

CASE NO. 14920
SUMMARY OF COMMUNICATIONS
Dorado "34" Federal Com #1H

Exxon Mobil Corporation
c/o XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102
Mr. Dylan W. Boyer
Ph.# (817) 885-2474
Dylan_boyer@xtoenergy.com

0.549250% WI

Oil Conservation Division
Case No. 3
Exhibit No. 3

- 8-9-11 - Sent well proposal letter with AFE via certified mail.
- 8-24-11 - Sent copy of our Drilling Title Opinion dated August 23, 2011 for their information.
- 9-26-11 - Follow up email.
- 9-27-11 - Follow up email. Sent copy of our request to Holland & Hart to file pooling application.
- 9-27-11 - Follow up email. Sent copies of pertinent instruments regarding Exxon Mobil's chain of title for their review.
- ? - Follow up email.
- ? - Follow up email.
- 11-30-11 - Follow up email via certified mail requesting Exxon Mobil to advise us of their trade terms in lieu of their participation.
- 12-1-11 - Follow up email.
- 1-9-12 - Email to Holland & Hart requesting them to dismiss our case.
- 8-22-12 - Well proposal letter with AFE sent via certified mail proposing the well and advising Exxon Mobil that we would be filing pooling application within 30 days.
- 10-22-12 - Received phone call from Dylan wherein he advised that they were looking into participating on our well. He'd get back with me about it in a couple of days.
- 10-25-12 - Follow up call to Dylan. Left message.

Dorado 34

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.		<p>A. Signature X Kenia Lacy - Brown <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery AUG 24 A.M.</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: Exxon Mobil Corporation x/o XTO Energy, Inc. 810 Houston Street Fort Worth, Texas 76102 Attn: Mr. Dylan Boyer		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7009 2250 0000 0617 0643			

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Oct. 22, 2012 - Dylan called this date and advised me that they were looking into participating in our well.

Oct. 26, 2012 - Follow up call to Dylan regarding their participation.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

August 22, 2012

Via Certified Mail-Return Receipt No. 0643

Exxon Mobil Corporation
c/o XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102
Attn: Mr. Dylan Boyer

Re: Dorado "34" Federal Com #1H Well
1850' FSL & 620' FEL (SL)
1850' FSL & 330' FWL (BHL)
Section 34, T18S, R30E
Eddy County, New Mexico

Gentlemen:

As referenced in previous correspondence (see copy of letters enclosed), Mewbourne Oil Company proposed drilling the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,513 feet beneath the surface and will be drilled horizontally from an easterly direction to a westerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The terminus point of the wellbore will be the above referenced BHL. The N/2S/2 of the captioned Section 34 will be dedicated as the nonstandard proration unit and Project Area.

The captioned well will be drilled early this fall. Enclosed for Exxon Mobil Corporation's consideration is our AFE dated August 2, 2012 in the event Exxon Mobil elects to participate in the proposed well as to its 0.54925% WI.

Within thirty days we will again file an Application For Compulsory Pooling to force pool the Exxon Mobil interest in the proposed well to consolidate our pooled unit in the event Exxon Mobil elects not to participate in the proposed well and elects not to farmout or term assignment its interest in support of the well.

Should you have any questions regarding the above, please call.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb



Re: Dorado "34" Fed. Com #1H - Case # 14751
Paul Haden to: mfeldewert

01/09/2012 03:42 PM

From: Paul Haden/Mewbourne
To: mfeldewert@hollandhart.com

Mike, I think you took over this case for Ocean. Anyway , we can dismiss this case . Its scheduled to be heard Jan. 19th. Thanks Mike.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX



To: dylan.w.boyer@exxonmobil.com,
Cc:
Bcc:
Subject: Re: Dorado "34" Fed. Com #1H

Hi Dylan. See attached letters regarding the captioned proposed well I sent to you yesterday. We really do not want to have to force pool Exxon Mobil. Can this be resolved ?? Let me know , thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

----- Forwarded by Paul Haden/Mewbourne on 12/01/2011 08:19 AM -----

From: midland@mewbourne.com
To: phaden@mewbourne.com
Date: 12/01/2011 08:18 AM
Subject:

TASKalfa 520i
[00:c0:ee:7a:75:8d]



doc01767120111201071629.pdf

Domestic 34

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Exxon Mobil Corporation
P.O. Box 4610
Houston, Texas 77210
Attn: Mr. Dylan W. Boyer
Corp - WGR 706**

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Printed Name)

JAMES FELDER

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7009 2250 0000 0617 9042

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

November 30, 2011

Via Certified Mail – Return Receipt No. 9042

Exxon Mobil Corporation
P.O. Box 4610
Houston, Texas 77210
Attn: Mr. Dylan W. Boyer
Corp – WGR 706

Re: Dorado “34” WIU
Dorado “34” Federal Com #1H Well
1850’ FSL & 620’ FEL (SL)
1850’ FSL & 330’ FWL (BHL)
Section 34, T18S, R30E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (“Mewbourne”) as Operator previously proposed drilling the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL) and the proposal to form a working interest unit (WIU) as referenced in my previous letter dated August 9, 2011 (see copy enclosed). As of this date, Exxon Mobil Corporation has not committed its interest to the proposed well or WIU either by joining in same or otherwise committing its interest to Mewbourne by virtue of a trade agreement.

Regarding the above, Exxon Mobil’s uncommitted interest is subject to being force pooled as previously advised you. To negate the necessity of our having to force pool the Exxon Mobil interest, please advise me of the trade terms Exxon Mobil would be interested in pursuing in the event Exxon Mobil elects not to participate in the proposed well. For your information, we have continued the Pooling Hearing until January 19, 2012 in an effort to reach some sort of agreement with Exxon Mobil regarding the proposed well.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb



To: dylan.w.boyer@exxonmobil.com,
Cc:
Bcc:
Subject: Re: Dorado "34" WIU

Dylan , just following up as to Exxon Mobil's 2.197%WI in the NW/4 and W/2SW/4 of Sec. 34, T18S, R30E , Eddy Co. Any progress ?? We continued the Pooling Hearing to Dec. 1st. Any chance we can get a trade by then ??? Exxon Mobil is the only interest we are having to force pool. We'd like to dismiss this case. Let me know , thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX



To: dylan.w.boy
Cc:
Bcc:
Subject: Re: Dorado "34"

Hi Dylan. Are you making any headway on getting approval for Exxon Mobil to get us a term assignment of their 2.19700% interest in the NW/4 and W/2SW/4 Sec. 34, T18S, R30E, Eddy Co. ?? If you can't get the assignment to us prior to the pooling hearing which is scheduled for Oct. 27th , a simple letter agreement will suffice with the terms Exxon Mobil is offering. Exxon Mobil doesn't have to warrant their title. Let me know. Thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX



To: dylan.w.boyer@exxonmobil.com,
Cc:
Bcc:
Subject: Re: Dorado "34" Prospect

Dylan , see attached 3 instruments wherein Exxon Mobil acquired its title. In paragraph (4) of the Stipulation and Quitclaim instrument states "This stipulation shall be executed in counterpart, each of which shall be deemed an original and binding upon a signatory Party hereto even though it may not be executed by all Parties hereto. " There were several of these stipulations filed but it only took one party to sign to carry the title into Mobil and/or their successors and assigns. If you need me to send you hard copies of these , let me know. I hope this helps.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

----- Forwarded by Paul Haden/Mewbourne on 09/27/2011 03:44 PM -----

From: midland@mewbourne.com
To: phaden@mewbourne.com
Date: 09/27/2011 03:39 PM
Subject:

TASKalfa 520i
[00:c0:ee:7a:75:8d]



doc01455320110927133623.pdf

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

September 27, 2011

Via Email omundsdry@hollandhart.com and
First Class Mail

Holland & Hart LLP
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
Attn: Ocean Munds-Dry

Re: Compulsory Pooling Application
Dorado "34" Federal Com #1H Well
1850' FSL & 620' FEL (SL)
1850' FSL & 330' FWL (BHL)
Section 34, T18S, R30E
Eddy County, New Mexico

Dear Ocean:

At your very earliest convenience, please file an Application For Compulsory Pooling for Mewbourne's behalf. As you will recall, you previously filed an Application For Approval of a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling for the captioned well being Case No. 14668 which was later dismissed pursuant to Order R-13433 dated July 25, 2011. However, recent title examination revealed some ownership not previously known. Two of those owners are referenced below whereby those owners have not responded to our well proposal to date.

Regarding the above, please file an Application for Compulsory Pooling for the captioned well. The captioned well is proposed to be drilled at the above surface location to an approximate true vertical depth of 8,513 feet beneath the surface and shall be drilled from an Easterly direction to a Westerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The terminus of the wellbore will be the bottom hole location as referenced above. The lateral length of the wellbore will be approximately 3,744 feet with an estimated true measured depth of 12,600 feet. The penetration point of the wellbore to the top of the Bone Spring formation is estimated at 5,700 feet beneath the surface with the beginning of the producing interval estimated to be encountered at 1850' FSL & 1210' FEL of the captioned Section 34 with the N/2S/2 of the captioned Section 34 being dedicated to the well as the oil proration unit and project area.

Regarding our pooling application, please notify the following parties:

Exxon Mobil Corporation
P.O. Box 460
Houston, Texas 77210
Attn: Mr. Dylan W. Boyer

RKC, Inc.
7500 E. Arapahoe Rd., Suite 380
Centennial, Colorado 80112-6116
Attn: Mr. Anthony Kochevar

The APD for the captioned well has already been BLM approved (see copy enclosed) so notification of our Non-Standard Proration Unit shouldn't be required, I would assume.

In reference to the above, please set our case to be heard at the Examiner's hearing on October 27, 2011. For your information I've enclosed a copy of the previous Application you filed. Let me know if you need anything else regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden
Senior Landman

DPH/gb



To: dylan.w.boyer@exxonmobil.com,
Cc: Larry Cunningham/Mewbourne
Bcc:
Subject: Re: Dorado "34" Pooling Application

Dylan , see attached letter to Holland & Hart requesting them to file a Pooling Application. We hated to do this knowing the long term relationship Mewbourne and Exxon have had in the past but we were left with no choice but to do so since the rig is coming. Let's work out a trade. We'll dismiss Exxon Mobil from the hearing once we have an executed trade agreement in hand. Thanks.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

----- Forwarded by Paul Haden/Mewbourne on 09/27/2011 10:30 AM -----

From: midland@mewbourne.com
To: phaden@mewbourne.com
Date: 09/27/2011 10:29 AM
Subject:

TASKalfa 520i
[00:c0:ee:7a:75:8d]



doc01448720110927082812.pdf



Re: MOC Dorado "34" WIU

Paul Haden to: dylan.w.boyer, bob.mathew

Cc: john.c.rothwell

09/26/2011 04:54 PM

From: Paul Haden/Mewbourne
To: dylan.w.boyer@exxonmobil.com, bob.mathew@exxonmobil.com
Cc: john.c.rothwell@exxonmobil.com

Gentlemen , regarding MOC's proposed Dorado "34" Fed. Com #1H Well to be drilled in the N/2S/2 of Sec. 34, T18S, R30E , Eddy Co. and our proposed Working Interest Unit (WIU) covering all of the referenced Sec. 34 as to the Bone Spring formation , Exxon Mobil Corporation hasn't responded to our proposal letter dated 8-9-11. As referenced in my letter , Exxon Mobil owns 5.2728 net acres in the NW/4 and W/2SW/4 of said Section 34. We'll take a 2 yr. term assignment of Exxon Mobil's leasehold as to right from the base of the Delaware formation to the base of the Bone Spring formation on the basis of \$600/ac for a 2 yr. term providing MOC a 75% NRI if Exxon Mobil doesn't want to join. Let me know asap as I will be filing a Pooling Application (we don't want to do this) by the end of the week as the rig is coming. If we do have to file the Pooling Application , we'll dismiss Exxon Mobil as soon as a trade is executed. We've always enjoyed working with Exxon Mobil in the past.

Paul Haden
Land Department
Mewbourne Oil Company
500 W. Texas Ave., Ste. 1020
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 FAX

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

August 24, 2011

Exxon Mobil Corporation
P.O. Box 460
Houston, Texas 77210
Attn: Mr. Dylan W. Boyer
Corp. – WGR 706

Re: Dorado “34” Prospect
Section 34, T18S, R30E
Eddy County, New Mexico

Dear Dylan:

Enclosed for your file regarding the captioned Prospect is a copy of our Drilling Title Opinion dated August 23, 2011.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

Dorado 34

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Exxon Mobil Corporation
P.O. Box 460
Houston, Texas 77210
Attn: Mr. Dylan W. Boyer
Corp. - WGR 706**

COMPLETE THIS SECTION ON DELIVERY

A. Signature **AUG 12 2011**
X *[Signature]* **Agent**
☐ Addressee

B. Received by (Printed Name) **JAMES FELDER** C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)

7009 2250 0000 0617 7239

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

August 9, 2011

Via Certified Mail-Return Receipt No. 7239

Exxon Mobil Corporation
P.O. Box 460
Houston, Texas 77210
Attn: Mr. Dylan W. Boyer
Corp. - WGR 706

Dylan Boyer
713-431-1838

Re: Dorado "34" WIU
Dorado "34" Federal Com #1H Well
1850' FSL & 620' FEL (SL)
1850' FWL & 330' FWL (BHL)
Section 34, T18S, R30E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth of approximately 8,403 feet beneath the surface and shall be drilled from an Easterly direction to a Westerly direction to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The terminus of the wellbore will be approximately 1850' FSL & 330' FWL of the captioned Section 34. The lateral length of the wellbore will be approximately 3,744 feet with an estimated true measured depth of approximately 12,600 feet. The N/2S/2 of the captioned Section 34 will be dedicated to the well as the oil proration unit and Project Area.

In reference to the above, enclosed for your consideration and further handling is our Authorization For Expenditure (AFE) which is an estimated well cost for the captioned well.

Regarding the above, Mewbourne Oil Company as Operator proposes to form a 640 acre Working Interest Unit (WIU) covering rights below 4,000 feet subsurface to the stratigraphic equivalent of the base of the Bone Spring formation. Mewbourne Oil Company owns a 100% interest in the rights below 4,000 feet to the base of the Bone Spring formation in the E/2 of the captioned Section 34. Public records indicate your firm owns a 2.1970% leasehold interest (5.2728 net mineral acres) in the NW/4 and W/2SW/4 of the captioned Section 34 as to rights below the Delaware formation. Accordingly on a 640 acre unit basis, your firm owns a 0.82387% unit working interest which interest is referenced on the attached AFE which estimates your firm's proportionate part of the well cost for the captioned well.

In the event your firm elects to participate in the captioned proposed well and proposed WIU, please sign and return one (1) copy of the enclosed AFE to me at your earliest convenience. Upon receipt of same, I'll forward you our proposed Operating Agreement for the proposed WIU. The above proposed well is scheduled to commence drilling sometime in the first week of October this year. Accordingly an expedited response to our well proposal would be greatly appreciated.

Should you have any questions regarding the above or wish to discuss our proposal, please call me at (432) 682-3715, or my email address is phaden@mewbourne.com.

Sincerely yours,

MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read "Paul Haden", written in a cursive style.

D. Paul Haden
Senior Landman

DPH/gb