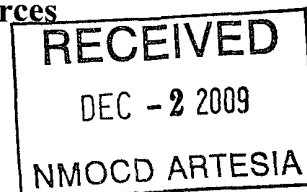


District II
1301 W Grand Ave, Artesia, NM 88210
Phone (505) 748-1283 Fax (505) 748-9720

State of New Mexico
Energy, Minerals and Natural Resources

Form C-101
Permit 103402

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address MEWBOURNE OIL CO PO BOX 5270 HOBBS, NM 88241		2 OGRID Number 14744
		3 API Number 30-015-37451
4 Property Code 37401	5 Property Name PARKWAY 26 STATE COM	6 Well No 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	26	19S	29E	D	660	N	330	W	EDDY

8. Pool Information

Turkey Track Bone Spring

60660

Additional Well Information

9 Work Type New Well	10 Well Type OIL	11. Cable/Rotary	12 Lease Type State	13 Ground Level Elevation 3341
14 Multiple N	15 Proposed Depth 12533	16 Formation Bone Spring	17 Contractor	18 Spud Date 1/1/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit	Liner Synthetic ☐ mils thick	Clay ☐	Pit Volume	bbls Drilling Method
Closed Loop System ☐	Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐			

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	350	0
Int1	12.25	9.625	36	3300	1400	0
Int2	8.75	7	26	8150	700	0
Prod	6.125	4.5	11.6	12533	0	0

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Bone Springs formation. H2S rule 118 does not apply because MOC has researched this area & no high concentration were found. Will have on location & working all H2S safety equipment before drilling below the surface casing for safety & insurance purposes. If commercial, a production liner will be run & will utilize packer/port system. No cmt is required. Will stimulate as needed for production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	Schaffer
DoubleRam	3000	3000	Schaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐

Printed Name: Jackie Lathan
Title: Hobbs Regulatory
Email Address: jathan@mewbourne.com

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: 12/29/09 Expiration Date: 12/29/2011

Date:	Phone:	
-------	--------	--

District I

1625 N French Dr , Hobbs, NM 88240

District II

1301 W Grand Ave , Artesia, NM 88210

District III

1000 Rio Brazos Rd , Aztec, NM 87410

District IV

1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico**Energy, Minerals and Natural Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**Form C-102
Permit 103402**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-37401	2 Pool Code 60660	3 Pool Name Turkey Track Bone Spring
4 Property Code 37401	5 Property Name PARKWAY 26 STATE COM	6 Well No 002H
7 OGRID No 14744	8 Operator Name MEWBOURNE OIL CO	9. Elevation 3341

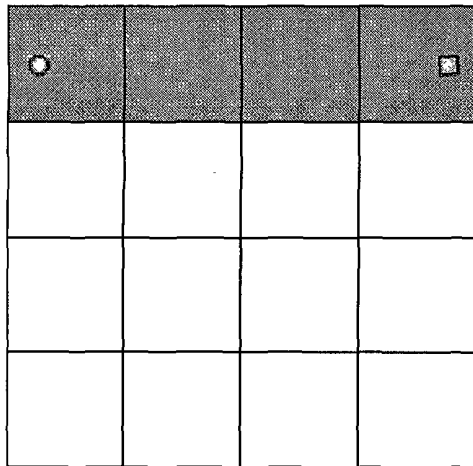
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	26	19S	29E		660	N	330	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
DA	26	19S	29E		660	N	330	E	EDDY
12 Dedicated Acres 160.00	13 Joint or Infill	14 Consolidation Code	15 Order No						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By:

Title:

Date:

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gary Jones

Date of Survey: 9/30/2009

Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744

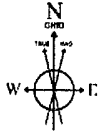
Well: PARKWAY 26 STATE COM #002H

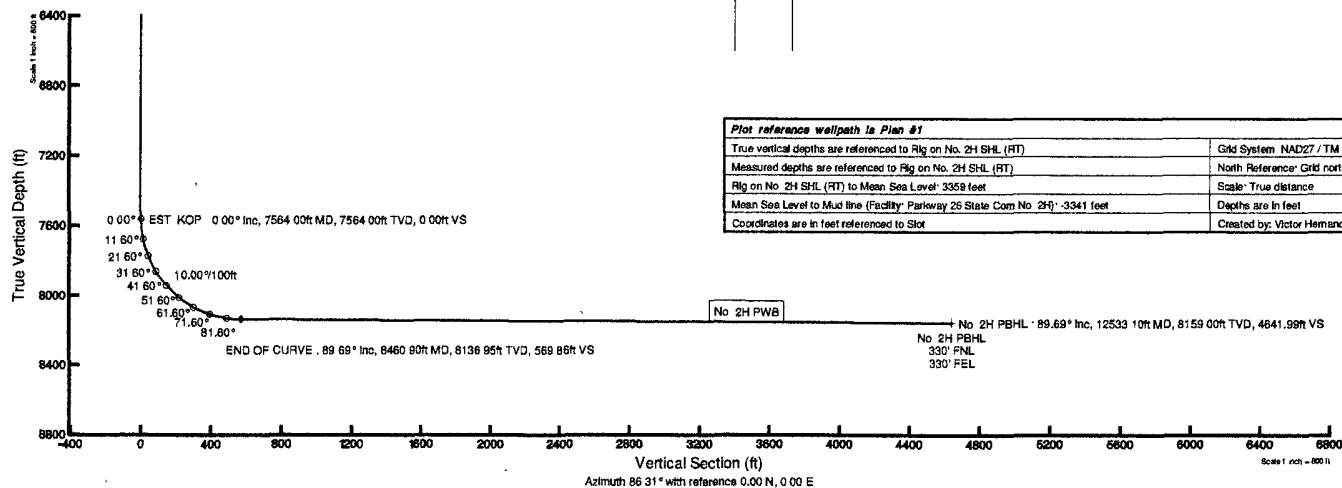
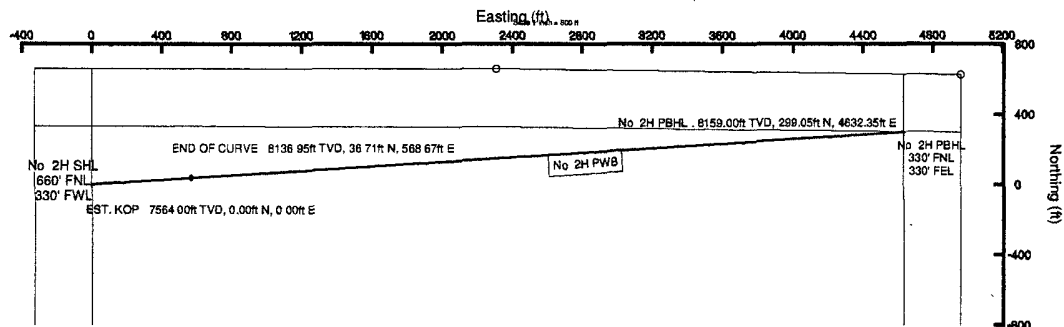
API:

Created By	Comment	Comment Date
NMYOUNG	Mud program: 0-750' FW/spud mud w/additives. From 750' - 5750' Brine water w/soda ash for pH. 5750'-9965' FW mud w/polymer & caustic for pH.	10/20/2009
NMYOUNG	Mud Program: 0-350' FW spud mud. 350-3300' Brine water w/sweeps 3300 - 8500' cut brine w/sweeps. 8500 - 12533 cut brine w/polymer.	11/24/2009
NMYOUNG	Please use mud program dated 11/24/09.	11/24/2009

Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0.00	0.000	86.306	0.00	0.00	0.00	0.00	0.00
EST. KOP	7564.00	0.000	86.306	7564.00	0.00	0.00	0.00	0.00
END OF CURVE	8460.90	89.690	86.306	8136.95	36.71	568.67	10.00	569.86
No. 2H PBHL	12533.10	89.690	86.306	8159.00	299.05	4632.35	0.00	4641.99


 BSGM (1945.0 to 2011.0) Dip: 60.54° Field: 49028.6 nT
 Magnetic North is 0.06 degrees East of True North (at 11/5/2009)
 Grid North is 0.15 degrees East of True North
 To correct azimuth from True to Grid subtract 0.15 degrees
 To correct azimuth from Magnetic to Grid add 7.95 degrees
 For example: If the Magnetic North Azimuth = 30 degs, then the Grid North Azimuth = 30 + 7.95 = 37.95



Plot reference wellpath is Plan #1

True vertical depths are referenced to Rlg on No. 2H SHL (RT)	Grid System: NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet
Measured depths are referenced to Rlg on No. 2H SHL (RT)	North Reference: Grid north
Rlg on No. 2H SHL (RT) to Mean Sea Level: 3358 feet	Scale: True distance
Mean Sea Level to Mud line (Facility: Parkway 26 State Com No. 2H): 3341 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: Victor Hernandez on 11/5/2009

Planned Wellpath Report

Plan #1
Page 1 of 4

INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	(Parkway) Sec 26, T19S, R29E	Wellbore	No. 2H PWB
Facility	Parkway 26 State Com No. 2H		

REPORT SETUP INFORMATION

Projection System	NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect@ 2.0
North Reference	Grid	User	Victor Hernandez
Scale	0.999918	Report Generated	11/6/2009 at 3:15:13 PM
Convergence at slot	0.15° East	Database/Source file	WA_Midland/No. 2H_PWB.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Slot Location	0.00	0.00	586432.04	595567.34	32°38'13.212"N	104°03'09.207"W
Facility Reference Pt			586432.04	595567.34	32°38'13.212"N	104°03'09.207"W
Field Reference Pt			586432.04	595567.34	32°38'13.212"N	104°03'09.207"W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No. 2H SHL (RT) to Facility Vertical Datum	18.00ft
Horizontal Reference Pt	Slot	Rig on No. 2H SHL (RT) to Mean Sea Level	3359.00ft
Vertical Reference Pt	Rig on No. 2H SHL (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 2H SHL (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	86.31°

Planned Wellpath Report

Plan #1
Page 2 of 4

INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	(Parkway) Sec 26, T19S, R29E	Wellbore	No. 2H PWB
Facility	Parkway 26 State Com No. 2H		

WELLPATH DATA (53 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00	0.000	86.306	0.00	0.00	0.00	0.00	586432.04	595567.34	32°38'13.212"N	104°03'09.207"W	0.00	Tie On
7564.00	0.000	86.306	7564.00	0.00	0.00	0.00	586432.04	595567.34	32°38'13.212"N	104°03'09.207"W	0.00	EST. KOP
7664.00†	10.000	86.306	7663.49	8.70	0.56	8.69	586440.73	595567.90	32°38'13.217"N	104°03'09.106"W	10.00	
7764.00†	20.000	86.306	7759.96	34.55	2.23	34.48	586466.52	595569.57	32°38'13.233"N	104°03'08.804"W	10.00	
7864.00†	30.000	86.306	7850.48	76.76	4.95	76.60	586508.64	595572.28	32°38'13.259"N	104°03'08.311"W	10.00	
7964.00†	40.000	86.306	7932.29	134.05	8.64	133.77	586565.80	595575.97	32°38'13.294"N	104°03'07.643"W	10.00	
8064.00†	50.000	86.306	8002.91	204.67	13.19	204.24	586636.27	595580.52	32°38'13.337"N	104°03'06.819"W	10.00	
8164.00†	60.000	86.306	8060.20	286.48	18.46	285.88	586717.90	595585.79	32°38'13.387"N	104°03'05.864"W	10.00	
8264.00†	70.000	86.306	8102.40	376.99	24.29	376.21	586808.22	595591.63	32°38'13.442"N	104°03'04.807"W	10.00	
8364.00†	80.000	86.306	8128.25	473.46	30.50	472.48	586904.48	595597.84	32°38'13.501"N	104°03'03.681"W	10.00	
8460.90	89.690	86.306	8136.95	569.86	36.71	568.67	587000.66	595604.05	32°38'13.560"N	104°03'02.556"W	10.00	END OF CURVE
8464.00†	89.690	86.306	8136.97	572.96	36.91	571.77	587003.76	595604.25	32°38'13.562"N	104°03'02.520"W	0.00	
8564.00†	89.690	86.306	8137.51	672.96	43.35	671.56	587103.54	595610.69	32°38'13.623"N	104°03'01.353"W	0.00	
8664.00†	89.690	86.306	8138.05	772.95	49.80	771.35	587203.32	595617.13	32°38'13.684"N	104°03'00.186"W	0.00	
8764.00†	89.690	86.306	8138.59	872.95	56.24	871.14	587303.11	595623.57	32°38'13.746"N	104°02'59.019"W	0.00	
8864.00†	89.690	86.306	8139.13	972.95	62.68	970.93	587402.89	595630.02	32°38'13.807"N	104°02'57.852"W	0.00	
8964.00†	89.690	86.306	8139.67	1072.95	69.12	1070.72	587502.67	595636.46	32°38'13.868"N	104°02'56.685"W	0.00	
9064.00†	89.690	86.306	8140.22	1172.95	75.56	1170.51	587602.45	595642.90	32°38'13.929"N	104°02'55.517"W	0.00	
9164.00†	89.690	86.306	8140.76	1272.95	82.01	1270.30	587702.24	595649.34	32°38'13.990"N	104°02'54.350"W	0.00	
9264.00†	89.690	86.306	8141.30	1372.95	88.45	1370.09	587802.02	595655.78	32°38'14.051"N	104°02'53.183"W	0.00	
9364.00†	89.690	86.306	8141.84	1472.94	94.89	1469.88	587901.80	595662.22	32°38'14.112"N	104°02'52.016"W	0.00	
9464.00†	89.690	86.306	8142.38	1572.94	101.33	1569.68	588001.58	595668.67	32°38'14.173"N	104°02'50.849"W	0.00	
9564.00†	89.690	86.306	8142.92	1672.94	107.78	1669.47	588101.37	595675.11	32°38'14.234"N	104°02'49.682"W	0.00	
9664.00†	89.690	86.306	8143.46	1772.94	114.22	1769.26	588201.15	595681.55	32°38'14.295"N	104°02'48.515"W	0.00	
9764.00†	89.690	86.306	8144.01	1872.94	120.66	1869.05	588300.93	595687.99	32°38'14.357"N	104°02'47.348"W	0.00	
9864.00†	89.690	86.306	8144.55	1972.94	127.10	1968.84	588400.71	595694.43	32°38'14.418"N	104°02'46.181"W	0.00	
9964.00†	89.690	86.306	8145.09	2072.94	133.54	2068.63	588500.50	595700.87	32°38'14.479"N	104°02'45.013"W	0.00	
10064.00†	89.690	86.306	8145.63	2172.93	139.99	2168.42	588600.28	595707.32	32°38'14.540"N	104°02'43.846"W	0.00	
10164.00†	89.690	86.306	8146.17	2272.93	146.43	2268.21	588700.06	595713.76	32°38'14.601"N	104°02'42.679"W	0.00	
10264.00†	89.690	86.306	8146.71	2372.93	152.87	2368.00	588799.84	595720.20	32°38'14.662"N	104°02'41.512"W	0.00	

Planned Wellpath Report

Plan #1
Page 3 of 4

INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	(Parkway) Sec 26, T19S, R29E	Wellbore	No. 2H PWB
Facility	Parkway 26 State Com No. 2H		

WELLPATH DATA (53 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
10364.00†	89.690	86.306	8147.25	2472.93	159.31	2467.79	588899.62	595726.64	32°38'14.723"N	104°02'40.345"W	0.00	
10464.00†	89.690	86.306	8147.80	2572.93	165.76	2567.58	588999.41	595733.08	32°38'14.784"N	104°02'39.178"W	0.00	
10564.00†	89.690	86.306	8148.34	2672.93	172.20	2667.37	589099.19	595739.52	32°38'14.845"N	104°02'38.011"W	0.00	
10664.00†	89.690	86.306	8148.88	2772.93	178.64	2767.17	589198.97	595745.96	32°38'14.906"N	104°02'36.844"W	0.00	
10764.00†	89.690	86.306	8149.42	2872.92	185.08	2866.96	589298.75	595752.41	32°38'14.967"N	104°02'35.676"W	0.00	
10864.00†	89.690	86.306	8149.96	2972.92	191.52	2966.75	589398.54	595758.85	32°38'15.028"N	104°02'34.509"W	0.00	
10964.00†	89.690	86.306	8150.50	3072.92	197.97	3066.54	589498.32	595765.29	32°38'15.089"N	104°02'33.342"W	0.00	
11064.00†	89.690	86.306	8151.04	3172.92	204.41	3166.33	589598.10	595771.73	32°38'15.150"N	104°02'32.175"W	0.00	
11164.00†	89.690	86.306	8151.59	3272.92	210.85	3266.12	589697.88	595778.17	32°38'15.211"N	104°02'31.008"W	0.00	
11264.00†	89.690	86.306	8152.13	3372.92	217.29	3365.91	589797.67	595784.61	32°38'15.272"N	104°02'29.841"W	0.00	
11364.00†	89.690	86.306	8152.67	3472.92	223.74	3465.70	589897.45	595791.06	32°38'15.333"N	104°02'28.674"W	0.00	
11464.00†	89.690	86.306	8153.21	3572.91	230.18	3565.49	589997.23	595797.50	32°38'15.394"N	104°02'27.507"W	0.00	
11564.00†	89.690	86.306	8153.75	3672.91	236.62	3665.28	590097.01	595803.94	32°38'15.455"N	104°02'26.340"W	0.00	
11664.00†	89.690	86.306	8154.29	3772.91	243.06	3765.07	590196.80	595810.38	32°38'15.516"N	104°02'25.172"W	0.00	
11764.00†	89.690	86.306	8154.84	3872.91	249.50	3864.86	590296.58	595816.82	32°38'15.577"N	104°02'24.005"W	0.00	
11864.00†	89.690	86.306	8155.38	3972.91	255.95	3964.65	590396.36	595823.26	32°38'15.639"N	104°02'22.838"W	0.00	
11964.00†	89.690	86.306	8155.92	4072.91	262.39	4064.45	590496.14	595829.71	32°38'15.700"N	104°02'21.671"W	0.00	
12064.00†	89.690	86.306	8156.46	4172.90	268.83	4164.24	590595.93	595836.15	32°38'15.761"N	104°02'20.504"W	0.00	
12164.00†	89.690	86.306	8157.00	4272.90	275.27	4264.03	590695.71	595842.59	32°38'15.822"N	104°02'19.337"W	0.00	
12264.00†	89.690	86.306	8157.54	4372.90	281.72	4363.82	590795.49	595849.03	32°38'15.883"N	104°02'18.170"W	0.00	
12364.00†	89.690	86.306	8158.08	4472.90	288.16	4463.61	590895.27	595855.47	32°38'15.944"N	104°02'17.003"W	0.00	
12464.00†	89.690	86.306	8158.63	4572.90	294.60	4563.40	590995.05	595861.91	32°38'16.005"N	104°02'15.835"W	0.00	
12533.10	89.690	86.306	8159.00 ¹	4641.99	299.05	4632.35	591064.00	595866.37	32°38'16.047"N	104°02'15.029"W	0.00	No. 2H PBHL

HOLE & CASING SECTIONS Ref Wellbore: No. 2H PWB Ref Wellpath: Plan #1

String/Diameter	Start MD [ft]	End MD [ft]	Interval [ft]	Start TVD [ft]	End TVD [ft]	Start N/S [ft]	Start E/W [ft]	End N/S [ft]	End E/W [ft]
8.75in Open Hole	7564.00	12533.10	4969.10	7564.00	NA	0.00	0.00	NA	NA

Planned Wellpath Report

Plan #1
Page 4 of 4

INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	(Parkway) Sec 26, T19S, R29E	Wellbore	No. 2H PWB
Facility	Parkway 26 State Com No. 2H		

TARGETS

Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
1) No. 2H PBHL	12533.10	8159.00	299.05	4632.35	591064.00	595866.37	32°38'16.047"N	104°02'15.029"W	point

SURVEY PROGRAM Ref Wellbore: No. 2H PWB Ref Wellpath: Plan #1

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
18.00	12533.10	OnTrak (Standard)		No. 2H PWB



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DEC 16 2009
NMOCD ARTESIA

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



BUREAU OF LAND MANAGEMENT
ATT: Potash
620 E. Greene St.
Carlsbad, NM 88220

STATE LAND OFFICE
ATT: Joe Mraz
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM. 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Mewbourne Oil Co

LEASE NAME Parkway 26 State Com #2H

PROPOSED LOCATION SHL D-26-19S-29E 660 FNL & 330 FWL
BHL A-26-19S-29E 660 FNL & 330 FEL

PROPOSED DEPTH 12533' Bone Spring Formation

Gentlemen:

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R - 111- P, please advise this office whether the location is within an established Life-Of-Mine-Reserve are filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thanks you for your assistance. Please return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Jacqui Reeves
District II Geologist

RESPONSE:

The above referenced location is in LMR (2009 year) ----- Yes ☒ No ☐

The above referenced location is within the Buffer Zone ----- Yes ☐ No ☐

Signed

Jami Bailey

Date 12/14/09

Printed Signature

JAMI BAILEY

Representing

SLD

12-14-09
Jm
1:30 PM

Oil Conservation Division
1301 W Grand Ave • Artesia, New Mexico 88210
Phone (575) 748-1283 • Fax (575) 748-9720 • www.emnrd.state.nm.us/OCD



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



BUREAU OF LAND MANAGEMENT
ATT: Potash
620 E. Greene St.
Carlsbad, NM 88220

STATE LAND OFFICE
ATT: Joe Mraz
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM. 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Mewbourne Oil Co.

LEASE NAME Parkway 26 State Com #2H

PROPOSED LOCATION SHL D-26-19S-29E 660 FNL & 330 FWL
BHL A-26-19S-29E 660 FNL & 330 FEL

PROPOSED DEPTH 12533' Bone Spring Formation

Gentlemen:

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether the location is within an established Life-Of-Mine-Reserve are filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thanks you for your assistance. Please return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Jacqui Reeves
District II Geologist

RESPONSE:

The above referenced location is in LMR (____ year) ----- Yes ☒ No ☐

The above referenced location is within the Buffer Zone ----- Yes ☒ No ☐

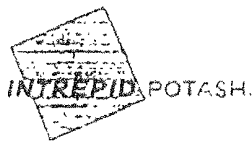
Signed [Signature]

Date 12-28-2009

Printed Signature CRISTO C. GARCIA

Representing BLM

NOTE: INTRAPID POTASH SENT A LETTER
OF NON-OBJECTIION TO THIS PROPOSED
WELL 11-30-2009 EVEN THOUGH THE
LOCATION IS IN THEIR LMR



Intrepid Potash, Inc.
707 17th Street, Suite 4200
Denver, CO 80202
303.296 3009
303.296 7502 fax

November 30, 2009

Via First Class Mail and Facsimile

D. Paul Haden
Senior Landman
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Re: MOC's Parkway "26" State #2H
660' FNL & 330' FWL (SL)
660' FNL & 330' FEL (BHL)
Section 26, T19S, R29E
Eddy County, New Mexico

Dear Mr. Haden:

I am writing in response to your letter of November 11, 2009.

In your letter, you advise that Mewbourne Oil Company is proposing to drill the captioned well at the referenced surface location (SL) to the reference bottom hole location (BHL). You request that Intrepid Potash, Inc. grant Mewbourne a waiver of objection to the drilling of this well.

The proposed well site location is within Intrepid's life of mine reserve under New Mexico Oil Conservation Division Order R-111-P and is less than one mile from Intrepid's open mine workings. Notwithstanding the foregoing, and based on our review of this matter, Intrepid is willing to agree not to object to the drilling of the referenced well.

By its non-objection, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the referenced well into the environment, including into underground mine workings, that arises out of or is attributable to Mewbourne's drilling, operation, plugging and abandoning of the well, or the effect on the well of any condition created by existing or future potash mining.

Please contact me should you have any questions.

Very truly yours,

Martin D. Litt
Executive Vice President and General Counsel