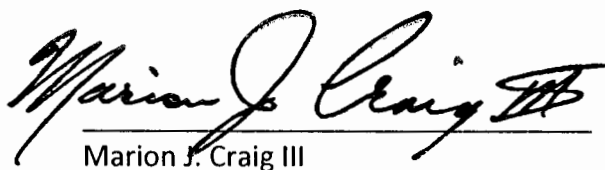
While I understand that you may take the position that there is a title issue regarding my client's mineral interests, she still is entitled to notice under the Administrative Code. Failure to provide such notice may result in the hearing being rescheduled to a later date or her having an opportunity to set aside the hearing at a later date.

In order to short cut these problems, my client has authorized me to grant to your client a quit claim lease on the properties involved for a 3/16ths royalty. I note that this is the same as most of leased properties. No bonus would be required.

Please let me know Mewbourne's position on this. If we cannot come to an arrangement, I will notify the OCD that we were not provided proper notice of this hearing.

Sincerely,

MARION J. CRAIG III
ATTORNEY AT LAW, L.L.C.



Marion J. Craig III

Xc: Chasity Garza

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505