

Spacing Unit Ownership (Operating Rights)
Lake Shore Federal #1 Well
Eddy County, New Mexico

Tract 1: NW/4 of Section 20, T19S, R27E
(1) J. M. Huber Corporation (Mewbourne Oil Company)

Tract 2: N/2NE/4 and SW/4NE/4 of Section 20, T19S, R27E
(1) Chevron U.S.A. Inc.

Tract 3: SE/4NE/4 of Section 20, T19S, R27E
(1) Mewbourne Oil Company

Percentage Ownership (Operating Rights)
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

<u>Owner</u>	<u>% Ownership</u>
Mewbourne Oil Company	62.5
Chevron U.S.A Inc.	37.5 (Uncommitted)
	<u>100.0</u>

BEFORE EXAMINED SIGNER
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>2</u>
CASE NO. _____



Chevron U.S.A. Inc.

P.O. Box 1150, Midland, TX 79702 • Phone (915) 687-7129
15 Smith Road, Midland, TX 79705 • Fax (915) 687-7666

James E. Baca
Land Representative
Permian Basin Land Division

June 4, 1991

Farmout Request
N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 20,
T-19-S, R-27-E, N.M.P.M.,
Eddy County, New Mexico

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Attention: Mr. Paul Haden

Gentlemen:

Please refer to my May 9, 1991 farmout offer proposal covering the subject acreage. This letter will acknowledge your recent acceptance of our following counterproposal to your May 31, 1991 letter: "Interest Retained by Chevron In Initial Test Well Proration Unit: An exclusive 7.5% of 8/8ths overriding royalty interest with the option upon payout of such well to convert said overriding royalty interest to an undivided 30% working interest. Said overriding royalty interest and working interest shall be subject to proportionate reduction." All other terms and conditions of my May 9, 1991 letter shall remain unchanged.

Yours very truly,

James E. Baca
Land Representative

JEB/svm
WLD10604.08L

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>3</u>
CASE NO. _____

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 31, 1991

CERTIFIED MAIL

Chevron U.S.A.
P. O. Box 1150
Midland, Texas 79702

Attention: Mr. James E. Baca

RE: Farmout Request
N/2NE/4 and SW/4NE/4
of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Reference is made to Mewbourne's letter of March 28, 1991 and Chevron's letter of May 9, 1991 regarding Mewbourne's farmout request of Chevron's operating rights under the captioned land. One of the terms outlined in your letter was a reservation by Chevron of a 7.5% of 8/8ths ORI increasing to 12.5% of 8/8ths ORI upon payout of the initial test well with the option at payout to convert the retained ORI to a 30% WI, all proportionately reduced.

Please be advised, we have obtained a farmout of J. M. Huber's operating rights in the NW/4 of the captioned Section 20 for the consideration of Huber retaining a 5% of 8/8ths ORI interest until payout with the option to convert their retained ORI to a 1/3 WI at payout, subject to proportionate reduction.

According to our Drilling Title Opinion dated June 26, 1990 covering the N/2 of the subject Section 20, Huber's and Chevron's leases are each burdened by a 5% of 8/8ths ORI in addition to the 1/8 base royalty. By allowing Chevron to retain a 7.5% ORI increasing to a 12.5% ORI after payout, with the option to convert said ORI to a 30% WI, we would be jeopardizing our relationship with J. M. Huber Corporation.

In light of the foregoing, Mewbourne respectfully requests that Chevron amend its farmout terms to Chevron retaining a 5% of 8/8ths ORI until payout of the initial well with the option to convert their ORI to a 1/3 WI, subject to proportionate reduction. Alternatively, Mewbourne would be agreeable to Chevron retaining a 7.5% ORI with the option to convert their ORI at payout to a 25% WI. Further, if the test well is completed as a commercial producer, Mewbourne would earn an assignment of 100% of Chevron's interest in the proration unit dedicated to the productive well with the earned rights limited in depth from the surface to one hundred feet (100') below the base of the deepest producing zone, but, in no event deeper than below the base of the Morrow formation. We feel these terms are fair to all concerned.

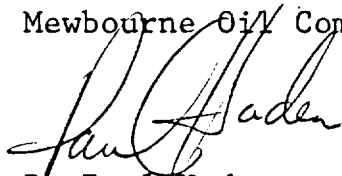
If the above amended terms are acceptable to Chevron, please forward Chevron's formal executed farmout agreement for Mewbourne's consideration and execution.

In the event Chevron chooses not to farmout its interest as proposed above, Mewbourne invites Chevron to join Mewbourne in the drilling and completion of Mewbourne's Lake Shore Federal #1 well to be located 990' FNL and 990' FEL of the captioned Section 20 as previously proposed.

Your cooperation in connection with the above is greatly appreciated.

Sincerely,

Mewbourne Oil Company

A handwritten signature in dark ink, appearing to read "D. Paul Haden", is written over the typed name.

D. Paul Haden
Landman

DPH/nb



Chevron U.S.A. Inc.

P.O. Box 1150, Midland, TX 79702 • Phone (915) 687-7129
15 Smith Road, Midland, TX 79705 • Fax (915) 687-7666

James E. Baca
Land Representative
Permian Basin Land Division

May 9, 1991

Farmout Request

N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 20,
T-19-S, R-27-E, N.M.P.M.,
Eddy County, New Mexico

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Attention: Mr. Paul Haden

Gentlemen:

Please refer to your letter of March 28, 1991 regarding the above captioned acreage. Chevron has carefully reviewed your request and is willing to farmout its interest covering a portion of said acreage, subject to final management approval, under the following terms and conditions:

Farmout Premises and Interest Earned: N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 20, T-19-S, R-27-E, N.M.P.M., Eddy County, New Mexico. If the initial test well results as a producer of oil or gas in paying quantities, then you shall earn 100% of Chevron's working interest in the farmout premises (subject to Chevron's retained overriding royalty interests and optional conversion thereof as hereinafter provided) encompassing the spacing proration unit assigned to such well by the New Mexico Oil Conservation Division. Said lands earned shall be limited from the surface to the lesser of: 1) total depth drilled, but in no event below the base of the deepest formation penetrated, or 2) the base of the deepest producing formation, or 3) a depth of 50 feet below the deepest commercially productive perforation, or 4) the base of the Morrow formation, or 5) 10,300 feet beneath the surface. Any Chevron acreage in the N $\frac{1}{2}$ of said Section 20 not included in the initial test well proration unit shall revert to Chevron.

Initial Test Well: On or before 90 days from the date of the farmout agreement, you shall commence the actual drilling of an initial test well at a legal location of your choice within the N $\frac{1}{2}$ of said Section 20. Said well shall be drilled to a depth sufficient, in the opinion of Chevron, to adequately test the Morrow Formation or to a depth of 10,300 feet beneath the surface, whichever is the lesser depth.

Interest Retained by Chevron In Initial Test Well Proration Unit: An exclusive 7.5% of 8/8ths overriding royalty interest increasing to 12.5% of 8/8ths upon payout of the initial test well, with the option upon payout of such well to convert said overriding royalty interest to an undivided 30% working interest. Said overriding royalty interests and working interest shall be subject to proportionate reduction.

May 9, 1991

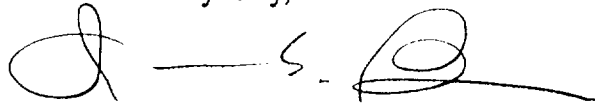
Operating Agreement: If Chevron elects to convert its overriding royalty interest to a working interest as provided above, then in such event such proration unit shall be subject to the terms of an AAPL Model Form 610-1989 Operating Agreement containing Chevron's standard additions and deletions.

Logs: The following logging program shall be required: Resistivity; Neutron/Density; Gamma Ray.

Financial Information: This farmout offer is made subject to receipt by Chevron of a current financial statement and written bank reference. Chevron reserves the right to withdraw said offer at any time, if in the opinion of Chevron, adequate financial responsibility is not shown.

Upon your acceptance, the necessary instruments will be prepared subject to Chevron's standard terms, conditions and agreements. All terms and conditions will be subject to final management approval prior to the execution of instruments covering this trade. This conditional offer is not exclusive and Chevron reserves the right to withdraw it without further notice to you after 30 days from the date hereof, unless we receive a firm commitment from you within said 30-day period.

Yours very truly,

A handwritten signature in black ink, appearing to read 'James E. Baca', with a long horizontal line extending to the right.

James E. Baca
Land Representative

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

March 28, 1991

CERTIFIED MAIL

Chevron USA Inc.
P. O. Box 1150
Midland, Texas 79702

Attention: James Baca

RE: T19S, R27E
Section 20: N/2NE/4 and
SW/4NE/4
Eddy County, New Mexico
Federal Lease NM 13409

Dear Mr. Baca:

Regarding the captioned land, Mewbourne Oil Company hereby requests a farmout of Chevron's operating rights for a Morrow test well on the following proposed terms:

- (1) Mewbourne Oil Company, as operator, will commence within 90 days from the execution of Chevron's formal farmout agreement a test well at a location of its choice in the N/2 of the captioned Section 20 and drill same to a depth sufficient to test the Morrow formation estimated total depth being 10,300 feet.
- (2) By drilling and completing the test well as a commercial producer, Mewbourne would earn an assignment of 100% of Chevron's operating rights in the proration unit attributable to the well as prescribed by the New Mexico Oil Conservation Division from the surface to 100 feet beneath the bottom perforation in the well.
- (3) Within 120 days of completion of the initial test well, Mewbourne would have the option but not the obligation to commence additional drilling operations under the captioned land with no more than 120 days elapsing between the completion of each development well until all of Chevron's acreage is fully developed. If this option is exercised on a well by well basis, Mewbourne would earn an assignment of 100% of Chevron's operating rights attributable to the proration unit in each well from the surface to 100 feet beneath the bottom perforation.

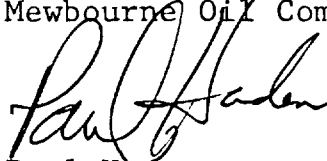
- (4) Chevron would retain in addition to their operating rights beneath 100 feet below the bottom perforation in each well and Chevron's acreage not included in the proration unit attributable to each well, an overriding royalty interest equal to the difference between $22\frac{1}{2}\%$ of all oil and gas that might be produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the captioned land may subject, to the extent Mewbourne will be assigned a 77.5% net revenue interest of Chevron's operating rights.
- (5) At payout of each well on a well by well basis, Chevron would have the option to convert their override to a 25% working interest.
- (6) The override retained above and working interest if converted shall be proportionately reduced to the actual interest Chevron owns in the proration unit of the initial and each development well.
- (7) Upon acceptance of the farmout proposal, Chevron agrees to furnish Mewbourne with copies of Chevron's original base lease, title opinions and gas contracts currently effecting the captioned land.

In the event Chevron wishes to join Mewbourne in drilling the proposed initial well, enclosed for Chevron's consideration are two copies of Mewbourne's AFE for its Lake Shore Federal #1 well to be drilled at a location in the NE/4 of the captioned Section 20. If Chevron elects this option, please have one copy of the AFE executed on behalf of Chevron and an operating agreement will be forwarded to Chevron for consideration and execution at a later date.

Your cooperation in connection with the above would be greatly appreciated. Please call should you wish to discuss this request further.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

PH/nb
enclosure

<p>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
<p>3. Article Addressed to:</p> <p>Chevron USA POB 1150 Midland Tx</p> <p>Lake Shore Fed #1</p>	<p>4. Article Number</p> <p>P.764.696.086</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and <u>DATE DELIVERED</u>.</p>
<p>5. Signature - Addressee</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent</p> <p>X</p> <p><i>[Signature]</i></p>	
<p>7. Date of Delivery</p> <p>APR 1 1991</p>	

PS Form 3811, Apr. 1989

* U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

MEWBOURNE OIL COMPANY
Authorization for Expenditure

Prospect Lakeshore Well Name and No. Lakeshore Federal #1
Field _____ Location N/2 of Section 20
Section _____ Block _____ Township 20S Range 27E Survey _____
County Eddy State New Mexico Proposed Depth 10,300'

34 days	DESCRIPTION	06/91	COST TO CASING POINT AFE NO.	COMPLETION COST AFE NO.
	<u>INTANGIBLE COST 180</u>			
000	Permits & Surveys		\$ 600.00	\$ 700.00
001	Location, Roads & Damages		25,000.00	3,000.00
002	Footage or Turnkey Drilling		206,000.00	- 0 -
003	Day Work		30,000.00	- 0 -
004	Fuel, Water & Other		20,000.00	6,000.00
005	Completion/Workover Rig		- 0 -	15,000.00
006	Mud & Chemicals		25,000.00	- 0 -
007	Cementing		20,000.00	18,000.00
008	Logging & Wireline		20,000.00	7,000.00
009	Casing - Tubing Services & Tools		3,000.00	2,000.00
010	Mud Logging		4,000.00	- 0 -
011	Testing		6,000.00	2,000.00
012	Treating		- 0 -	45,000.00
013	Coring		- 0 -	- 0 -
020	Transportation		2,000.00	3,000.00
021	Welding & Construction Labor		2,000.00	1,000.00
022	Contract Supervision		- 0 -	- 0 -
030	Equipment Rental		4,000.00	3,000.00
034	Well/Lease Legal/Tax		2,500.00	- 0 -
035	Well/Lease Insurance		20,600.00	- 0 -
050	Intangible Supplies		500.00	500.00
060	Pipeline ROW & Easements		- 0 -	5,000.00
067	Pipeline Interconnect		- 0 -	15,000.00
075	Company Supervision		20,000.00	8,000.00
080	Overhead Fixed Rate		7,700.00	1,500.00
099	Contingencies		20,945.00	6,785.00
	Total Intangibles		\$ 439,845.00	\$ 142,485.00
	<u>TANGIBLE COST 181</u>			
	Conductor Casing		\$	\$
	Surface Casing 13 3/8" @ 500'		11,000.00	- 0 -
	Inter. Casing 8 5/8" @ 2800'		33,600.00	- 0 -
	Production Casing 5 1/2" @ 10300'		- 0 -	77,200.0
	Production Casing			
	Tubing 2 7/8" @ 10300'			23,600.00
060	Drilling Head		5,000.00	- 0 -
065	Tubing Head		- 0 -	3,500.00
070	Upper Section		- 0 -	3,000.00
075	Sucker Rods			
080	Packer, Pump & Other Subsurface		- 0 -	5,000.00
085	Pumping Unit			
090-1	Tanks (Steel, Fiberglass)		- 0 -	5,000.00
094-5	Separation Equipment (Fired, Non-fired)		- 0 -	10,000.00
098	Metering Equipment		- 0 -	7,000.00
000	Line Pipe		- 0 -	10,000.00
005	Valves		- 0 -	3,000.00
006	Miscellaneous Fittings & Accessories		- 0 -	5,000.00
010	Production Equipment Installation		- 0 -	10,000.00
020	Pipeline Construction		- 0 -	25,000.00
	Total Tangibles		\$ 49,600.00	\$ 187,300.00
	Subtotal		\$ 489,445.00	\$ 329,785.00
	TOTAL WELL COST		\$ 819,230.00	
	BEFORE EXAMINER'S SIGNATURE			
	OIL CONSERVATION DIVISION			
	EXHIBIT NO. 4			
	CASE NO.			

Date Prepared: 12/05/90 Prepared By: W.H. Prange Company Approval: W.H. Prange Date Approved: _____ Joint Owner Approval: _____ Joint Owner Interest: _____ Joint Owner Amount: _____

OFFSET OWNERSHIP

EDDY COUNTY, NEW MEXICO:

Tract 1: E/2 of Section 18, T19S, R27E

- (1) Robert N. Enfield (Operator)
P. O. Box 2431
Santa Fe, New Mexico 87504-2431

Tract 2: N/2 of Section 17, T19S, R27E

- (1) Yates Petroleum Corporation (Operator)
105 South 4th Street
Artesia, New Mexico 88210

Tract 3: SW/4 of Section 17, T19S, R27E

- (1) Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

Tract 4: SE/4 of Section 17, T19S, R27E

- (1) Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

Tract 5: W/2 of Section 16, T19S, R27E

- (1) Yates Petroleum Corporation (Operator)

Tract 6: NW/4SE/4 of Section 16, T19S, R27E

- (1) Arco Oil & Gas Company (50%)
P. O. Box 1610
Midland, Texas 79701
- (2) Marathon Oil Company (25%)
P. O. Box 552
Midland, Texas 79702
- (3) Yates Petroleum Corporation (25%)

Tract 7: NE/4SE/4 and S/2SE/4 of Section 16, T19S, R27E

- (1) Pogo Producing Company (50%)
P. O. Box 10340
Midland, Texas 79705
- (2) Yates Petroleum Corporation (50%)

Tract 8: N/2NE/4 of Section 21, T19S, R27E

- (1) Fair Oil Ltd. (50%)
P. O. Box 689
Tyler, Texas 75711
- (2) Yates Petroleum Corporation (50%)

Tract 9: SE/4NE/4 of Section 21, T19S, R27E

- (1) Yates Petroleum Corporation

Tract 10: SW/4NE/4 of Section 21, T19S, R27E

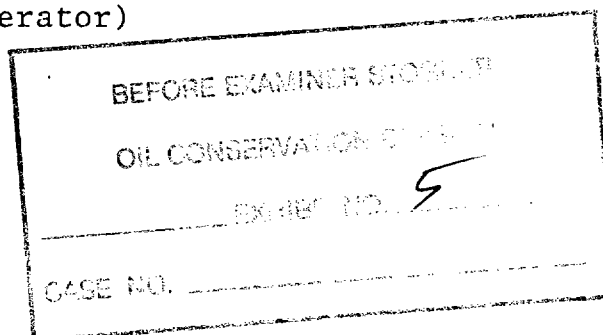
- (1) David M. Reavis
5646 Milton
Dallas, Texas 75206

Tract 11: S/2 of Section 21, T19S, R27E

- (1) Southland Royalty Company (Operator)
21 Desta Drive
Midland, Texas 79705

Tract 12: SE/4NW/4 of Section 21, T19S, R27E

- (1) Fair Oil Ltd. (50%)
(2) Yates Petroleum Corporation (50%)



Tract 13: SW/4NW/4 of Section 21, T19S, R27E

(1) J. M. Huber Corporation
1900 West Loop South
Houston, Texas 77027

Tract 14: N/2NW/4 of Section 21, T19S, R27E

(1) Yates Petroleum Corporation

Tract 15: SW/4SW/4 and SE/4SE/4 of Section 20, T19S, R27E

(1) Mewbourne Oil Company

Tract 16: N/2SE/4 and SW/4SE/4 of Section 20, T19S, R27E

(1) Meridian Oil Inc.

Tract 17: N/2SW/4 and SE/4SW/4 of Section 20, T19S, R27E

(1) J. M. Huber Corporation

Tract 18: N/2NE/4 of Section 19, T19S, R27E

(1) Yates Petroleum Corporation

Tract 19: SW/4NE/4, NW/4SE/4 and S/2SE/4 of Section 19, T19S, R27E

(1) Collins & Ware, Inc.
P. O. Box 27
Midland, Texas 79702

Tract 20: SE/4NE/4 and NE/4SE/4 of Section 19, T19S, R27E

(1) J. M. Huber Corporation

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

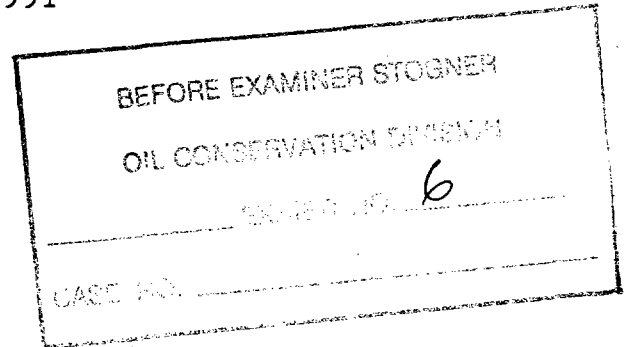
MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Collins & Ware, Inc.
P. O. Box 27
Midland, Texas 79702



RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

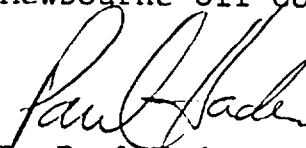
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

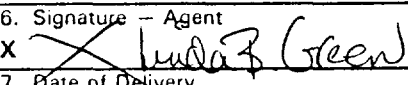
Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

DPH/nb
enclosure

<p>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
3. Article Addressed to: Collins & Ware Inc. P. O. Box 27 Midland, Texas 79702 Lake Shore Federal #1	4. Article Number P-684-785-990 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X 	
7. Date of Delivery 5-15-91	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. M. Huber Corporation
1900 West Loop South
Houston, Texas 77027

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

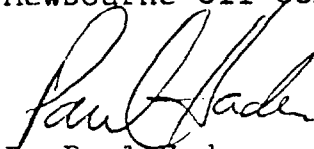
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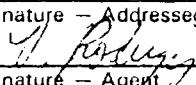
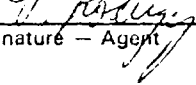
Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
enclosure

<p>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
3. Article Addressed to: J. M. Huber Corporation 1900 West Loop South Houston, Texas 77027	4. Article Number P-124-755-831
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X 	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X 	
7. Date of Delivery 5-16-91	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Southland Royalty Company
21 Desta Drive
Midland, Texas 79705

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

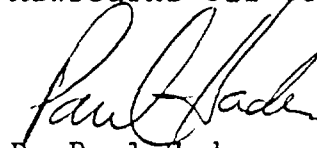
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

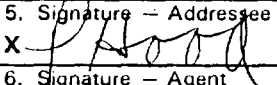
Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
enclosure

<p>● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
3. Article Addressed to: Southland Royalty Co. 21 Desta Drive Midland, Texas 79705	4. Article Number P-124-755-833
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X 	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 5-15-91	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David M. Reavis
5646 Milton
Dallas, Texas 75206

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

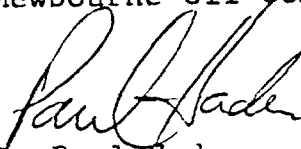
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

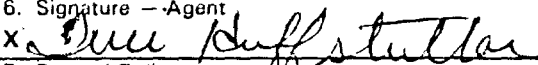

Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

DPH/nb
enclosure

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3. Article Addressed to: David M. Reavis 5646 Milton Dallas, Texas 75206 Lake Shore Federal #1	4. Article Number P-124-755-834 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X 	
7. Date of Delivery 5-17-91 	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Fair Oil Ltd.
P. O. Box 689
Tyler, Texas 75711

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

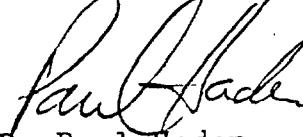
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

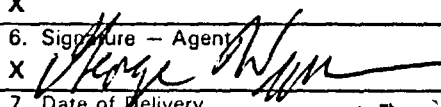
Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

DPH/nb
enclosure

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3. Article Addressed to: Fair Oil Ltd. P. O. Box 689 Tyler, Texas 75711 Lake Shore Federal #1	4. Article Number P-124-755-835
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X 	
7. Date of Delivery MAY 17 1991	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79705

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

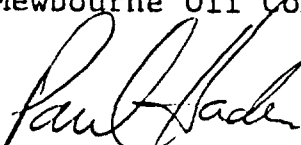
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.


Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

DPH/nb
enclosure

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<p>3. Article Addressed to:</p> <p>Pogo Producing Company P. O. Box 10340 Midland, Texas 79705</p> <p>Lake Shore Federal #1</p>	<p>4. Article Number</p> <p>P-124-755-836</p> <p>Type of Service:</p> <table><tr><td><input type="checkbox"/> Registered</td><td><input type="checkbox"/> Insured</td></tr><tr><td><input checked="" type="checkbox"/> Certified</td><td><input type="checkbox"/> COD</td></tr><tr><td><input type="checkbox"/> Express Mail</td><td><input type="checkbox"/> Return Receipt for Merchandise</td></tr></table> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>	<input type="checkbox"/> Registered	<input type="checkbox"/> Insured	<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD	<input type="checkbox"/> Express Mail	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Registered	<input type="checkbox"/> Insured						
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD						
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Return Receipt for Merchandise						
<p>5. Signature — Addressee</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>						
<p>6. Signature — Agent</p> <p>X </p>							
<p>7. Date of Delivery</p> <p>5-15-91</p>							

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

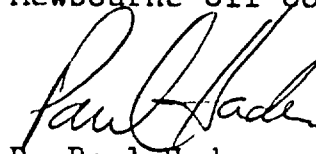
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

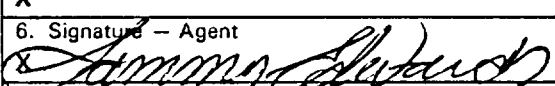
Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
enclosure

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3. Article Addressed to: Marathon Oil Company P. O. Box 552 Midland, Texas 79702 Lake Shore Federal #1	4. Article Number P-124-755-837 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent 	
7. Date of Delivery MAY 15 1991	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Arco Oil & Gas Company
P. O. Box 1610
Midland, Texas 79701

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

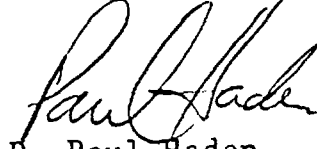
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
enclosure

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<p>3. Article Addressed to: Arco Oil & Gas Company P. O. Box 1610 Midland, Texas 79701</p>		<p>4. Article Number P-124-755-838</p>
<p>Lake Shore Federal #1 Well</p>		<p>Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>
<p>5. Signature - Addressee X</p>		<p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>6. Signature - Agent X <i>Lorraine Garcia</i></p>		<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>7. Date of Delivery MAY 15 1991</p>		

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

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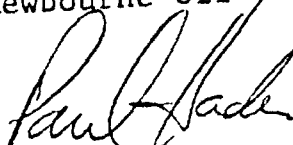
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

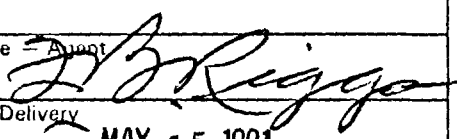
Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

DPH/nb
enclosure

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<p>3. Article Addressed to: Chevron U.S.A. Inc. P. O. BOX 1150 Midland, Texas 79702</p> <p>Lake Shore Federal #1</p>	<p>4. Article Number P-124-755-839</p> <p>Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature — Addressee X</p> <p>6. Signature — Agent X </p> <p>7. Date of Delivery MAY 15 1991</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

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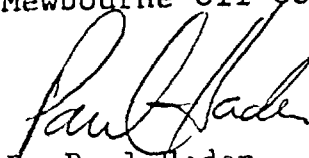
Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

Should you have any questions regarding Mewbourne's intentions as described above or wish to discuss this matter further, please call. Your prompt and favorable response will be greatly appreciated.

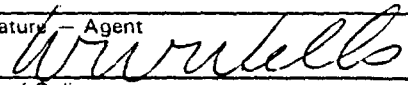
Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
enclosure

<p>● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
3. Article Addressed to: Meridian Oil Inc. 21 Desta Drive Midland, Texas 79705 Lake Shore Federal #1	4. Article Number R-124-755-840 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X 	
7. Date of Delivery 5-15-81	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert N. Enfield
P. O. Box 2431
Santa Fe, New Mexico 87504-2431

RE: Application for Unorthodox
Location Drilling Permit
East Lake Morrow (Gas) Pool
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company, as operator, proposes to drill the captioned well at a point located 990 feet from the North line and 990 feet from the East line of the above described Section 20 to test all formations from the surface through the Morrow formation. The proposed test well will be drilled approximately 10,300 feet beneath the surface to the East Lake Morrow (Gas) Pool with the N/2 of the captioned Section 20 being dedicated to the well.

Mewbourne Oil Company is seeking an exception to the well location requirements of Division Rule 104 C.II.(a) and has applied with the Division for approval of an unorthodox gas well location as described above for all formations spaced on 320 acres.

Mewbourne wishes to drill its well at the proposed location as we feel it is necessary if we are to recover oil and gas reserves underlying our lease. We are also convinced that the distance from the proposed well location to other producers in the area is sufficient to insure no harmful effect on other producers.

If you have no objection to the Division granting Mewbourne approval to drilling its well at the proposed unorthodox gas well location, please sign and date the attached Waivers of Objection and return them to me for further handling in the enclosed self-addressed envelope.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>7</u>
CASE NO. _____

RE: Application for Unorthodox
Location Drilling Permit
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Meridian Oil Inc., as an offset operator or offset lessee or unleased mineral owner, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location 990' FNL & 990' FEL of Section 20, T19S, R27E, Eddy County, New Mexico.

This letter is to advise that Meridian Oil Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

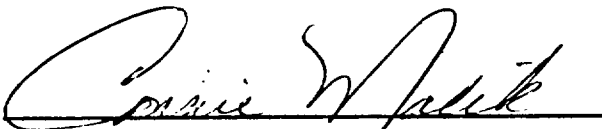
Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

By:



Date Signed: 5-30-91

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

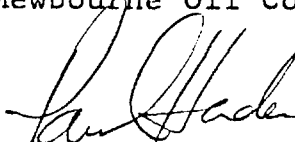
Gentlemen:

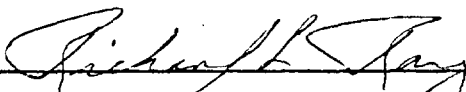
Fair Oil Ltd., as an offset operator or offset lessee or unleased mineral owner, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location 990' FNL & 990' FEL of Section 20, T19S, R27E, Eddy County, New Mexico.

This letter is to advise that Fair Oil Ltd. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

By: 
Date Signed: 5-17-91

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Southland Royalty Company, as an offset operator or offset lessee or unleased mineral owner, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location 990' FNL & 990' FEL of Section 20, T19S, R27E, Eddy County, New Mexico.

This letter is to advise that Southland Royalty Company has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

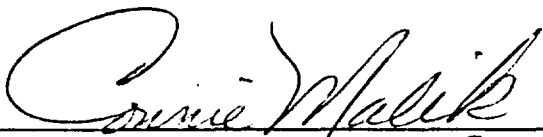
Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

By:



Date Signed:

5-20-91

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico


Gentlemen:

Robert N. Enfield, as an offset operator or offset lessee or unleased mineral owner, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location 990' FNL & 990' FEL of Section 20, T19S, R27E, Eddy County, New Mexico.

This letter is to advise that Robert N. Enfield has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

By: Robert N. Enfield

Date Signed: 5-20-91

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

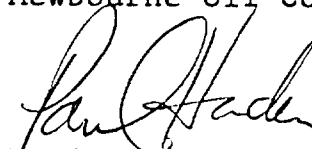
Gentlemen:

Chevron U.S.A. Inc., as an offset operator or offset lessee or unleased mineral owner, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location 990' FNL & 990' FEL of Section 20, T19S, R27E, Eddy County, New Mexico.

This letter is to advise that Chevron U.S.A. Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

By: Alan W. Bohling - Protraction Engineer

Date Signed: May 24, 1991

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

Gentlemen:

Collins & Ware, Inc., as an offset operator or offset lessee or unleased mineral owner, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location 990' FNL & 990' FEL of Section 20, T19S, R27E, Eddy County, New Mexico.

This letter is to advise that Collins & Ware, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

By: 

Date Signed: 5-21-91

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

May 14, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Lake Shore Federal #1 Well
N/2 of Section 20, T19S, R27E
Eddy County, New Mexico

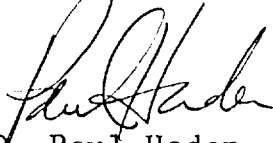
Gentlemen:

J. M. Huber Corporation, as an offset operator or offset lessee or unleased mineral owner, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location 990' FNL & 990' FEL of Section 20, T19S, R27E, Eddy County, New Mexico.

This letter is to advise that J. M. Huber Corporation has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

J. M. HUBER CORPORATION
Oil and Gas Division

By: 
D. C. Martin, President

Date Signed: May 24, 1991

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING AND AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

No.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

1. I am over the age of 18 and have personal knowledge of the matters stated herein.

3. Applicant has conducted a good faith, diligent effort to find the correct address of interested persons entitled to receive notice of the Application herein.

5. Notice of the Application herein was provided to said persons at their correct or last known address by the letter attached hereto as Exhibit A, as required by Rule 1207. The original certified return receipts are attached hereto as Exhibit B.

6. The notice provisions of Rule 1207 have been complied with.

Notice provisions of Rule 1207
BEFORE EXAMINER STOGNER
OIL CONSERVATION BOARD
EXHIBIT NO. 8
CASE NO.

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By James Bruce
James Bruce
500 Marquette, N.W.
Suite 800
Albuquerque, N.M. 87102
(505) 768-1500

June Subscribed and sworn to before me this 31 day of
June, 1991, by James Bruce.

Jessie C. Murtha
Notary Public

My commission expires:

11/22/91

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800
ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500

FAX (505) 768-1529

OF COUNSEL
D. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

May 10, 1991

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY JR.
MARSHALL G. MARTIN
OWEN W. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD
RICHARD E. OLSON
RICHARD R. WILFONG
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWITT
JAMES BRUCE
JERRY F. SHACKELFORD
JEFFREY W. HELLBERG
ALBERT L. PITTS
THOMAS W. HNASKO
JOHN C. CHAMBERS
MICHAEL A. GROSS
THOMAS D. HAINES, JR.

FRANKLIN H. MCCALLUM*
GREGORY J. NIBERT
DAVID T. MARKETTE
MARK C. DOW
KAREN M. RICHARDSON
FRED W. SCHWENDIMANN
JAMES M. HUDSON

STANLEY K. KOTOVSKY JR.
BETTY H. LITTLE
JEFFREY S. BAIRD
RUTH S. MUSGRAVE
HOWARD R. THOMAS
PATRICIA A. WATTS
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDEWIG
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDORY
JOHN R. KLASETH, JR.
LISA K. SMITH

*NOT LICENSED IN NEW MEXICO

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

J. M. Huber Corporation
1900 West Loop South
Houston, Texas 79027

Attention: Barbara Oldham

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

Attention: James Baca

Dear Sirs:

Enclosed for your information is a copy of an Application for compulsory pooling of the N $\frac{1}{2}$ of Section 20, Township 19 South, Range 27 East, Eddy County, New Mexico, which was filed with the New Mexico Oil Conservation Division on behalf of Mewbourne Oil Company. Records indicate you own mineral interest in the N $\frac{1}{2}$ of Section 20. This application will be heard by the Oil Conservation Division on Thursday, June 13, 1991, at 8:15 a.m. at the Division's offices at 310 Old Santa Fe Trail, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By: *James Bruce*
James Bruce
Attorneys for Mewbourne
Oil Company



700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA NATIONAL BANK BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683 6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

"RETURN TO" Space on the reverse side. Failure to put your address in this space will prevent this card from being returned to you. The return receipt fee will provide you with the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)†

3. Article Addressed to: J.M. Huber Corporation
1900 West Loop South
Houston, TX 77027
Attn: Barbara Oldham

4. Article Number: P 440 581 169

Type of Service: ☐ Registered ☐ Insured ☒ Certified ☐ COD ☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: *y. Padgett*

6. Signature - Agent: *y. Padgett*

7. Date of Delivery: 5-15-91

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987

★ U.S.G.P.O. 1987-178-288

DOMESTIC RETURN RECEIPT

P 440 581 168

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	
Chevron U.S.A. Inc.	
Street and No.	
P.O. Box 1150	
City, State and ZIP Code	
Midland, TX 79702	
Postage	
Attn: James Baca	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

EXHIBIT

B

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

"RETURN TO" Space on the reverse side. Failure to do so will prevent this card from being returned to you. The return receipt fee will provide you with the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Chevron U.S.A. Inc.
P.O. Box 1150
Midland, TX 79702
Attn: James Baca

4. Article Number: P 440 581 168

Type of Service: ☐ Registered ☐ Insured ☒ Certified ☐ COD ☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: *y. Padgett*

6. Signature - Agent: *y. Padgett*

7. Date of Delivery: MAY 14 1991

8. Addressee's Address (ONLY if requested and fee paid)

217 code

79702

PS Form 3811, Apr. 1989

DOMESTIC RETURN RECEIPT

P 440 581 169

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	
J.M. Huber Corporation	
Street and No.	
1900 West Loop South	
City, State and ZIP Code	
Houston, TX 77027	
Postage	
Attn: Barbara Oldham	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	