

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
DEPARTMENT  
OIL CONSERVATION DIVISION**

**CASE NO: 14348**

**EXHIBIT**

**1**

*Flora Weidman*

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

Case No. 14,348

VERIFIED STATEMENT OF COREY MITCHELL

Corey Mitchell, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company, and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition is expected because the working interest owners being pooled are unlocatable, or have been contacted regarding the proposed well and have simply not decided whether to join in the well or lease or farm out their interests.

(b) A plat outlining the spacing unit being pooled is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 15, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. The unit will be dedicated to the Limousine "15" N Well No. 1, to be drilled at an orthodox location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 15. The well will be an oil well.

(c) The parties being pooled, their working interests in the well unit, and their last known addresses, are as follows:

- 1) Georgia Needham — DISMISS 0.286961%  
c/o Lewis R. Needham  
8345 Cherokee Road  
Lake Arthur, New Mexico 88253

Oil Conservation Division  
Case No. 1  
Exhibit No. 1

- |     |   |           |
|-----|---|-----------|
| 2)  | Billy Joe Green<br>4514 S.W. 169 Pl.<br>Ocala, Florida 34473  | 0.035870% |
| 3)  | Harold Parrish <i>- DISMISS</i><br>2106 Richey<br>Artesia, New Mexico 88210                               | 0.172176% |
| 4)  | Wray J. Shildneck<br>P.O. Box 111<br>Faywood, New Mexico 88034  | 0.137741% |
| 5)  | Heirs or Devisees of Robert Richard Green<br>105 Dolphin Court<br>Aransas Pass, Texas 78336               | 0.035870% |
| 6)  | Larry Edward Fanning<br>1413 W. Mermod<br>Carlsbad, New Mexico 88220                                      | 1.010101% |
| 7)  | Jack Brock and his wife, Bobbie N. Brock<br>1180 W. Bluff Road <i>- DISMISS</i><br>Orange, Texas 77632    | 0.055096% |
| 8)  | Margaret R. Sheldon <i>- DISMISS</i><br>P.O. Box 404<br>Kingsland, Texas 78639                            | 0.055096% |
| 9)  | J.C. Sims, Jr. and his wife, Phyllis Sims<br>P.O. Box 260884 <i>- DISMISS</i><br>Lakewood, Colorado 80226 | 0.055096% |
| 10) | Bill R. Needham and his wife, Helen M. Needham<br>9756 Blazing Star<br>La Porte, Texas 77571              | 0.055096% |
| 11) | M. LaVerne Drew<br>Address Unknown  | 0.191307% |
| 12) | Ben Richard Green<br>Address Unknown  | 0.023913% |
| 13) | Heirs or Devisees of Martin Douglas Hardcastle,<br>Address Unknown  | 0.068871% |

14)	Martin Douglas Hardcastle, Jr. Address Unknown	0.068871%
15)	Heirs or Devisees of Evelyn Barnett Address Unknown	0.068871%
16)	Heirs or Devisees of Torita Ross Address Unknown	0.068871%
17)	Heirs or Devisees of Leola Needham Watson Address Unknown	0.286961%
18)	Ruth E. Hinman Address Unknown	1.010101%
19)	Jean E. Doud Address Unknown	1.010101%
20)	Ella J. Owens Address Unknown	3.030303%
21)	Eva D. Donaldson Address Unknown	3.030303%
22)	Georgia E. Kotlinski Address Unknown	1.010101%

(23)

(d) A copy of the proposal letter sent to the uncommitted working interest owners is attached hereto as Exhibit B. In addition, several phone calls have been made to the interest owners.

(e) In an attempt to find the mineral interest owners, Mewbourne Oil Company examined the Eddy County records, telephone directories and records in the counties of the last known residences of the out-of-state owners, and internet directories.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting working interest owner.

(g) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Eddy County.

(h) Overhead charges of \$4000/month for a drilling well, and \$400/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also





**Summary of Communications**  
**Limousine "15" N Well No. 1**

Larry Edward Fanning

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate and subject to him getting the liens against the property released.
- 2) Received green card signed by Larry E. Fanning.

Bill R. and Helen M. Needham

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate.
- 2) Received green card signed by Helen Needham.
- 3) Helen Needham called me 7-1-2009 to discuss the well proposal. I explained her options to her and she said she would get back with me. Also, she informed me Bill (her husband) had passed away.
- 4) Talked with Helen Needham 7-14-2009 about the well proposal and she said she wanted to lease her interest to us. I told her I would send her a lease, but I needed to see Bill Needham's (her husband) Last Will and Testament before the deal would be complete.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Billy Joe Green

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate.
- 2) Received green card signed by Billy Green.

Georgia Needham

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event she elected not to participate.
- 2) Received green card signed by Susan Needham.
- 3) Talked with Susan Needham 7-14-2009 about the well proposal and she said Georgia Needham wanted to lease her interest to us. She stated her husband, Lewis Needham, had Power of Attorney for Georgia Needham and that Georgia Needham is living in a nursing home. I told her I would send her a lease, but I needed to see the Power of Attorney papers before the deal would be complete.
- 4) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Harold Parrish

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate.
- 2) Received green card signed by Nathan Monk.
- 3) Harold Parrish called me 6-26-2009 and stated he received our well proposal and he would like to lease his interest to us.
- 4) I called Harold Parrish 7-1-2009 to discuss title issues per our title opinion. No answer, left message to call me back.

- 5) Harold Parrish called me back 7-1-2009 and I informed him the SE/4SW/4 of Section 15 never transferred into him. He said all his files were stolen in a home burglary, but he would look and get back with me.
- 6) Talked with Harold Parrish 7-14-2009 and informed him we would have to force pool the interest he claimed (from Flora Needham, dec.) since he could not provide proper documentation of the interest transferring to him. He said he understood.

Jack and Bobbie N. Brock

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate.
- 2) Received green card signed by Jack Brock.
- 3) Talked with Margaret Sheldon 7-14-2009 and she said she would like to lease her interest to us and her sister, Bobbie Brock, would too.
- 4) Talked with Bobbie Brock 7-14-2009 and she said she would like to lease her interest to us.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

J.C. Sims, Jr. and Phyllis Sims

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate.
- 2) Received green card signed by John C. Sims, Jr.
- 3) Talked with Phyllis Sims 7-13-2009 and explained to her the well proposal. She said she would talk to Margaret Sheldon and get back with me.
- 4) Talked with Phyllis Sims 7-14-2009 and she said she would like to lease her interest to us.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Margaret R. Sheldon

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event she elected not to participate.
- 2) Received green card signed by Margaret R. Sheldon.
- 3) Talked with Margaret Sheldon 7-13-2009 and explained to her the well proposal. She said she would talk with her son and get back to me.
- 4) Talked with Margaret Sheldon 7-14-2009 and she said she would like to lease her interest to us and her sister, Bobbie Brock, would too.
- 5) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

Heirs or Devisees of Robert Richard Green, deceased

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event they elected not to participate and upon satisfaction of proper documentation showing the heirs of Robert Richard Green.
- 2) Received green card signed by Lois Green.

Wray J. Shildneck

- 1) Mailed well proposal letter with AFE via certified mail dated 6-19-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate.
- 2) Received green card signed by Nina Shildneck.
- 3) Paul Haden, with Mewbourne, talked with Nina Shildneck about the well proposal. He explained to them their options at which time they stated they wanted to lease their interest to us.
- 4) Mailed offer letter dated 7-14-2009 along with an Oil and Gas Lease.

M. LaVerne Drew

- 1) Unable to locate.

Ben Richard Green

- 1) Unable to locate.

Heirs or Devisees of Martin Douglas Hardcastle, deceased

- 1) Unable to locate.

Martin Douglas Hardcastle, Jr.

- 1) Unable to locate.

Heirs or Devisees of Evelyn Barnett, deceased

- 1) Unable to locate.

Heirs or Devisees of Torita Ross, deceased

- 1) Unable to locate.

Heirs or Devisees of Leola Needham Watson, deceased

- 1) Unable to locate.

Ruth E. Hinman

- 1) Unable to locate.

Jean E. Doud

- 1) Unable to locate.

Ella J. Owens

- 1) Unable to locate.

Eva D. Donaldson

- 1) Unable to locate.

Georgia E. Kotlinski

- 1) Unable to locate.

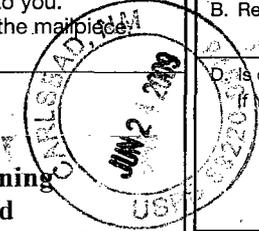
Limousine IS N#1

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:

**Larry Edward Fanning  
1413 W. Mermod  
Carlsbad, New Mexico 88220**



**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Larry Fanning*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

6-23-9

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number  
(Transfer from service label)

7005 2570 0001 0978 1115

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1116

Larry Edward Fanning  
1413 W. Mermod  
Carlsbad, New Mexico 88220

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Mr. Fanning:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/99 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

The above lease offer is subject to you getting the below described liens released.

-Transcript of Judgment filed January 7, 1999, recorded in B341 P298, Eddy County Records, reflecting a judgment lien was taken against Myrna J. Fanning and Larry Edward Fanning by Rossrock, LLC. This judgment arose out of Case No. CV-96-347 in the District Court of Eddy County, New Mexico, and is in the amount of \$51,272.12.

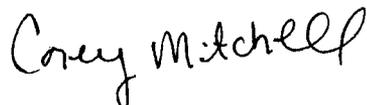
-A notice of claim of tax lien filed by the State of New Mexico on November 18, 1993 in B173 P346, Eddy County Records, reflecting a tax lien upon property of Larry Fanning in the amount of \$1,746.35 for 1988 taxes.

Larry Fanning  
Limousine "15" Prospect  
June 19, 2009  
Page 2 of 2

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

Sincerely,

**MEWBOURNE OIL COMPANY**

A handwritten signature in cursive script that reads "Corey Mitchell".

Corey Mitchell  
Landman

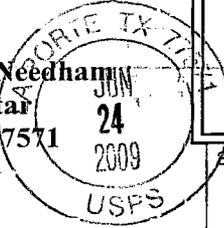
LIMOUSINE IS N #1

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bill R. and Helen M. Needham  
9756 Blazing Star  
La Porte, Texas 77571



**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

x *Helen Needham*  Agent  Addressee

B. Received by (Printed Name)

C. Date of Delivery

*Helen Needham*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
(Transfer from service label)

7005 2570 0001 0978 1055

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1055

Bill R. and Helen M. Needham  
9756 Blazing Star  
La Porte, Texas 77571

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Mr. and Mrs. Needham:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman

LIMOUSINE IS N#1

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Billy Joe Green  
4514 S.W. 169 Pl.  
Ocala, Florida 34473**

**JUN 29 2009**

2. Article Number

(Transfer from service label)

7005 2570 0001 0978 1062

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Billy Joe Green*  Agent  Addressee

B. Received by (Printed Name)

*B Green*

C. Date of Delivery

*6/25/09*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1062

Billy Joe Green  
4514 S.W. 169 Pl.  
Ocala, Florida 34473

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Mr. Green:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/69696 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

*Corey Mitchell*

Corey Mitchell  
Landman

Limousine 15 N #1

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Georgia Needham  
c/o Lewis R. Needham  
8345 Cherokee Road  
Lake Arthur, New Mexico 88253**

2. Article Number  
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Susan Needham*  Addressee

B. Received by (Printed Name) C. Date of Delivery  
*SUSAN NEEDHAM* *6-29-09*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

7005 2570 0001 0978 1079

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

*Via Certified Mail-Return Receipt No. 1079*

Georgia Needham  
c/o Lewis R. Needham  
8345 Cherokee Road  
Lake Arthur, New Mexico 88253

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Ms. Needham:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

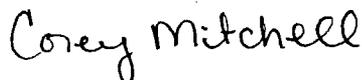
Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/8712 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman

Enclosure is N #1

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Harold Parrish  
2106 Richey  
Artesia, New Mexico 88210**

2. Article Number  
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X



- Agent  
 Addressee

B. Received by (Printed Name)

Nathan Mark

C. Date of Delivery

6-23-09

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

7005 2570 0001 0978 1086

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1086

Harold Parrish  
2106 Richey  
Artesia, New Mexico 88210

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Mr. Parrish:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 5/2904 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

*Corey Mitchell*

Corey Mitchell  
Landman

Limousine IS N #1

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	<p>A. Signature <input type="checkbox"/> Agent <i>J. Brock</i> <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery <i>Jack Brock</i> <i>6-26</i></p>
1. Article Addressed to:  <p style="text-align: center;"><b>Jack and Bobbie N. Brock</b> ✓ <b>1180 W. Bluff Road</b> <b>Orange, Texas 77632</b></p> <p style="text-align: center;"><b>JUN 29 2009</b></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
2. Article Number (Transfer from service label)	<b>7005 2570 0001 0978 1093</b>

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1093

Jack and Bobbie N. Brock  
1180 W. Bluff Road  
Orange, Texas 77632

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Mr. and Mrs. Brock:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

*Corey Mitchell*

Corey Mitchell  
Landman

Limousine 15 N#1

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	<p>A. Signature <input type="checkbox"/> Agent <i>John C. Sims Jr.</i> <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery <i>John C. Sims Jr. 6/27/09</i></p>
1. Article Addressed to:  <p style="text-align: center;"><b>J.C. Sims, Jr. and Phyllis Sims</b> <b>P.O. Box 260884</b> <b>Lakewood, Colorado 80226</b></p> <p style="text-align: center;"><b>JUN 29 2009</b></p>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	7005 2570 0001 0978 1109

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1109

J.C. Sims, Jr. and Phyllis Sims  
P.O. Box 260884  
Lakewood, Colorado 80226

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Mr. and Mrs. Sims:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

*Corey Mitchell*

Corey Mitchell  
Landman

Limousine 15 N #1

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Margaret R. Sheldon  
P.O. Box 404  
Kingsland, Texas 78639**

**JUN 29 2009**

2. Article Number  
(Transfer from service label)

**7005 2570 0001 0978 1123**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Addressee  
*Margaret Sheldon*  Agent

B. Received by (Printed Name) C. Date of Delivery  
*6-25-09*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1123

Margaret R. Sheldon  
P.O. Box 404  
Kingsland, Texas 78639

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Ms. Sheldon:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Corey Mitchell  
Landman

171 Lindsire 15 #1

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Lois Green** ✓  
**105 Dolphin Court**  
**Aransas Pass, Texas 78336**

**JUN 29 2009**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*x Lois Green*  Addressee

B. Received by (Printed Name) C. Date of Delivery  
6-25-09

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
(Transfer from service label)

**7005 2570 0001 0978 1130**

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1130

Heirs or Devisees of Robert Richard Green, deceased  
105 Dolphin Court  
Aransas Pass, Texas 78336

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Ms. Green:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

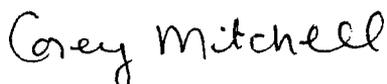
In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 25/69696 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

The above lease offer is subject to proper documentation showing the heirs of Robert Richard Green, deceased.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman

1 (Inclusive ISN #)

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Wray J. Shildneck  
P.O. Box 111  
Paywood, New Mexico 88034**

**JUN 30 2009**

2. Article Number  
(Transfer from service label)

**7005 2570 0001 0978 1147**

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*X Wray Shildneck*  Agent  
 Addressee

B. Received by (Printed Name)

*Nina Shildneck*

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 19, 2009

Via Certified Mail-Return Receipt No. 1147

Wray J. Shildneck  
P.O. Box 111  
Faywood, New Mexico 88034

(575) 586-3111

Re: Limousine "15" N #1 Well  
SE/4SW/4 of Section 15  
T20S, R25E  
Eddy County, New Mexico

Dear Mr. Shildneck:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SE/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SE/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/726 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending July 15, 2009.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell

Corey Mitchell  
Landman

.055096 N/A

PHONE CONVERSATIONS:

LIMOUSINE 15 N #1

6-26-2009 - HAROLD PARRISH CALLED ME AND STATED HE RECEIVED OUR WELL PROPOSAL AND HE WANTED TO LEASE.

7-1-2009 - CALLED HAROLD PARRISH TO DISCUSS TITLE ISSUES PER OUR TITLE OPINION. NO ANSWER, LEFT MESSAGE TO CALL ME BACK.

7-1-2009 - HAROLD PARRISH CALLED ME BACK & I INFORMED HIM THE SE/4-SW/4 OF SEC. 15 NEVER TRANSFERRED INTO HIM. HE SAID ALL HIS FILES WERE STOLEN IN A HOME ROBBERY, BUT HE WOULD LOOK AND GET BACK WITH ME.

7-1-2009 - HELEN NEEDHAM CALLED ME TO DISCUSS THE WELL PROPOSAL. I EXPLAINED HER OPTIONS TO HER & SHE SAID SHE WOULD GET BACK TO ME. ALSO SAID BILL HAD PASSED AWAY.

7-8-2009 - PAUL HADEN WITH MEWBOURNE TALKED WITH WRAY/NINA SHILDNECK ABOUT THE WELL PROPOSAL. HE EXPLAINED TO THEM THEIR OPTIONS AT WHICH TIME THEY STATED THEY WANTED TO LEASE.

7-13-2009 - TALKED WITH MARGARET SHELDON & EXPLAINED TO HER THE WELL PROPOSAL. SHE SAID SHE WOULD TALK WITH HER SON & GET BACK TO ME.

7-13-2009 - TALKED WITH PHYLLIS SIMS & EXPLAINED TO HER THE WELL PROPOSAL. SHE SAID SHE WOULD TALK TO MARGARET SHELDON & GET BACK WITH ME.

7-14-2009 - TALKED WITH HELEN NEEDHAM ABOUT THE WELL PROPOSAL ?  
SHE SAID SHE WANTED TO LEASE.

7-14-2009 - TALKED WITH MARGARET SHELDON ? SHE SAID SHE WOULD  
LIKE TO LEASE ? HER SISTER BOBBIE BROCK WOULD TOO.

7-14-2009 - TALKED WITH PHYLLIS SIMS ? SHE SAID SHE WOULD LIKE  
TO LEASE TO US.

7-14-2009 - TALKED WITH SUSAN NEEDHAM ? SHE SAID GEORGIA NEEDHAM  
WOULD LIKE TO LEASE TO US AND SHE WAS IN A NURSING HOME.

7-14-2009 - TALKED WITH BOBBIE BROCK ? SHE SAID SHE WOULD  
LIKE TO LEASE TO US.

7-14-2009 - TALKED WITH HAROLD PARRISH ? INFORMED HIM WE  
WOULD HAVE TO FORCE POOL THE INTEREST HE CLAIMED  
(FROM FLORA NEEDHAM, DEC.) SINCE HE COULD NOT PROVIDE  
PROPER DOCUMENTATION OF THE INTEREST TRANSFERRING  
TO HIM.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 14, 2009

Helen M. Needham  
9756 Blazing Star  
La Porte, Texas 77571

Re: MOC's Limousine "15" Prospect  
SW/4 of Section 15, T20S, R25E  
Eddy County, New Mexico

Dear Ms. Needham:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest. Also, please send back a copy of Bill Needham's Last Will and Testament along with a death certificate with the Oil and Gas Lease. We need a copy of the referenced documents in order to ensure his interest transferred to you.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 14, 2009

J.C. Sims, Jr. and Phyllis Sims  
P.O. Box 260884  
Lakewood, Colorado 80226

Re: MOC's Limousine "15" Prospect  
SW/4 of Section 15, T20S, R25E  
Eddy County, New Mexico

Dear Mr. and Mrs. Sims:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 14, 2009

Margaret R. Sheldon  
104 Bridgepoint Dr.  
Kingsland, Texas 78639

Re: MOC's Limousine "15" Prospect  
SW/4 of Section 15, T20S, R25E  
Eddy County, New Mexico

Dear Ms. Sheldon:

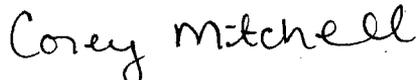
Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 14, 2009

Bobbie N. and Jack W. Brock  
1180 W. Bluff Road  
Orange, Texas 77632

Re: MOC's Limousine "15" Prospect  
SW/4 of Section 15, T20S, R25E  
Eddy County, New Mexico

Dear Mr. and Mrs. Brock:

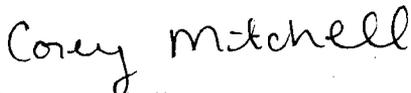
Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/1815 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 14, 2009

Lewis R. Needham, A-I-F for  
Georgia Needham  
8345 Cherokee Road  
Lake Arthur, New Mexico 88253

Re: MOC's Limousine "15" Prospect  
SW/4 of Section 15, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Needham:

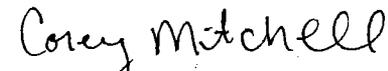
Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers Georgia Needham's 25/8712 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience. Also, please send back a copy of the Power of Attorney papers with the Oil and Gas Lease.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 13, 2009

Wray J. and Nina Shildneck  
P.O. Box 111  
Faywood, New Mexico 88034

Re: MOC's Limousine "15" Prospect  
SW/4 of Section 15, T20S, R25E  
Eddy County, New Mexico

Dear Mr. and Mrs. Shildneck:

Enclosed for your further handling is an Oil and Gas Lease prepared for your signature. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/726 mineral interest in the SE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman

**MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE**

Prospect: Long Draw/Quick Draw Yeso Well Name & No: Limousine 15N #1  
 Field: \_\_\_\_\_ Location: 990' FSL & 1650' FWL  
 Section: 15 Block: \_\_\_\_\_ Survey: \_\_\_\_\_ Township: 20S Range: 25E  
 County: Eddy ST: NM Proposed Depth: 3250'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.			
<b>INTANGIBLE COST 180</b>						
300	Permits and Surveys	\$2,000	\$1,000			
301	Location, Roads and Site Preparation (includes 80' of conductor & cement)	\$95,000	\$1,500			
302	Footage or Turnkey Drilling					
303	Day Work 5 Days @ \$9,000/Day + GRT + 1 day Comp.	\$47,700	\$9,000			
304	Fuel 6 Days @ 500 gal/day @ \$1.60/gal	\$4,800				
305	Completion / Workover Rig		\$9,000			
306	Mud and Chemicals	\$13,000				
307	Cementing	\$7,500	\$15,000			
308	Logging, Wireline and Coring Services		\$17,500			
309	Casing, Tubing & Snubbing Services	\$3,500	\$4,000			
310	Mud Logging					
311	Testing					
312	Treating 2 stage frac - Total 300000 gals & 150000# 20/40 brown sand		\$150,000			
313	Water & Other	\$8,000				
314	Bits	\$6,000				
315	Inspection & Repair Services					
316	Misc. Air and Pumping Services					
320	Rig Mobilization & Transportation	\$17,500				
321	Welding and Construction	\$3,000				
322	Engineering & Contract Supervision	\$5,000				
330	Equipment Rental	\$8,000	\$3,000			
334	Well / Lease Legal	\$3,000	\$1,000			
335	Well / Lease Insurance	\$1,200				
350	Intangible Supplies	\$500	\$500			
355	Damages	\$8,000				
360	Pipeline and Electrical ROW and Easements		\$5,000			
367	Pipeline Interconnect					
375	Company Supervision	\$7,000	\$6,000			
380	Overhead Fixed Rate	\$2,500	\$2,500			
398	Well Abandonment	\$12,000	(\$12,000)			
399	Contingencies 5% / 5%	\$12,800	\$10,700			
	<b>Total Intangibles</b>	<b>\$268,000</b>	<b>\$223,700</b>			
<b>TANGIBLE COST 181</b>						
797	Conductor Casing 80' 20" (included in location)					
797	Surface Casing 800' 8 5/8" 24# J-55 @ \$20.25/ft	\$16,400				
797	Intermediate Casing					
797	Intermediate Casing					
797	Production Casing 3,250' 4 1/2" 10.5# J55 LTC @ \$8.50/ft		\$27,800			
798	Tubing 3200' 2 3/8" 4.7# J-55 EUE 8rd @ \$3.89/ft		\$12,500			
860	Drilling Head 8 5/8" x 4 1/2" Larkin	\$1,300				
870	Tubing Head & Upper Section 4-1/2" x 2 3/8" Larkin		\$1,300			
875	Sucker Rods		\$14,600			
880	Packer Pump & Subsurface Equipment		\$9,800			
884	Artificial Lift Systems					
885	Pumping Unit		\$32,000			
886	Surface Pumps & Prime Movers		\$3,000			
890	Tanks - Steel		\$22,000			
891	Tanks - Other		\$7,500			
895	Separation Equipment					
896	Gas Treating Equipment					
898	Metering Equipment		\$7,500			
900	Line Pipe - Gas Gathering and Transportation					
901	Line Pipe - Production 2000' - 3" SDR 7 poly		\$4,000			
906	Miscellaneous Fittings, Valves & Accessories		\$1,800			
909	Electrical Installations		\$20,000			
910	Production Equipment Installation		\$21,000			
920	Pipeline Construction					
Prepared by:	L. Jackson	Date Prepared:	5/28/2009	Total Tangibles	<b>\$17,700</b>	<b>\$184,800</b>
Company Approval:	<i>m. whitte</i>	Date Approved:	5/28/2009	SUBTOTAL	<b>\$285,700</b>	<b>\$408,500</b>
Joint Owner Interest:		Joint Owner Amount:		<b>TOTAL WELL COST</b>	<b>\$694,200</b>	

EXHIBIT         

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up, and redrilling, as estimated in Line Item 335. Non-operator may elect not to be covered by this Operator's Extra Expense Insurance only by signing below. The undersigned elects not to be covered by Operator's Extra Expense Insurance for their well.

By: \_\_\_\_\_ Name: \_\_\_\_\_