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AUG. 17 1992

LAND SECTION
PHILLIPS PETROLEUM CO.
ODESSA, TEXAS

John R. Gray
8/17/92
Let's discuss

August 14, 1992

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Attention: Mr. Troy Richard

RE: Unsolicited Proposal
for properties in
Eddy County, New Mexico

Dear Mr. Richard:

Marbob Energy Corporation would propose to purchase Phillips Petroleum Company's interest in your shallow production around Loco Hills as more clearly defined in Exhibit A for \$10,706,000.00. Marbob Energy Corporation would be willing to pay for the cost of drilling and completing wells drilled on Phillips acreage in southeast New Mexico in exchange for this property to the extend of that figure. These wells would be drilled under Phillips direct supervision and payment of bills would only be done after approval by Phillips. Reconciliation of remaining funds would be provided on a monthly basis. Certainly, Marbob would be willing to do this transaction as a straight cash deal, but we feel that this proposal might benefit Phillips from a tax position rather than an outright sale of property. If there is some other type of trade that would fit your needs better, please contact me.

This proposal is extended to you for a period of 30 days from the date of this letter. This offer is intended to include all lease and well equipment presently located and the leases, and all Right-of-Ways, overrides and other agreements presently involved with these leases production.

If you have any questions regarding this proposal, please contact me. If you would wish to discuss this proposal, I would certainly be willing to come to Odessa and meet with you at your convenience. Thank you for your consideration of this offer.

COP Exhibit No. 4
OCD Case Nos. 14558 / 14577
June 28, 2011

Sincerely,

John R. Gray
John R. Gray
President

RM/mm
Enclosures

EXHIBIT A

ALL LEASES ARE FROM THE SURFACE TO 5,000 FEET SUBSURFACE UNLESS
OTHERWISE DESCRIBED.

<u>LEASE NUMBER</u>	<u>LEASE NAME</u>	<u>DESCRIPTION</u>	<u>OPERATING RIGHTS</u>	<u>NET INTEREST</u>
LC 028793 C	Burch C	T-17S, R-29E Sec. 23: NW/4, SE/4 T-17S, R-30E Sec. 18: NE/4, N/2SE/4 Sec. 19: S/2SE/4 Sec. 30: Lots 3, 4, E/2SW/4, E/2	100%	.825
LC 028784 C	Keely C	T-17S, R-29E Sec. 12: SE/4SE/4 Sec. 13: N/2, N/2SW/4, NW/4SE/4 Sec. 24: S/2SE/4 Sec. 25: E/2, SW/4, S/2NW/4 Sec. 26: W/2	100%	.825
LC 028793 B	Burch BB	T-17S, R-29E Sec. 23: NE/4, SW/4 T-17S, R-30E Sec. 18: Lots 1, 2, 3, E/2NW/4 NE/4SW/4 Sec. 19: S/2SW/4 Sec. 30: Lots 1, 2, E/2NW/4	100%	.875
LC 028784 A	Keely A	T-17S, R-29E Sec. 13: NE/4SE/4, S/2S/2 Sec. 24: NE/4, N/2NW/4, SW/4NW/4, N/2S/2	100%	.875
LC 028784 B	Keely B	T-17S, R-29E Sec. 24: S/2SW/4 Sec. 25: N/2NW/4 Sec. 26: E/2	100%	.875

LC 028793 A	Burch AA	<u>T-17S, R-30E</u> Sec. 18: Lot 4, SE/4SW/4, S/2SE/4 Sec. 19: Lots 1, 2, 3, E/2NW/4, NE/4SW/4, NE/4, N/2SE/4	100%	.875
LC 028992 E	Dexter Federal	<u>T-17S, R-29E</u> Sec. 24: SE/4NW/4	100%	.875