

**Summary of Communications**  
**Perazzi "9" DA FED #1H**

Davoil, Inc.

- 1) 1-31-2014, mailed well proposal and AFE via certified mail.
- 2) 2-4-2014, received proof of delivery signed for by Ron Caffey.
- 3) 3-8-2014, received executed AFE.
- 4) 3-13-2014, sent JOA for execution.

Estate of Ralph E. Williamson, Deceased

- 1) 1-31-2014, mailed well proposal and AFE with offer to acquire term assignment of interest via certified mail.
- 2) 2-25-2014, phone conversation with Marsha Huie, the Previous Personal Representative of the Estate, who informed me that she no longer handles this estate.
- 3) 3-13-2014, called Liz Williamson, the new Personal Representative of the Estate to get current contact information. Emailed well proposal and AFE with offer to acquire term assignment of interest and placed original correspondence in regular mail. Also mailed copy of JOA for execution if interested in participating in well.

Jeffrey N. Johnston and wife, Sandra K. Johnston

- 1) 1-31-2014, mailed well proposal and AFE via certified mail.
- 2) 2-19-2014, received executed AFE via email and via hand delivery. Also spoke with Jeffrey N. Johnston over the phone regarding some well information and development plans.
- 3) 3-13-2014, sent JOA for execution via regular mail.

Michael A. Short

- 1) 1-31-2014, mailed well proposal and AFE via certified mail.
- 2) 2-3-2014, received proof of delivery signed for by Pat Shannon.
- 3) 2-19-2014, received executed AFE via email.
- 4) 3-13-2014, sent JOA for execution via regular mail.

Brooks Oil & Gas Interests, Ltd.

- 1) 1-31-2014, mailed well proposal and AFE with offer to acquire term assignment of interest via certified mail.
- 2) 2-19-2014, mailed well proposal and AFE with offer to acquire term assignment of interest via certified mail.
- 3) 2-26-2014, received undeliverable letter dated 2-19-2014.
- 4) 3-6-2014, received proof of delivery of first proposal, signed for by unknown person (illegible signature & name on receipt).
- 5) 3-10-2014, sent letter with copy of Drilling Title Opinion.
- 6) 3-13-2014, sent JOA for execution via regular mail.
- 7) 3-21-2014, received email from David Brooks informing us that he had signed the AFE.
- 8) 3-24-2014, received executed AFE and improperly executed JOA pages.

Oil Conservation Division

Case No. 3

Exhibit No. 3

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

January 31, 2014

*Via Certified Mail*

Davoil, Inc.  
P.O. Box 122269  
Fort Worth, Texas 76121-2269

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FNL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering all of the above captioned Section 9 for Bone Spring oil and gas production. Apparently, Davoil, Inc. ("Davoil") owns 5.5506250% interest in the W/2 (320.00 gross acres) of the captioned Section 9. Accordingly, Davoil would own 2.775310% working interest in the proposed WIU. ( $5.5506250\% \text{ interest} \times 320.00 \text{ net acres} / 640.00 \text{ gross acres} = 2.775310\% \text{ interest in the WIU}$ )

In reference to the above, Mewbourne 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 ("TVD") of approximately 7,977 feet subsurface to evaluate the Second Bone Spring Sand formation for oil production. The proposed well will have a horizontal measured depth ("MD") of approximately 12,800 feet. The N/2N/2 of the captioned Section 9 will be dedicated to the well as the pooled oil proration unit and project area.

Regarding the above, enclosed for your further handling is our AFE dated January 30, 2014 for the captioned proposed well. In the event Davoil elects to participate in the proposed WIU and well, please execute the enclosed AFE and return to me by February 20, 2014. A copy of our Joint Operating Agreement will follow in the near future.

MOC plans to spud the above captioned well in early March, 2014 as we have had a recent opening in our drilling rig schedule. Your expedited attention and response to this proposal will be greatly appreciated.

Davoil, Inc.  
Perazzi "9" WIU  
Section 9, T20S, R29E  
January 31, 2014  
Page 2 of 2

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

**MEWBOURNE OIL COMPANY**

*Clayton C. Pearson*  
Clayton Pearson  
Landman



Date: February 4, 2014

Simple Certified:

The following is in response to your February 4, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003828020. The delivery record shows that this item was delivered on February 4, 2014 at 9:05 am in FORT WORTH, TX 76116. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery section  
Signature of Recipient :  
Ron Caffey  
Ron Caffey

Address of Recipient :

Address of Recipient :  
Box 122269

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Davoll, Inc.  
PO Box 122269  
Fort Worth, TX 76121  
Reference #: Perazzi 9 Da 1H cp



Mail Address: P.O. Box 122269 • Fort Worth, Texas 76121-2269 • Tel: 817-737-6678 • Fax: 817-737-8402

*RE: Perazzi 9 DA Fed #1 H  
Eddy Co., NM*

IN APPROVAL OF ATTACHED AFE, PLEASE SEND BY FAX,

DAILY DRILLING REPORTS TO:

FAX# 817-737-2763

PLEASE SEND ONE COPY OF ALL STATE FILED REPORTS,  
i.e. PERMIT TO DRILL, PLAT, POTENTIAL/COMPLETION  
REPORT, ETC.

PLEASE SEND ONE COPY OF ALL LOGS.

THANK YOU!

*Deborah L. Singleton*

DEBORAH L. SINGLETON

VICE PRESIDENT, OPERATIONS

TELEPHONE# 817-570-6516

EMAIL: [debbie@davoil.net](mailto:debbie@davoil.net)

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 13, 2014

Davoil, Inc.  
Attn: Deborah L. Singleton  
P.O. Box 122269  
Ft. Worth, Texas 76121-2269

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FEL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Dear Deborah:

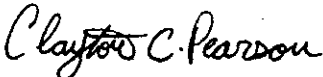
Enclosed for your further handling regarding the captioned well and lands is our Operating Agreement dated January 31, 2014, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated January 31, 2014.

Regarding the above, please have the Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages to me whereby you will retain the Operating Agreement for your file.

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432)682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Clayton Pearson  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

January 31, 2014

Via Certified Mail

Estate of Ralph E. Williamson  
Attn: Marsha C. Huie, PR  
3502 Mary Mont Drive  
San Antonio, Texas 78217

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FNL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Dear Ms. Huie:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering all of the above captioned Section 9 for Bone Spring oil and gas production. Apparently, the Estate of Ralph E. Williamson ("Williamson Estate") owns 0.8789062% interest in the W/2 (320.00 gross acres) and 0.781250% interest in the E/2 (320.00 gross acres) of the captioned Section 9. Accordingly, the Williamson Estate would own 0.830080% working interest in the proposed WIU.  $((0.8789062\% \text{ interest} \times 320.00 \text{ net acres} / 640.00 \text{ gross acres}) + (0.781250\% \text{ interest} \times 320 \text{ net acres} \times 640 \text{ gross acres}) = 0.830080\% \text{ interest in the WIU})$

In reference to the above, Mewbourne 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 ("TVD") of approximately 7,977 feet subsurface to evaluate the Second Bone Spring Sand formation for oil production. The proposed well will have a horizontal measured depth ("MD") of approximately 12,800 feet. The N/2N/2 of the captioned Section 9 will be dedicated to the well as the pooled oil proration unit and project area.

Regarding the above, enclosed for your further handling is our AFE dated January 30, 2014 for the captioned proposed well. In the event Davoil elects to participate in the proposed WIU and well, please execute the enclosed AFE and return to me by February 20, 2014. A copy of our Joint Operating Agreement will follow in the near future.


MOC plans to spud the above captioned well in early March, 2014 as we have had a recent opening in our drilling rig schedule. Your expedited attention and response to this proposal will be greatly appreciated.

Estate of Ralph Williamson  
Perazzi "9" WIU  
Section 9, T20S, R29E  
January 31, 2014  
Page 2 of 2

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

  
Clayton Pearson  
Landman





Re: Perazzi "9" DA #1H Well Proposal: Section 9, T20S, R29E, Eddy Co., NM

Clayton Pearson to: Liz Williamson

03/13/2014 10:23 AM

Liz:

Attached please find scanned copies of the Well Proposal, AFE, and Term Assignment regarding the subject well and prospect. I am sending the originals via regular mail as well, but figured this may save a few days time with you being overseas. Please look over the attached documents and feel free to call or email with any questions. I look forward to hearing back from you soon.

Sincerely,



**Clayton Pearson**  
Land Department  
Mewbourne Oil Company  
500 W. Texas, Ste. 1020  
Midland, TX 79701 US

Phone: (432)682-3715 | Fax: (432)685-4170  
Email: [CPearson@Mewbourne.com](mailto:CPearson@Mewbourne.com)



Well Proposal Dated 3-13-2014.pdf AFE Dated 1-30-2014.pdf Term Assignment.pdf

Liz Williamson

Hi Clayton, Can you please mail it to:

03/12/2014 04:29:09 PM

From: Liz Williamson <[ewilliamson@crwoilandgas.com](mailto:ewilliamson@crwoilandgas.com)>  
To: Clayton Pearson <[cpearson@mewbourne.com](mailto:cpearson@mewbourne.com)>  
Date: 03/12/2014 04:29 PM  
Subject: Re: Perazzi "9" DA #1H Well Proposal: Section 9, T20S, R29E, Eddy Co., NM

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Hi Clayton,

Can you please mail it to:

5 Stratton St  
Floor 1  
London, UK w1j 8la

Please do not contact Marsha Huie regarding the estate as she is no longer involved in any capacity.

Thank you.

Liz Williamson

Sent from my iPhone

> On 12 Mar 2014, at 19:42, Clayton Pearson <[cpearson@mewbourne.com](mailto:cpearson@mewbourne.com)> wrote:  
>  
>  
> Elizabeth:  
>

> Please provide your current mailing address so that I may send a well  
> proposal for the Estate of Ralph E. Williamson's interest in the above  
> captioned prospect. I had sent the well proposal to Marsha Huie, but was  
> informed that you are now handling the estate.  
>  
> I appreciate your time and effort with this matter.  
>  
> Sincerely,  
>  
> (Embedded image Clayton Pearson  
> moved to file: Land Department  
> pic21548.gif) Mewbourne Oil Company  
> 500 W. Texas, Ste.  
> 1020  
> Midland, TX 79701 US  
>  
>  
>  
>  
> Phone: (432)682-3715 | Fax: (432)685-4170  
> Email: CPearson@Mewbourne.com  
>  
> <pic21548.gif>

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 13, 2014

*Via Certified Mail*

Estate of Ralph E. Williamson  
Attn: Liz Williamson  
5 Stratton Street  
Floor 1  
London, UK W1J 8LA

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FEL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Liz:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering all of the above captioned Section 9 for Bone Spring oil and gas production. Apparently, The Estate of Ralph E. Williamson, Deceased ("The Estate") owns 0.8789062% interest in the W/2 (320.00 gross acres) and 0.781250% interest in the E/2 (320.0 gross acres) of the captioned Section 9. Accordingly, The Estate would own a 0.830080% working interest in the proposed WIU.  $((0.8789062\% \text{ interest} \times 320.00 \text{ net acres} / 640.00 \text{ gross acres}) + (0.781250\% \text{ interest} \times 320 \text{ net acres} / 640.00 \text{ gross acres}) = 0.830080\% \text{ interest in the WIU})$

In reference to the above, Mewbourne 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 ("TVD") of approximately 7,977 feet subsurface to evaluate the Second Bone Spring Sand formation for oil production. The proposed well will have a horizontal measured depth ("MD") of approximately 12,800 feet. The N/2N/2 of the captioned Section 9 will be dedicated to the well as the pooled oil proration unit and project area.

Regarding the above, enclosed for your further handling is our AFE dated January 30, 2014 for the captioned proposed well. Please have the enclosed AFE signed and returned to me by March 28, 2014 if you wish to participate in the proposed well. Upon receipt of same we will forward you our Operating Agreement for execution.

Alternatively, Mewbourne hereby offers to purchase a 2 year Term Assignment covering The Estate's interest for \$1,000.00 per net acre, delivered to Mewbourne at a 77.5% Net Revenue Interest, subject to proportionate reduction. On an 8/8ths basis, The Estate currently has an 82.5% NRI as to its leasehold interest. All existing wellbores and production will be excluded from the assignment. Upon receipt of the

Estate of Ralph E. Williamson  
Perazzi "9" WIU  
Section 9, T20S, R29E  
March 13, 2014  
Page 2 of 2

executed Term Assignment, Mewbourne will furnish The Estate with a check in the amount of \$5,312.51  
(0.830080%% interest x 640 gross acres = 5.312510 net acres x \$1,000.00 per net acre = \$5,312.51).

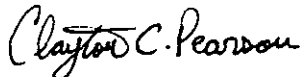
Please have the enclosed Term Assignment signed and returned to me by March 28, 2014 if you wish to  
Term Assign your interest based upon the above described terms. I have enclosed a postage paid  
envelope for your assistance in returning the executed Term Assignment.

MOC plans to spud the above captioned well in mid-May, 2014 as we have had a recent opening in our  
drilling rig schedule. Your expedited attention and response to this proposal will be greatly appreciated.

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or  
call me at (432) 682-3715.

Sincerely,

**MEWBOURNE OIL COMPANY**



Clayton Pearson  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

January 31, 2014

Via Certified Mail

Mr. and Mrs. Jeffrey Johnston  
P.O. Box 1324  
Midland, Texas 79702

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FNL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Dear Mr. and Mrs. Johnston:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering all of the above captioned Section 9 for Bone Spring oil and gas production. Apparently, you own 0.3906250% interest in the W/2 (320.00 gross acres) and 0.781250% interest in the E/2 (320.00 gross acres) of the captioned Section 9. Accordingly you would own 0.585940% working interest in the proposed WIU.  $((0.3906250\% \text{ interest} \times 320.00 \text{ net acres} / 640.00 \text{ gross acres}) + (0.781250\% \text{ interest} \times 320 \text{ net acres} \times 640 \text{ gross acres}) = 0.585940\% \text{ interest in the WIU})$

In reference to the above, Mewbourne 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 ("TVD") of approximately 7,977 feet subsurface to evaluate the Second Bone Spring Sand formation for oil production. The proposed well will have a horizontal measured depth ("MD") of approximately 12,800 feet. The N/2N/2 of the captioned Section 9 will be dedicated to the well as the pooled oil proration unit and project area.

Regarding the above, enclosed for your further handling is our AFE dated January 30, 2014 for the captioned proposed well. In the event Davoil elects to participate in the proposed WIU and well, please execute the enclosed AFE and return to me by February 20, 2014. A copy of our Joint Operating Agreement will follow in the near future.

MOC plans to spud the above captioned well in early March, 2014 as we have had a recent opening in our drilling rig schedule. Your expedited attention and response to this proposal will be greatly appreciated.

Mr. & Mrs. Jeffrey Johnston  
Perazzi "9" WIU  
Section 9, T20S, R29E  
January 31, 2014  
Page 2 of 2

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

**MEWBOURNE OIL COMPANY**

*Clayton C. Pearson*  
Clayton Pearson

Landman



Jeffrey M. Johnston - Mewbourne Oil Company - Perazzi 9 DA Fed #1H; Eddy County, New Mexico  
Terri Meek

to:

cpearson

02/19/2014 03:57 PM

Hide Details

From: "Terri Meek" <tmeek@usaonline.net>

To: <cpearson@mewbourne.com>

History: This message has been replied to.

1 Attachment



Mewbourne Oil Company-Authorization for Expenditure.pdf

Dear Mr. Pearson,

Mr. Johnston asked that I forward to you the attached scanned copy of the executed AFE. If you have any difficulty opening the attachment, please let me know.

Terri C. Meek, CLA to  
Jeffrey M. Johnston  
**Johnston & Associates, P.C.**  
400 W. Illinois, Suite 1600  
Midland, Texas 79701  
(432) 683-8844  
(432) 683-8855 -- Fax

***E-MAIL CONFIDENTIALITY NOTICE***

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3/28/2014

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 13, 2014

Mr. and Mrs. Jeffrey N. Johnston  
P.O. Box 1324  
Midland, Texas 79702

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FEL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Dear Mr. and Mrs. Johnston:

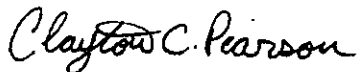
Enclosed for your further handling regarding the captioned well and lands is our Operating Agreement dated January 31, 2014, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated January 31, 2014.

Regarding the above, please have the Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages to me whereby you will retain the Operating Agreement for your file.

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432)682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Clayton Pearson  
Landman



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

January 31, 2014

Via Certified Mail

Michael A. Short  
110 N. Marienfield, Suite 200  
Midland, Texas 79701

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FNL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Dear Mr. Short:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering all of the above captioned Section 9 for Bone Spring oil and gas production. Apparently, you own 0.3906250% interest in the W/2 (320.00 gross acres) and 0.781250% interest in the E/2 (320.00 gross acres) of the captioned Section 9. Accordingly you would own 0.585940% working interest in the proposed WIU.  $((0.3906250\% \text{ interest} \times 320.00 \text{ net acres} / 640.00 \text{ gross acres}) + (0.781250\% \text{ interest} \times 320 \text{ net acres} \times 640 \text{ gross acres}) = 0.585940\% \text{ interest in the WIU})$

In reference to the above, Mewbourne 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 ("TVD") of approximately 7,977 feet subsurface to evaluate the Second Bone Spring Sand formation for oil production. The proposed well will have a horizontal measured depth ("MD") of approximately 12,800 feet. The N/2N/2 of the captioned Section 9 will be dedicated to the well as the pooled oil proration unit and project area.

Regarding the above, enclosed for your further handling is our AFE dated January 30, 2014 for the captioned proposed well. In the event Davoil elects to participate in the proposed WIU and well, please execute the enclosed AFE and return to me by February 20, 2014. A copy of our Joint Operating Agreement will follow in the near future.


MOC plans to spud the above captioned well in early March, 2014 as we have had a recent opening in our drilling rig schedule. Your expedited attention and response to this proposal will be greatly appreciated.

Michael A. Short  
Perazzi "9" WIU  
Section 9, T20S, R29E  
January 31, 2014  
Page 2 of 2

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

**MEWBOURNE OIL COMPANY**

  
Clayton Pearson

Landman



UNITED STATES  
POSTAL SERVICE.

Date: February 3, 2014

Simple Certified:

The following is in response to your February 3, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003828457. The delivery record shows that this item was delivered on February 3, 2014 at 1:18 pm in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section  
no  
d  
PAT SHANNON  
PAT SHANNON

Address of Recipient :

110 N Marienfeld 200

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Michael A. Short  
110 N MARIENFELD ST STE 200  
MIDLAND, TX 79701  
Reference #: Perazzi 9 DA 1H cp



FW: AFE  
Mike Short

to:  
cpearson@mewbourne.com  
02/19/2014 03:28 PM  
Cc:  
"jmj@usaonline.net", Lynda Carlton  
Hide Details  
From: Mike Short <mas@eeronline.com>

To: "cpearson@mewbourne.com" <cpearson@mewbourne.com>

Cc: "jmj@usaonline.net" <jmj@usaonline.net>, Lynda Carlton <LCarlton@eeronline.com>

History: This message has been replied to.

1 Attachment



PDF015.pdf

Clayton: Attached above is my signed approval for the Perazzi 9 WIU well. I do elect to be included for my proportionate share of the Operators Extra Expense Insurance coverage.

Please send me a reply e-mail so I will know that you have received this approval timely.

Let me know if you need anything further.

Regards, Mike

Michael A. Short  
General Counsel  
Endeavor Energy Resources, L.P.,

3/28/2014

and all subsidiary and affiliate companies  
110 North Marienfeld, Suite 200  
Midland, Texas 79701  
432-262-4065 (Direct)  
432-559-9155 (Mobile)  
432-682-3088 (Fax)  
[mas@eeronline.com](mailto:mas@eeronline.com)

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---

**From:** Lynda Carlton  
**Sent:** Wednesday, February 19, 2014 3:19 PM  
**To:** Mike Short  
**Subject:** AFE

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 13, 2014.

Michael A. Short  
110 N. Marienfield, Suite 200  
Midland, Texas 79701

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FEL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Dear Mr. Short:


Enclosed for your further handling regarding the captioned well and lands is our Operating Agreement dated January 31, 2014, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated January 31, 2014.

Regarding the above, please have the Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages to me whereby you will retain the Operating Agreement for your file.

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432)682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

  
Clayton Pearson  
Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

January 31, 2014

## Via Certified Mail

Brooks Oil & Gas Interests, Ltd.  
P.O. Box 23314  
Santa Fe, New Mexico 87502

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FNL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering all of the above captioned Section 9 for Bone Spring oil and gas production. Apparently, Brooks Oil & Gas Investments, Ltd. ("Brooks") owns 0.31250% interest in the W/2 (320.00 gross acres) of the captioned Section 9. Accordingly, Brooks would own a 0.156250% working interest in the proposed WIU. ( $0.31250\% \text{ interest} \times 320.00 \text{ net acres} / 640.00 \text{ gross acres} = 0.156250\% \text{ interest in the WIU}$ )

In reference to the above, Mewbourne 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 ("TVD") of approximately 7,977 feet subsurface to evaluate the Second Bone Spring Sand formation for oil production. The proposed well will have a horizontal measured depth ("MD") of approximately 12,800 feet. The N/2N/2 of the captioned Section 9 will be dedicated to the well as the pooled oil proration unit and project area.

Regarding the above, enclosed for your further handling is our AFE dated January 30, 2014 for the captioned proposed well. Please have the enclosed AFE signed and returned to me by February 20, 2014 if you wish to participate in the proposed well. Upon receipt of same we will forward you our Operating Agreement for execution.

Alternatively, Mewbourne hereby offers to purchase a 2 year Term Assignment covering your interest for \$1,000.00 per net acre, delivered to Mewbourne at a 77.5% Net Revenue Interest, subject to proportionate reduction. On an 8/8ths basis, you currently have an 82.5% NRI as to your leasehold interest. All existing wellbores and production will be excluded from the assignment. Upon receipt of the executed Term Assignment, Mewbourne will furnish you with a check in the amount of \$1,000.00 ( $0.156250\% \text{ interest} \times 640 \text{ gross acres} = 1.00 \text{ net acres} \times \$1,000.00 \text{ per net acre} = \$1,000.00$ ).

Brooks Oil & Gas Interests, Ltd.  
Perazzi "9" WIU  
Section 9, T20S, R29E  
January 31, 2014  
Page 2 of 2

Please have the enclosed Term Assignment signed and returned to me by February 20, 2014 if you wish to Term Assign your interest based upon the above described terms. I have enclosed a postage paid envelope for your assistance in returning the executed Term Assignment.

MOC plans to spud the above captioned well in early March, 2014 as we have had a recent opening in our drilling rig schedule. Your expedited attention and response to this proposal will be greatly appreciated.

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

**MEWBOURNE OIL COMPANY**



Clayton Pearson  
Landman



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 19, 2014

## Via Certified Mail

Brooks Oil & Gas Interests, Ltd.  
c/o 900 Main Avenue, Suite A  
Durango, Colorado 81301

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FNL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Gentlemen:

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Regarding the above, enclosed for your further handling is our AFE dated January 30, 2014 for the captioned proposed well. Please have the enclosed AFE signed and returned to me by March 3, 2014 if you wish to participate in the proposed well. Upon receipt of same we will forward you our Operating Agreement for execution.

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Brooks Oil & Gas Interests, Ltd.  
Perazzi "9" WIU  
Section 9, T20S, R29E  
February 19, 2014  
Page 2 of 2

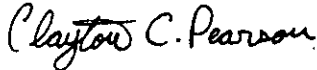
Please have the enclosed Term Assignment signed and returned to me by March 3, 2014 if you wish to Term Assign your interest based upon the above described terms. I have enclosed a postage paid envelope for your assistance in returning the executed Term Assignment.

MOC plans to spud the above captioned well in early June, 2014 as we have had a recent opening in our drilling rig schedule. Your expedited attention and response to this proposal will be greatly appreciated.

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

**MEWBOURNE OIL COMPANY**



Clayton Pearson  
Landman

# FIRST CLASS MAIL

## **CERTIFIED MAIL**

✓ Mewbourne Oil Company  
Clayton Pearson  
500 West Texas Ave  
Ste 1020  
MIDLAND TX 79701-4279  
Perezzi 9 DA 1H



US POSTAGE AND FEES PAID  
FIRST CLASS  
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Letter Rate (No surcharge)  
CID: 56133



endicla.com

071S00534813

### USPS CERTIFIED MAIL



9414 8106 9994 5003 9662 34

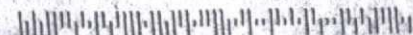
Brooks Oil & Gas Interests, Ltd.  
900 MAIN AVE STE A  
DURANGO CO 81301-5278

NIXIE

813012070-1N

02/26/14

RETURN TO SENDER  
UNABLE TO FORWARD  
UNABLE TO FORWARD  
RETURN TO SENDER



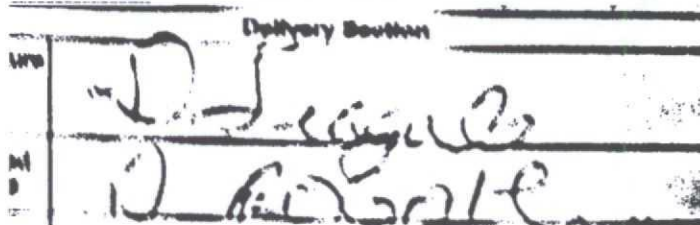


Date: March 6, 2014

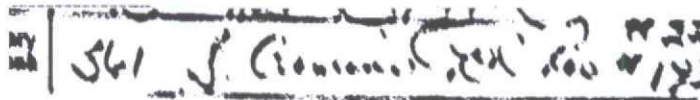
Simple Certified:

The following is in response to your March 6, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945003827863. The delivery record shows that this item was delivered on March 6, 2014 at 12:41 pm in DURANGO, CO 81301. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

Brooks Oil and Gas Interests, Ltd.  
PO Box 23314  
Santa Fe, NM 87502  
Reference #: Perazzi 9 Da 1H cp

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 10, 2014

Via Overnight Mail (970) 259-1770

Brooks Oil & Gas Interests, Ltd.  
900 Main Ave., Suite A  
Durango, CO 81301  
Attn: Mr. David K. Brooks

Re: Glock 17 LI Federal #1H Well  
N/2S/2 Section 17;  
Derringer 18 LI Federal #1H Well  
N/2S/2 Section 18;  
Henry 8 PM Federal #1H Well  
S/2S/2 Section 18;  
Perazzi 9 DA Federal Com #1H Well  
N/2N/2 Section 9,  
T20S, R29E  
Eddy County, New Mexico

Dear David:

Regarding the captioned proposed wells, enclosed for your information and further handling are the following:

Glock 17 WIU:

- 1) Copy of Opinion of Title dated July 31, 2013.
- 2) Partially executed copy of Operating Agreement dated August 1, 2013 covering all of the captioned Section 17 which covers the Bone Spring formation only.
- 3) Duplicate originals of a Ratification and Joinder of Operating Agreement prepared for your execution.
- 4) Copy of JOA dated September 24, 1973 which covers the W/2 of the captioned Section 17 and all of Section 18. As noted in the Title Opinion, you only own an interest in the W/2 of the captioned Section 17 and not the E/2. Accordingly, your WI% in the Glock 17 WIU is 0.125% as you own a 0.25% WI in the W/2 of Section 17.



Derringer 18 Prospect:

- 1) Copy of our Drilling Title Opinion dated September 10, 2012. You will note that you own a 0.5000% WI in the W/2 and a 0.2500% WI in the E/2 so your unit WI% in all of Section 18 is 0.30386%. The W/2 contains 291.80 acres and the E/2 contains 320 acres. In Section 18 you own 1.859 net acres which is a 0.303860% unit working interest.
- 2) As noted in the Glock 17 WIU above, Section 18 is subject to the September 24, 1973 JOA.
- 3) Copy of AFE dated January 16, 2014 regarding your WI.

Henry 8 Prospect:

- 1) Copy of JOA dated June 13, 1973 which covers the W/2 of the captioned Section 8.

Perazzi Prospect

- 1) Copy of Opinion of Title dated May 28, 2013. As noted in this title opinion, you own a 0.3125% WI in the W/2 and no interest in the E/2. Accordingly, your unit WI is 0.15625%.

Regarding the above, you will note that the June 13, 1973 JOA covering the S/2 of Section 8 has a 300% non-consent penalty and the JOA covering the W/2 Section 17 and all of Section 18 has a 400 non-consent penalty.

Regarding the above, please execute and return one (1) of the Ratifications of the JOA covering the Glock 17 WIU. If you elect to join in the Derringer 18 LI Federal Com #1H Well, please sign and return the enclosed AFE. If you elect not to participate in the proposed wells, please sign and return to me the applicable Farmout Agreements that I've previously furnished you. Clayton Pearson will send you a Term Assignment of Operating Rights or Farmout Agreement if you choose not to participate in the above referenced Perazzi 9 DA Federal Com #1H Well

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

xc: Clayton Pearson

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 13, 2014

Brooks Oil & Gas Interests, Ltd.  
c/o 900 Main Avenue, Suite A  
Durango, Colorado 81301

Re: Perazzi 9 DA Fed #1H Well  
920' FNL & 150' FEL (SL) of Section 8  
920' FNL & 330' FEL (BHL) of Section 9  
Section 9, T20S, R29E  
Eddy County, New Mexico

Ladies and Gentlemen:

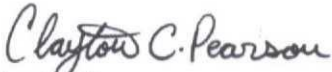
Enclosed for your further handling regarding the captioned well and lands is our Operating Agreement dated January 31, 2014, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated January 31, 2014.

Regarding the above, please have the Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages to me whereby you will retain the Operating Agreement for your file.

Should you have any questions regarding the above, please email me at [cpearson@mewbourne.com](mailto:cpearson@mewbourne.com) or call me at (432)682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

  
Clayton Pearson  
Landman



Re: FW: Glock 17 LI Federal #1H, Perazzi 9 DA #1H and Henry 8 Federal #1H

Paul Haden to: David Brooks  
Cc: Clayton Pearson

03/21/2014 03:48 PM

Good afternoon. Looking forward to receiving the signed AFEs , etc as referenced below. Take your time on the Henry 8 well. I'd like to have your decision by April 1st if possible. If you need more time than that , let me know. Thanks David.

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

"David Brooks"

-----Original Message----- From: David Brooks

03/21/2014 03:34:53 PM

From: "David Brooks" <david@dugan-law.com>  
To: "Paul Haden" <phaden@Mewbourne.com>  
Date: 03/21/2014 03:34 PM  
Subject: FW: Glock 17 LI Federal #1H, Perazzi 9 DA #1H and Henry 8 Federal #1H

---

-----Original Message-----

From: David Brooks  
Sent: Friday, March 21, 2014 2:25 PM  
To: David Brooks  
Subject: RE: Glock 17 LI Federal #1H, Perazzi 9 DA #1H and Henry 8 Federal #1H

Good Afternoon, Paul

I have signed the AFEs for the Glock and Perazzi wells, and I will send you on Monday by snail mail the approved AFEs, together with the signed JOAs for these units. I will also enclose the signed farmout agreement for the Derringer well. On the AFE's please note that I changed the election NOT to be covered by the additional insurance to an election to be covered.

On the Henry, I need to do some more comparative evaluation of this prospect versus some others that may be coming our way, so I request to defer our election till next week. The proposal letter is dated February 25. Although I do not have a record of when I received it, even if I had received it on that date, our election date would not be till March 27 - next Thursday.

Sincerely

David K. Brooks

-----Original Message-----

From: David Brooks  
Sent: Wednesday, March 19, 2014 9:34 AM



To: 'Paul Haden'  
Subject: RE: Burton "4" PM Fed Com #1H

Good Morning Mr. Haden

Supplementing my email just sent, Brooks Oil & Gas Interests will also participate in the Glock 17LI Federal No. 1 well, and sign the proposed JOA for that unit.

We will farm out our interest in the Derringer 18LI No. 1H, and sign the agreement you provided for that well.

We will advise you of our decision on the Henry 8 PM No. 1H by the end of the week.

Sincerely

David K. Brooks

-----Original Message-----

From: Paul Haden [mailto:phaden@mewbourne.com]  
Sent: Wednesday, March 19, 2014 8:18 AM  
To: David Brooks  
Subject: Re: Burton "4" PM Fed Com #1H

David , attached for your information is some production info fo the captioned well located in the S/2S/2 Sec 4 , T20S, R29E. This should help your decision in participating in the Perazzi "9" DA Fed Com #1H Well or not. If you didn't want to participate in it , we'd take a Farmout from you.

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 03/19/2014 09:11 AM -----

From: midland@mewbourne.com  
To: phaden@mewbourne.com  
Date: 03/19/2014 09:06 AM  
Subject:

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

(See attached file: doc06562320140319090452.pdf)

**BROOKS OIL & GAS INTERESTS**  
**361 S. Camino del Rio #220**  
**Durango, CO 81303**

March 24, 2014

Mr. D. Paul Haden  
Mewbourne Oil Company  
500 W. Texas Av  
Midland, TX 79701

**Re: Glock 17 LI Federal #1H**  
**N/2 S/2 of Section 17-20S-29E**

**Perazzi 9 DA Federal #1H**  
**N/2 N/2 of Section 9-20S-29E**

**Derringer 18 LI Federal #1H**  
**N/2 S/2 of Section 18-20S-29E**

**all in Eddy County, New Mexico**

Dear Mr. Haden

Enclosed please find the following executed documents:

Re Glock:

Signed AFE to evidence our participation

Signed and acknowledged Ratification of JOA

Re Perazzi

Signed AFE to evidence our participation


Signed and acknowledge signature pages for JOA

Re Derringer:

Signed Farmount Agreement in lieu of participation

For each of those documents to be executed by Mewbourne, please furnish us for our records a copy reflecting full execution when this has been done.

Sincerely

A handwritten signature in cursive script that reads "David K. Brooks". The signature is written in dark ink and is positioned above the printed name.

David K. Brooks