



August 22, 2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Re: TJG Federal 3 1#H Well
Township 19 South, Range 35 East
Section 3: S/2
Lea County, New Mexico, limited from
9157' subsurface down to 13,107' as
identified in the compensated
neutron-formation density log for
the Marshall & Winston, Inc. -
Federal 3 #2 Well located in the
SE/4 of Section 3, Township 19 South,
Range 32 East, Lea County, New Mexico

Oil Conservation Division
Case No. _____
Exhibit No. 41

Gentlemen:

Marshall & Winston, Inc. is proposing the drilling of a second Bone Spring formation horizontal well in the above described lands. From the information available to us in the federal records and the Lea County, New Mexico records, you appear to own a working interest in the lands.

Enclosed you will find:

1. Operating Agreement dated August 20, 2012, along with an extra set of signature pages.
2. Two copies of Memorandum of Operating Agreement and Notice of Lien and Mortgage.
3. Two copies of an AFE covering the TJG Federal 3 #1H Well.
4. Copy of Drilling Opinion dated October 24, 2011.

Yates Petroleum Corporation
August 22, 2012
Page 2

If you want to participate, we ask that you sign the extra copy of the signature page, one copy of the Memorandum of Operating Agreement and one copy of the AFE before returning them to us. Please note that your signatures will need acknowledgments from a notary public on the operating agreement and Memorandum. You should also include a drilling information letter in the packet so drilling reports and documentation on the well can be delivered properly. Because of the significant cost of the well, it is possible we may require prepayment of dry hole expenses.

However, if you do not want to participate, you need to get in touch with me and we can discuss a trade for your interest. Should you have any questions regarding this matter, please do not hesitate to contact us. Your attention to this matter is appreciated.

Very truly yours,

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

Kevin Hammit
Vice President - Land

KH/glb

Enclosures

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.

Article Addressed to:

ates Petroleum Corp.
05 South Fourth Street
ertesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X J. Delgado ☒ Agent ☐ Addressee

B. Received by (Printed Name)

J. Delgado C. Date of Delivery 8-24-12

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

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
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PS Form 3800, August 2006

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August 31, 2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Re: TJG Federal 3 1#H Well
Township 19 South, Range 32 East
Section 3: S/2
Lea County, New Mexico, limited from
9157' subsurface down to 13,107' as
identified in the compensated
neutron-formation density log for
the Marshall & Winston, Inc. -
Federal 3 #2 Well located in the
SE/4 of Section 3, Township 19 South,
Range 32 East, Lea County, New Mexico

Gentlemen and Ladies:

In the packet sent to you by Marshall & Winston, Inc. containing the letter dated August 22, 2012, it has been discovered that there was an error in the description of lands on certain pages of the operating agreement. Please be advised the above acreage is the correct description for the lands on which we will drill the new well. The range is 32 East, not 35 East.

Enclosed are replacement pages for the operating agreement to be substituted in your copy:

1. Cover Page.
2. First page of Exhibit "A".
3. Exhibit "A" of Memorandum of Operating Agreement.

Yates Petroleum Corporation
August 31, 2012
Page 2

We regret any confusion this may have created for you.

Very truly yours,

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

Kevin Hammit
Vice President - Land

KH/glb

Enclosures



October 26, 2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Re: TJG Federal 3 #1H Well
Township 19 South, Range 32 East
Section 3: S/2
Lea County, New Mexico, limited from
9157' subsurface down to 13,107' as
identified in the compensated
neutron-formation density log for
the Marshall & Winston, Inc. -
Federal 3 #2 Well located in the
SE/4 of Section 3, Township 19 South,
Range 32 East, Lea County, New Mexico

Gentlemen and Ladies:

Previously, along with a letter dated August 22, 2012, you were mailed a packet concerning the drilling of the above captioned well. So far, we have not received any signed paperwork from you. If this is a drilling opportunity you do want to be in, Marshall & Winston asks that you sign the necessary documentation and return that to us. However, should you not want to participate, it will be appreciated for you to contact me so a trade can be discussed for your interest.

Another of the working interest owners, COG Operating, LLC, had concerns with certain provisions in the operating agreement. Marshall & Winston is agreeable to their requested changes. We ask that you substitute the enclosed pages for the corresponding pages in you possession.

Yates Petroleum Corporation
October 26, 2012
Page 2

Replacement Page 2 to the operating agreement substitutes "one-eighth (1/8)" for "those existing" in Line 15. Replacement Page 10 modifies the casing point election in Lines 1-13 to accommodate the differences between vertical wells and horizontal wells.

Marshall & Winston appreciates your attention to this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Kevin Hammit".

Kevin Hammit
Vice President - Land

KH/mtb

Enclosures

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.
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Article Addressed to:

Vates Petroleum Corporation
05 South Fourth Street
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Clint Underwood

☒ Agent

☐ Addressee

B. Received by (Printed Name)

Clint Underwood

C. Date of Delivery

10-29-12

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

If YES, enter delivery address below:

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Vates Petroleum

PS Form 3800, August 2006

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December 12, 2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Re: TJG Federal 3 #1H Well
Township 19 South, Range 32 East
Section 3: S/2
Lea County, New Mexico, limited from
9157' subsurface down to 13,107' as
identified in the compensated
neutron-formation density log for
the Marshall & Winston, Inc. -
Federal 3 #2 Well located in the
SE/4 of Section 3, Township 19 South,
Range 32 East, Lea County, New Mexico

Gentlemen and Ladies:

Marshall & Winston, Inc. has two times earlier contacted you about the planned drilling of the above captioned well. Be advised that we are proceeding with those plans. Should you want to be involved in this drilling activity, we need you to sign and return the paperwork provided with the letter dated August 22, 2012. If you no longer have that paperwork but are interested in participating, let us know and we will replace that documentation.

Should you not wish to participate, you are asked to contact me so we can discuss a trade for your working interest. Marshall & Winston appreciates your attention to this situation.

Very truly yours,

Handwritten signature: *Handwritten signature*

Kevin Hammit
Vice President - Land

KH/mtb

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

Vates Petroleum Corporation
105 S. 4th ST
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x

G. Underwood ☒ Agent
☐ Addressee

B. Received by (Printed Name)

G. Underwood

C. Date of Delivery

*12-14-12*D. Is delivery address different from item 1? ☐ YesIf 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

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February 8, 2013

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Land Department

Re: TJG Federal 3 #1H Well
S/2 of Section 3,
Township 19 South, Range 32 East,
Lea County, New Mexico

Gentlemen:

As Marshall & Winston, Inc. moves closer to getting the TJG 3 #1H commenced, we want to clarify a point. The well unit will be the S/2 of Section 3, T19S, R32E, Lea County, New Mexico. Should the well be successful, we will have the opportunity for additional drilling in the unit.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Kevin Hammit".

Kevin Hammit
Vice President - Land

KH/mtb

SENDER: COMPLETE THIS SECTION

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Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Vates Petroleum Corporation
ATTN: Land Department
105 S 4th ST
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *J. Delgado*☒ Agent☐ Addressee

B. Received by (Printed Name)

J. Delgado

C. Date of Delivery

*2-11-13*D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

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4. Restricted Delivery? (Extra Fee)

☐ Yes

Article Number

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