

Mr. Robin Terrell
Mewbourne Oil Company
POB 5270
Hobbs, New Mexico 88240

6 September 2007

Mr. Larry Johnson
OIL CONSERVATION DIVISION
1625 North French Drive
Hobbs, NM 88240

Re: Osudo "7" State Com # 2
API No. 30-025-38003

Dear Mr. Johnson:

Mewbourne Oil Company (MOC) has been working towards closing the drilling pit on the above mentioned well for several weeks. Currently the entire drilling pit has been removed and hauled to a depth of 17' resulting in 8500 yards of material being transferred to CRI. On September 5, 2007 MOC drilled 4 - 20" boreholes inside the drilling pit to determine the depth of the contamination. The results are shown on the attached schematic.

After reviewing information obtained from the boreholes drilled on September 5, 2007 Mewbourne Oil Company is requesting permission to close this pit by first excavating around the perimeter of the pit area and moving it to the center to form a dome-shaped mound. MOC will then place a 20 mil liner over the entire pit area. The dome-shaped mound capped with the 20 mil liner should prevent further migration of contaminants by diverting the path of future rain water. The bed of the pit area is very sandy with very little rock so the chances of the liner being breeched is not likely. After the liner is in place MOC will backfill the pit with material that will not compromise the integrity of the liner and contour the land back to the original topography.

Sincerely,



Robin Terrell
Production Engineer

Enclosure: Schematic of pit showing location of boreholes with chloride delineation.

OK to close,
Chris Williams
9/7/07

Mewbourne Oil Company

<p>Borehole NW</p> <table><tr><td>9'</td><td>4000 removed</td></tr><tr><td>14'</td><td>2700 removed</td></tr><tr><td>18'</td><td>1500 removed</td></tr><tr><td>21'</td><td>80</td></tr></table>	9'	4000 removed	14'	2700 removed	18'	1500 removed	21'	80	<p>Borehole NE</p> <table><tr><td>9'</td><td>3000 removed</td></tr><tr><td>14'</td><td>1500 removed</td></tr><tr><td>17'</td><td>1600 removed</td></tr><tr><td>18'</td><td>3800 removed</td></tr><tr><td>29'</td><td>5100</td></tr><tr><td>51'</td><td>2100</td></tr><tr><td>77'</td><td>350</td></tr><tr><td>79'</td><td>80</td></tr></table>	9'	3000 removed	14'	1500 removed	17'	1600 removed	18'	3800 removed	29'	5100	51'	2100	77'	350	79'	80
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<p>Borehole SW</p> <table><tr><td>9'</td><td>6000 removed</td></tr><tr><td>14'</td><td>3000 removed</td></tr><tr><td>18'</td><td>3000 removed</td></tr><tr><td>21'</td><td>2400</td></tr><tr><td>29'</td><td>1900</td></tr><tr><td>35'</td><td>750</td></tr><tr><td>41'</td><td>80</td></tr></table>	9'	6000 removed	14'	3000 removed	18'	3000 removed	21'	2400	29'	1900	35'	750	41'	80	<p>Borehole SE</p> <table><tr><td>9'</td><td>5000 removed</td></tr><tr><td>14'</td><td>3500 removed</td></tr><tr><td>17'</td><td>3000 removed</td></tr><tr><td>21'</td><td>80</td></tr></table>	9'	5000 removed	14'	3500 removed	17'	3000 removed	21'	80		
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Diagram shows where the boreholes were drilled inside the pit
and shows the delineation of the contamination and what has been removed already
All depths are taken from well pad elevation.