

NOTICE

To: Petrorep Inc. and Corexcal, or their successors: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in the Bone Spring formation underlying the W/2E/2 of Section 22 and the W/2E/2 of Section 27, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico, to form a non-standard 320 acre oil spacing and proration unit for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Owl Draw 22/27 B2BO Fed. Com. Well No. 2H, a horizontal well with a surface location 330 feet from the north line and 1585 feet from the east line of Section 22, and a terminus 330 feet from the south line and 1980 feet from the east line of Section 27. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, January 8, 2015 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 15 miles south-southeast of Black River Village, New Mexico.

Oil Conservation Division

Case No. 3

Exhibit No. 3