

OIL CONSERVATION DIVISION

CASE NO.
14297

EXHIBIT
3

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

February 3, 2009

Certified Mail-Return Receipt No. 6326

ConocoPhillips Company
Attn: Mr. Tom J. Scarbrough
600 N. Dairy Ashford Street
3WL-14066
Houston, Texas 77079-1100

Re: Proposed Morrow Test - Orca "11" Fed COM #1
990' FNL & 1,980' FWL, Section 11, T-17-S, R-29-E
Eddy County, New Mexico
Orca Prospect

Gentlemen:

Mewbourne Oil Company ("Mewbourne") hereby proposes drilling an 11,000' Morrow test at a location 990' FNL & 1,980' FWL of Section 11, T-17-S, R-29-E, Eddy County, New Mexico to be called the Orca "11" Fed COM #1 well. Assuming a successful completion in the Morrow, a 320 acre communitized spacing unit would be established. Accordingly, Mewbourne also hereby proposed the formation of a 320 acre working interest unit for the drilling of the proposed well covering the N/2 of said Section 11 limited to depths below the top of the Wolfcamp formation. Based upon our most current title information ConocoPhillips Company appears to own a 50.0% interest in Federal Lease LC-028731-b insofar as it covers the NW/4 of said Section 11 limited to depths below the top of the Wolfcamp formation. Assuming our information is correct, ConocoPhillips Company would have a 25.0% interest in the proposed well and working interest unit.

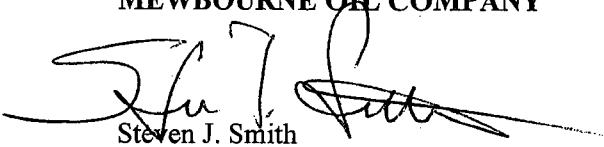
Should ConocoPhillips Company choose to participate in the formation of the proposed working interest unit and the drilling of the proposed well, please so indicate by executing and returning one of the enclosed AFE well cost estimates. Upon receipt of your election to participate, an AAPL 1989 Model Form JOA will be forwarded for your review and approval. Should ConocoPhillips Company not want to participate, I would be glad to discuss acquiring its interest in the NW/4 of said Section 11 under mutually acceptable terms.

Feel free to contact me if there are any questions. I can be reached by phone at (432) 682-3715 or via email at ssmith@mewbourne.com.

Sincerely,

Oil Conservation Division
Case No. 3
Exhibit No. 7

MEWBOURNE OIL COMPANY


Steven J. Smith
Senior Landman

Attachments



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PS Form 3800, June 2002 See Reverse for Instructions	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

February 3, 2009

Certified Mail-Return Receipt No. 6333

BP America Production Company
501 Westlake Park Boulevard
Houston, Texas 77079-2604
Attn: Mr. J.P. Adams

Re: Proposed Morrow Test - Orca "11" Fed COM #1
990' FNL & 1,980' FWL, Section 11, T-17-S, R-29-E
Eddy County, New Mexico
Orca Prospect

Gentlemen:

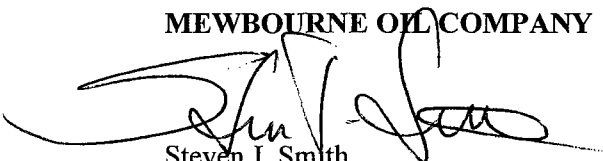
Mewbourne Oil Company ("Mewbourne") hereby proposes drilling an 11,000' Morrow test at a location 990' FNL & 1,980' FWL of Section 11, T-17-S, R-29-E, Eddy County, New Mexico to be called the Orca "11" Fed COM #1 well. Assuming a successful completion in the Morrow, a 320 acre communitized spacing unit would be established. Accordingly, Mewbourne also hereby proposed the formation of a 320 acre working interest unit for the drilling of the proposed well covering the N/2 of said Section 11 limited to depths below the top of the Wolfcamp formation. Based upon our most current title information BP America Production Company ("BP") appears to own a 50.0% interest in Federal Lease LC-028731-b insofar as it covers the NW/4 of said Section 11 limited to depths below the top of the Wolfcamp formation. Assuming our information is correct, BP would have a 25.0% interest in the proposed well and working interest unit.

Should BP choose to participate in the formation of the proposed working interest unit and the drilling of the proposed well, please so indicate by executing and returning one of the enclosed AFE well cost estimates. Upon receipt of your election to participate, an AAPL 1989 Model Form JOA will be forwarded for your review and approval. Should BP not want to participate, I would be glad to discuss acquiring BP's interest in the NW/4 of said Section 11 under mutually acceptable terms.

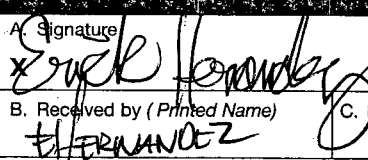
Feel free to contact me if there are any questions. I can be reached by phone at (432) 682-3715 or via email at ssmith@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY


Steven J. Smith
Senior Landman

Attachments

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BP America Production Company
501 Westlake Park Boulevard
Houston, Texas 77079-2604
Attn: Mr. J.P. Adams

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