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30-025-40731

Kevin C. Stubbs
Land Representative
New Mexico Asset Development
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*VIA EMAIL to cindy.herrara@state.nm.us
and CMRRR*

August 22, 2012

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1625 Fench Dr.
Hobbs, New Mexico 88240
Attn: Cindy Herrera - Murillo

RE: Querecho "28" MD Federal Com #1H Well
W/2W/2 Section 28, T18S, R32E (Querecho Plains Bone Spring Pool)
Lea County, New Mexico

Gentlemen:

Chevron U.S.A. Inc. ("Chevron"), as operator of the Scott E. Federal #1 well (API #3002524957) and offset operator of NMNM 96855 covering all of Section 29 in the captioned Township and Range, less and except the NE/4NW/4 and NE/4NE/4 of Section 29, hereby waives its objection to the location of the above-referenced well and well-path and consents to Mewbourne being designated the co-operator of the W/2W/2 of Section 28, T18S, R32E, Lea County, New Mexico.

Regards,

Kevin C. Stubbs

Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

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August 16, 2012

Via Email: kmcnally@chevron.com

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Chevron U.S.A. Inc.
P.O. Box 2400
Houston, Texas 77252
Attn: Mr. Kevin McNally

Re: Querecho "28" MD Federal #1H Well
W/2W/2 Section 28, T18S, R32E
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator proposes to drill the captioned well at a surface location 80' FSL & 1310' FWL (Unit M) and drill same horizontally to a terminus point 330' ENL & 360' FWL (Unit D) of the captioned Section 28. The well will be drilled to a true vertical depth of approximately 9,376 feet beneath the surface and drilled horizontally to an approximate measured depth of 14,129 feet to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil production. This well will be placed in the Querecho Plains Bone Spring Pool and will be dedicated to the W/2W/2 of the captioned Section 28 as the proration unit and Project Area.

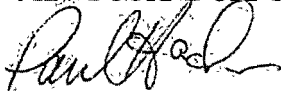
The above well was originally staked at an orthodox surface location 330' FSL & 380' FWL of the captioned Section 28, but the Bureau of Land Management (BLM) denied this location due to sand dune features and prairie chicken habitat. Accordingly the location was moved to the above referenced unorthodox location and was BLM and arch approved. The first production port in the well bore of the captioned referenced well will not be closer than 330 feet from the Section lines.

Regarding the above, Mewbourne is seeking a waiver of objection from Chevron U.S.A. Inc. ("Chevron") to the referenced unorthodox surface location, the proposed nonstandard unit and consent from Chevron for Mewbourne to be the designated co-operator in the proration unit and Project Area described above.

Please indicate Chevron's agreement to grant Mewbourne the above referenced waiver and consent by signing and returning this letter to me at your earliest convenience via email at phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/igm

Chevron U.S.A. Inc.
Querecho 28 MD Fed #1H
August 16, 2012
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The undersigned has no objection to granting approval of the above referenced unorthodox location, nonstandard unit and consents for Mewbourne to be the designated co-operator in the referenced proration unit and Project Area.

Chevron U.S.A. Inc.

By: Darrell J. Carriger Date signed: 8/24/12

Name printed: Darrell Carriger

Title: Technical Team Leader Vacuum Dollarhide