

## Paul Haden

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**From:** Paul Haden  
**Sent:** Wednesday, July 02, 2014 10:02 AM  
**To:** 'craiglawpc@gmail.com'  
**Subject:** FW: Re: Layla "35"  
**Attachments:** doc07267920140702093811.pdf

Jimmy, see attached recorded copy of a Mineral Deed from Laura Meade to Chasity Garza. Please refer to Tract #2 described therein. This land doesn't comprise 350 acres as it purports. The land described as the SE/4S/2S/2NE/4 should have been described as the SE/4, S/2S/2NE/4. These kind of mistakes are the reason why the Laura Meade interest and others can not be determined as all through the chain of title in this 350 acre tract there were mistakes like this including over conveyances, incorrect spelling of names, etc. However, I'm preparing an Oil & Gas Lease for Chasity to execute. The attached Mineral Deed needs to be corrected.

As to Tract #2 the land should cover : S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4, containing 150 acres, more or less. As to the other lands described in the Mineral Deed, I have no way of telling if those lands are described correctly. As to the Oil & Gas Lease, I'll scan and email it to you and will stick the original in the mail to you for Chasity's execution. One question, is Chasity married or is she single ?? I assume she still lives at 1410 E. Broadway, Brownfield, Tx, 79316. Please confirm.

Paul Haden  
Land Department  
Mewbourne Oil Company  
500 West Texas Ave., Suite 1020  
Midland, TX 79701-4279  
Office Phone: 432-682-3715  
Fax: 432-685-4170  
Cell: 432-557-2521

-----Original Message-----

**From:** [midland@mewbourne.com](mailto:midland@mewbourne.com) [<mailto:midland@mewbourne.com>]  
**Sent:** Wednesday, July 02, 2014 10:38 AM  
**To:** Paul Haden  
**Subject:**

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TASKalfa 520i  
[00:c0:ee:7a:75:8d]  
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Oil Conservation Division  
Case No. \_\_\_\_\_  
Exhibit No. 5

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

POST OFFICE BOX 1436  
ROSWELL, NM 88202-1436  
TELEPHONE: (575) 622-1106  
EMAIL: cralglawpc@gmail.com

MARION J. "JIMMY" CRAIG III  
ATTORNEY AT LAW

601 W. SECOND STREET, SUITE 8  
ROSWELL, NEW MEXICO 88201

June 27, 2014

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

Re: Layla 35B2NC Fee #2H  
Layla 35W2OB Fee #3H  
Layla 35NC Fee #1H  
Layla 35B2MD Fee #3H

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

## Paul Haden

---

**From:** Paul Haden  
**Sent:** Monday, June 30, 2014 9:08 AM  
**To:** 'craiglawpc@gmail.com'  
**Subject:** Re: Layla "35" Pooling Hearings

Mr. Craig, I acknowledge receipt of your letter dated 6-27-2014 regarding the claim of Chasity Garza owning a mineral interest in

Sec 35, T23S, R28E, Eddy Co., among other lands. The problem with her ownership as I've previously advised her mother, Laura Meade

is that our title attorney John Nelson for this project was unable to determine the quantum of interest owned by Laura Meade. If Ms.

Garza is willing to execute a "Quit Claim Lease" whatever that is, we would certainly entertain that option. Please prepare it and send

it to me as I'm sure we'd be willing to do that. Or, if you want me to prepare an Oil & Gas Lease for her execution, please let me know.

However, you must understand that upon production of the wells referenced in your letter, her interest, if any, would be placed in

suspense pending a final determination of what her interest is. Let me know what you and Ms. Garza wants to do.

**Paul Haden**

Land Department



**Mowbourn Oil Company**

500 West Texas Ave., Suite 1020

Midland, TX 79701-4279

Office Phone: 432-682-3715

Fax: 432-685-4170

Cell: 432-557-2521

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Laura Meade  
611 N. Mesa Ave.  
Carlsbad, NM 88203

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Meade:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Laura Meade  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb





Date: May 23, 2014


Simple Certified:

The following is in response to your May 23, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181178. The delivery record shows that this item was delivered on May 23, 2014 at 11:01 am in BELEN, NM 87002. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	
Address	

Address of Recipient :

Address	
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Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Pavlos P. Panagopoulos, et al  
511 W REINKEN AVE  
BELEN, NM 87002

Layla 35



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Pavlos P. Panagopoulos,  
Panagopoulos Enterprises and  
Andreas P. Panagopoulos  
511 W. Reinken Ave.  
Belen, New Mexico 87002

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Pavlos P. Panagopoulos,  
Panagopoulos Enterprises and  
Andreas P. Panagopoulos  
May 20, 2014  
Page 2 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Pavlos P. Panagopoulos,  
Panagopoulos Enterprises and  
Andreas P. Panagopoulos  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

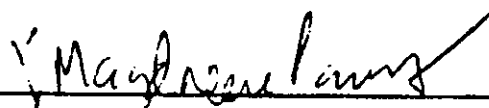



Date: May 23, 2014

Simple Certified:

The following is in response to your May 23, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181550. The delivery record shows that this item was delivered on May 23, 2014 at 12:20 pm in LAS VEGAS, NV 89117. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery section	
Signature	
Initials	

Address of Recipient :

Address	10008 Ranch Hand Ave
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Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Panagiota P. Panagopoulos  
Magdalene P. Panagopoulos and  
10008 Ranch Hand Ave  
Las Vegas, NV 89117  
Reference #: Layla 35

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Magdalene P. Panagopoulos and  
Panagiota P. Panagopoulos  
10008 Ranch Hand Ave.  
Las Vegas, NV 89117

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Magdalene P. Panagopoulos and  
Panagiota P. Panagopoulos  
May 20, 2014  
Page 2 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Magdalene P. Panagopoulos and  
Panagiota P. Panagopoulos  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



UNITED STATES  
POSTAL SERVICE.

Date: May 24, 2014

Simple Certified:

The following is in response to your May 24, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181154. The delivery record shows that this item was delivered on May 23, 2014 at 10:08 am in ALBUQUERQUE, NM 87123. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	<i>Ann Hood</i>
Address	

Address of Recipient :

Address	<i>11910 Central</i>
---------	----------------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

William E. Gregory  
11910 CENTRAL AVE SE STE B  
ALBUQUERQUE, NM 87123  
Reference #: Layla 35



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. William E. Gregory  
11910 Central Ave. SE, Suite B  
Albuquerque, NM 87123

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. William E. Gregory  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

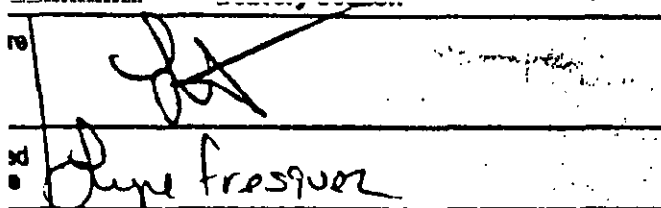


Date: May 22, 2014

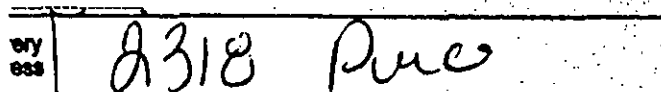
Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181239. The delivery record shows that this item was delivered on May 22, 2014 at 11:48 am in CARLSBAD, NM 88220. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature of Recipient : The image shows a scanned signature of the recipient, Layla 35, written in black ink on a white background. The signature is written over a horizontal line.

Address of Recipient :

Address of Recipient : The image shows a scanned address label with the handwritten address "2318 Pierce" in black ink on a white background. The address is written over a horizontal line.

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Wells Fargo Bank, N.A.  
2318 W PIERCE ST  
CARLSBAD, NM 88220  
Reference #: Layla 35

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Wells Fargo Bank, N.A.  
2318 W. Pierce St.  
Carlsbad, NM 88220

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Wells Fargo Bank, N.A.  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181253. The delivery record shows that this item was delivered on May 21, 2014 at 9:19 am in LUBBOCK, TX 79410. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	<i>Deborah Kemp</i>
Initials	<i>D. Kemp</i>

Address of Recipient :

Address	<i>2112 Indiana</i>
---------	---------------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Neville Manning  
2112 INDIANA AVE  
LUBBOCK, TX 79410  
Reference #: Layla 35



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Neville Manning  
2112 Indiana  
Lubbock, TX 79410

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Manning:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Neville Manning  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181406. The delivery record shows that this item was delivered on May 22, 2014 at 10:03 am in LURAY, KS 67649. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	<i>Willis A. Paschal</i>
Printed Name	WILLIS A PASCHAL

Address of Recipient :

City	Luray KS.
------	-----------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Willis A. Paschal Trust No. 1  
PO Box 98  
Luray, KS 67649  
Reference #: Layla 35

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Willis A. Paschal Trust No. 1  
P.O. Box 98  
Luray, KS 67649

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

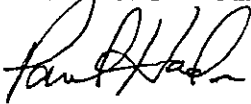
Willis A. Paschal Trust No. 1  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

FROM

**MEWBOURNE OIL COMPANY**

500 WEST TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

SHIP TO

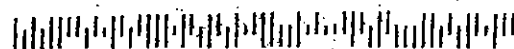
Mary Jo Dickerson  
P.O. Box 642  
Glenpool, OK 74033

NIXIE

740333087-1N

06/03/14

RETURN TO SENDER  
ATTEMPTED - NOT KNOWN  
UNABLE TO FORWARD  
RETURN TO SENDER





# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mary Jo Dickerson  
P.O. Box 642  
Glenpool, OK 74033

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Ms. Dickerson:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mary Jo Dickerson  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181345. The delivery record shows that this item was delivered on May 22, 2014 at 2:30 pm in CARLSBAD, NM 88220. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	<i>Ticki Jones</i>
Initials	

Address of Recipient :

Address	<i>4016 Jones</i>
---------	-------------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Estate of Mary I. Ervin  
Clarence Ervin and the  
4016 JONES ST  
CARLSBAD, NM 88220  
Reference #: Layla 35

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Clarence Ervin and the  
Estate of Mary I. Ervin  
4016 Jones St.  
Carlsbad, NM 88220

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Ervin:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Clarence Ervin and the  
Estate of Mary I. Ervin  
May 20, 2014  
Page 2 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Clarence Ervin and the  
Estate of Mary I. Ervin  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181277. The delivery record shows that this item was delivered on May 22, 2014 at 12:12 pm in ARTESIA, NM 88211. The scanned image of the recipient information is provided below.

Signature of Recipient :

Sophy Brisen  
Sophy Brisen

Address of Recipient :

Box 1330

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Kevin Hanratty  
PO BOX 1330  
ARTESIA, NM 88211  
Reference #: Layla 35



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Kevin Hanratty  
P.O. Box 1330  
Artesia, NM 88211

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Hanratty:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Kevin Hanratty  
May 20, 2014  
Page 2 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

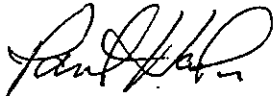
Mr. Kevin Hanratty  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



Date: May 22, 2014

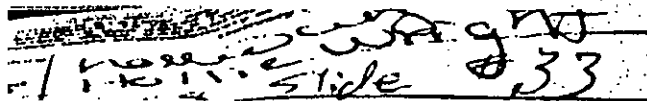
Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181260. The delivery record shows that this item was delivered on May 21, 2014 at 10:31 am in LUBBOCK, TX 79424. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Nolan Greak  
8008 SLIDE RD STE 33  
LUBBOCK, TX 79424  
Reference #: Layla 35

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Nolan Greak  
8008 Slide Road, Suite #33  
Lubbock, TX 79424

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Greak:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Nolan Greak  
May 20, 2014  
Page 2 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Nolan Greak  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**FIRST CLASS MAIL**

**CERTIFIED MAIL**

Mewbourne Oil Company  
Paul Haden  
500 West Texas Ave  
Ste 1020  
MIDLAND TX 79701-4279  
Layla 35

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Estate of Stan Gregory  
Kathy Gregory  
608 Lakeside  
CARLSBAD, CA 92008-5207

LD  
6/5/22/14

546



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Estate of Stan Gregory  
608 Lakeside Dr.  
Carlsbad, NM 88220  
Attn: Kathy Gregory

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mrs. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

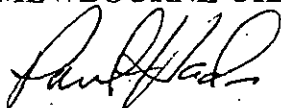
Estate of Stan Gregory  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



Date: May 22, 2014

Simple Certified:

The following is in response to your May 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005181499. The delivery record shows that this item was delivered on May 21, 2014 at 1:16 pm in LITTLEFIELD, TX 79339. The scanned image of the recipient information is provided below.

Signature of Recipient :

*J. Edwards*  
*J EDWARDS*

Address of Recipient :

*PO BOX 1390*

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

First Federal Savings and Loan Association  
PO Box 1390  
Littlefield, TX 79339  
Reference #: Layla 35

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

First Federal Savings and Loan Association  
P.O. Box 1390  
Littlefield, Texas 79339

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

First Federal Savings and  
Loan Association  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**

A handwritten signature in black ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. James W. Klipstine and  
Klipstine & Hanratty  
1601 N. Turner, Suite 400  
Hobbs, NM 88240

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.



The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. James W. Klipstine and  
Klipstine & Hanratty  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Bonnie R. Gregory  
and Irma J. Gregory  
14 Cork St.  
Alva, FL 33920

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Ladies:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Bonnie R. Gregory  
and Irma J. Gregory  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

Mr. Thomas W. Gregory  
1705 Black Gold St., SE  
Albuquerque, NM 87123

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Dear Mr. Gregory:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

Mr. Thomas W. Gregory  
May 20, 2014  
Page 2 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

Mr. Thomas W. Gregory  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 20, 2014

Via Certified Mail

LBD, a Limited Partnership  
P.O. Box 686  
Hobbs, New Mexico 88240

Re: Layla 35 B2NC Fee #2H  
185' FSL & 1670' FWL (SL)  
330' FNL & 1980' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 W2OB Fee #3H  
185' FSL & 2435' FEL (SL)  
330' FNL & 2150' FEL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 NC #1H  
150' FSL & 1800' FWL (SL)  
330' FNL & 1800' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Layla 35 B2MD Fee #3H  
135' FSL & 470' FWL (SL)  
330' FNL & 660' FWL (BHL)  
Section 35, T23S, R28E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned four wells.

The Layla 35 B2NC Fee #2H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet in the Bone Spring formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point as referenced above in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2W/2 of the captioned Section 35 being dedicated to it as its nonstandard proration unit and Project Area.

The Layla 35 NC #1H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 6,200 feet beneath the surface in the Brushy Canyon interval in the Delaware formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil production. The proposed well will be drilled to a true measured depth of approximately 10,650 feet with the E/2W/2 of the captioned Section 35 being dedicated to this well as its nonstandard proration unit and Project Area.

The Layla 35 W2OB Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the middle interval of the Wolfcamp formation and drilled horizontally therefrom from a southerly direction to a northerly direction to the terminus point in the lateral as referenced above for oil and gas production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with the E/2 of the captioned Section 35 being dedicated to this well as its proration unit and Project Area.

The Layla 35 B2MD Fee #3H Well is proposed to be drilled at the above referenced surface location (SL) and drilled horizontally therefrom to a terminus point referenced above as the bottom hole location (BHL). This proposed well will be drilled to a true vertical depth of approximately 8,300 feet beneath the surface in the Bone Spring formation and drilled horizontally from a southerly direction to a northerly direction in the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This proposed well will be drilled to a true measured depth of approximately 12,900 feet with this well being dedicated to the W/2W/2 of the captioned Section 35 as its nonstandard oil proration unit and Project Area.

As previously advised you, you may have a claim to a 12.6/350 unleased mineral interest in the S/2S/2NE/4, SE/4, E/2SW/4, W/2NW/4SW/4, SE/4NW/4SW/4, S/2NE/4NW/4SW/4, E/2SW/4SW/4, SW/4SW/4SW/4 and N/2NW/4SW/4SW/4 containing 350 acres, more or less being 12.6 net unleased acres. As previously advised you in previous well proposals and previous force pooling hearings, the ownership of this unleased mineral ownerships cannot be determined at this point due to the confused state of the chain of title associated with this interest due to over conveyances, faulty land descriptions and quantum of interest being conveyed in the chain of title. Furthermore, the Beeman family and their attorneys engaged in a series of conveyances, lawsuits and stipulations of interest which is described in our May 16, 2011 Drilling Opinion of Title covered a span of almost fifteen years which completely confused and obscured the ownership of this 12.6/350 mineral interest.

Regarding the above, owners who have a possible claim to the above referenced unleased mineral interest will be subject to a compulsory Pooling Hearing for each of the above wells at an Examiner's Hearing in Santa Fe, New Mexico on July 10, 2014 at the New Mexico Oil Conservation Division's offices. You will be notified of such hearing.

Regarding the above well proposals, enclosed for your information is a copy of our Authorization For Expenditure (AFE) for each proposed well.

LBD, a Limited Partnership  
May 20, 2014  
Page 3 of 3

Layla 35 B2NC Fee #2H  
Layla 35 NC #1H  
Layla 35 W2OB Fee #3H  
Layla 35 B2MD Fee #3H

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb