

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

July 11, 2014

Ard Oil, Ltd.
222 West 4th Street, PH-5
Fort Worth, Texas 76102

Re: Excalibur "17" LI Fed Com No. 1H
Section 17, T19S, R33E
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed for your further handling is our proposed Communitization Agreement dated July 1, 2014 covering the captioned land and 2 sets of extra signature pages of same. This agreement communitizes the leases covering the captioned land for Bone Spring oil production. The captioned well is a horizontal well with the N/2S/2 of the captioned Section 17 being dedicated to the well as the oil proration unit.

In reference to the above, please have the agreement executed and return only the extra sets of signature pages to me for further handling. Please retain the copy of the Communitization Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell

Corey Mitchell
Landman

Oil Conservation Division
Case No. _____
Exhibit No. 3