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PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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SANTA FE. NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Fax (505) 827-5760 www.nmstatelands.org

May 21, 2008

Mewbourne Oil Company 3901 S. Broadway Tyler, Texas 75701

Attn: Mr. Bryan Montgomery

Re: 2008 Plan of Development

Horseshoe State Exploratory Unit Eddy County, New Mexico

Dear Mr. Montgomery:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS COMMISSIONER OF PUBLIC LANDS

JAMI BAILEY, Director Oil, Gas and Minerals Division

(505) 827-5744

PL/JB/jm

xc: Reader File

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