

## Corey Mitchell

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**From:** Kyle Biery <kyle.biery@blackmtn.com>  
**Sent:** Wednesday, July 27, 2016 4:17 PM  
**To:** Corey Mitchell  
**Cc:** Luke Mildren  
**Subject:** RE: Pronghorn 15 Prospect

Thanks! I will get to the technical guys and get back to you. Thanks, Kyle

**From:** Corey Mitchell [mailto:cmitchell@Mewbourne.com]  
**Sent:** Wednesday, July 27, 2016 4:05 PM  
**To:** Kyle Biery <kyle.biery@blackmtn.com>  
**Cc:** Luke Mildren <luke.mildren@blackmtn.com>  
**Subject:** RE: Pronghorn 15 Prospect

Kyle,

Please see attached. Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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**From:** Kyle Biery [mailto:kyle.biery@blackmtn.com]  
**Sent:** Wednesday, July 27, 2016 3:54 PM  
**To:** Corey Mitchell  
**Cc:** Luke Mildren  
**Subject:** RE: Pronghorn 15 Prospect

Corey,

I don't recall receiving the proposed AFE & JOA? Can you please email it to me? Thanks,

Kyle M. Biery  
Vice President of Business Development



**BLACK MOUNTAIN OIL & GAS**  
500 Main Street, Suite 1200  
Fort Worth, TX 76102  
817-698-9901 ph.



817-698-9902 fax

[Kyle.biery@blackmtn.com](mailto:Kyle.biery@blackmtn.com)

[www.blackmountainoilandgas.com](http://www.blackmountainoilandgas.com)

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]

**Sent:** Wednesday, July 27, 2016 1:51 PM

**To:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>

**Subject:** RE: Pronghorn 15 Prospect

Kyle,

Hope all is going well. I am just following up on MOC's Pronghorn 15 B3DM Fed Com No. 1H proposal I sent by letter dated June 16, 2016. Do you know if Black Mountain intends to participate in this well or looking to work a deal for its interest? I have heard back from almost all the other parties and am basically just waiting on Black Mountain. Any update you can provide will be appreciated.

Let me know if you have any questions. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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**From:** Corey Mitchell

**Sent:** Monday, June 13, 2016 4:52 PM

**To:** 'Luke Mildren'; Kyle Biery

**Subject:** RE: Pronghorn 15 Prospect

Thanks gentlemen. I will try and get the revised paperwork out the door tomorrow. Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Luke Mildren [<mailto:luke.mildren@blackmtn.com>]

**Sent:** Monday, June 13, 2016 4:51 PM

**To:** Kyle Biery; Corey Mitchell

**Subject:** RE: Pronghorn 15 Prospect

Corey,

Please see the attached assignment from Merit to Black Mountain. Please send over all proposals at your earliest convenience.

Thanks,  
Luke

**From:** Kyle Biery  
**Sent:** Monday, June 13, 2016 4:34 PM  
**To:** Corey Mitchell <[cmitchell@Mewbourne.com](mailto:cmitchell@Mewbourne.com)>  
**Cc:** Luke Mildren <[luke.mildren@blackmtn.com](mailto:luke.mildren@blackmtn.com)>  
**Subject:** RE: Pronghorn 15 Prospect

Corey,

Please send me proposed AFE & JOA? We operate under Black Mountain Operating, LLC. I will see if I can get a copy of that assignment from our land department.

Thanks,

Kyle

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Monday, June 13, 2016 9:49 AM  
**To:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>  
**Subject:** FW: Pronghorn 15 Prospect

Kyle,

It is my understanding that Black Mountain Oil and Gas recently acquired the interest of Merit in Section 15, T23S, R34E, Lea County, New Mexico. We have been going back and forth with Merit for some time now regarding this prospect. I would assume Black Mountain's intent would be to participate in our proposed operations.

Can you please give me the entity name that succeeded to Merit's interest? I will revise our AFE and JOA and get over to you for review. Also, can I get a copy of the assignment for my file?

Let me know if you have any questions. I look forward to working with you. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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**From:** Peters, Nick [<mailto:Nick.Peters@meritenergy.com>]  
**Sent:** Monday, June 06, 2016 10:54 AM  
**To:** Corey Mitchell  
**Cc:** Kyle Biery  
**Subject:** RE: Pronghorn 15 Prospect

Corey:

We did indeed close with Black Mountain Oil and Gas. You can speak with Kyle Biery, their VP of Business Development. His contact information is set forth below and he's cc'd on this email.

Best of luck with everything.

Kyle M. Biery  
Vice President of Business Development



**BLACK MOUNTAIN OIL & GAS**

500 Main Street, Suite 1200

Fort Worth, TX 76102

817-698-9901 ph.

817-698-9902 fax

[Kyle.biery@blackmtn.com](mailto:Kyle.biery@blackmtn.com)

[www.blackmountainoilandgas.com](http://www.blackmountainoilandgas.com)

Nick Peters  
972.628.1507

---

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Monday, June 06, 2016 9:41 AM  
**To:** Peters, Nick  
**Subject:** RE: Pronghorn 15 Prospect

Nick,

Just wanted to check in and see if you closed your transaction involving Section 15, T23S, R34E, Lea County, NM? If so, can you share with me who the buyer is? Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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**From:** Peters, Nick [<mailto:Nick.Peters@meritenergy.com>]  
**Sent:** Thursday, May 26, 2016 6:30 PM  
**To:** Corey Mitchell  
**Subject:** RE: Pronghorn 15 Prospect

Corey:

All is well, and I hope you're good too. The transaction is moving along and the parties are set to close 5/31. As soon as we're closed, I believe our buyer is going to contact you. If you haven't heard from us by Wednesday, please ping me and I'll make an introduction.

Take care.

Nick Peters  
972.628.1507

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**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Wednesday, May 25, 2016 9:45 AM  
**To:** Peters, Nick  
**Subject:** Pronghorn 15 Prospect

Nick,

I hope all is going well. I just wanted to check in and see how the transaction is going regarding certain Merit New Mexico properties. Any closer to being finalized so we can know who the purchaser is? Thanks for the update. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170



Date: June 20, 2016

Simple Certified:

The following is in response to your June 20, 2016 request for delivery information on your Certified Mail™/RRE item number 9402810699945016032174. The delivery record shows that this item was delivered on June 20, 2016 at 2:53 pm in FORT WORTH, TX 76102. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink that reads "Kyle Biery" with a date "6/20/16" written to the right.

Address of Recipient :

A handwritten address in black ink, which is mostly illegible but appears to include "500 Main St Ste 1200".

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

Mr. Kyle Biery  
Black Mountain Operating, LLC  
500 MAIN ST STE 1200  
FORT WORTH, TX 76102  
Reference #: Pronghorn 15 B3DM Fed Com No.1H CM

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

June 16, 2016

Via Certified Mail

Black Mountain Operating, LLC  
500 Main Street, Suite 1200  
Fort Worth, Texas 76102  
Attn: Mr. Kyle Biery

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently Black Mountain Operating, LLC ("BMO") own 6.022717% interest in the SW/4, 39.356050% interest in the SE/4, 10.207188% interest in the NE/4 and 43.540521% interest in the NW/4 of the captioned Section 15. Accordingly, BMO would own 24.781619% working interest in the proposed WIU (6.022717% interest X 160 gross acres = 9.636347 net acres) (39.356050% interest X 160 gross acres = 62.969680 net acres) (10.207188% interest X 160 gross acres = 16.331501 net acres) (43.540521% interest X 160 gross acres = 69.664834 net acres) (9.636347 net acres + 62.969680 net acres + 16.331501 net acres + 69.664834 net acres = 158.602362 net acres / 640 gross acres = 24.781619% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated February 1, 2016 and an extra set of signature pages. In the event BMO elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Black Mountain Operating, LLC  
Pronghorn 15 Prospect  
June 16, 2016  
Page 2 of 2

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

Sincerely,

**MEWBOURNE OIL COMPANY**

*Corey Mitchell*

Corey Mitchell  
Landman



Date: February 9, 2016

Simple Certified:

The following is in response to your February 9, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013290817. The delivery record shows that this item was delivered on February 8, 2016 at 11:27 am in DALLAS, TX 75240. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	X <i>Dannella Warner</i>
Printed Name	X <i>Dannella Warner</i>

Address of Recipient :

Delivery Address	<i>13727 Merit Energy #1200</i>
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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

Nick Peters  
Merit Energy Company  
13727 NOEL RD STE 1200  
DALLAS, TX 75240  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 3, 2016

Via Certified Mail

Merit Energy Company

13727 Noel Road, Ste. 1200

Dallas, Texas 75240

Attn: Mr. Nick Peters

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently Merit Management I, LP, Merit Management II, LP, Merit Management III, LP, Merit Energy Partners III, LP, Merit Energy Partners E-III, LP and Merit Energy Partners F-III, LP (collectively "Merit") own 6.022717% interest in the SW/4, 39.356050% interest in the SE/4, 10.207188% interest in the NE/4 and 43.540521% interest in the NW/4 of the captioned Section 15. Accordingly, Merit would own 24.781619% working interest in the proposed WIU (6.022717% interest X 160 gross acres = 9.636347 net acres) (39.356050% interest X 160 gross acres = 62.969680 net acres) (10.207188% interest X 160 gross acres = 16.331501 net acres) (43.540521% interest X 160 gross acres = 69.664834 net acres) (9.636347 net acres + 62.969680 net acres + 16.331501 net acres + 69.664834 net acres = 158.602362 net acres / 640 gross acres = 24.781619% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Merit Energy Company  
Pronghorn 15 Prospect  
February 3, 2016  
Page 2 of 2

Should Merit not wish to participate, Mewbourne is still willing to enter into a Farmout Agreement based on the terms previously discussed.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

*Corey Mitchell*

Corey Mitchell  
Landman

## Corey Mitchell

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**From:** Peters, Nick <Nick.Peters@meritenergy.com>  
**Sent:** Monday, April 25, 2016 4:26 PM  
**To:** Corey Mitchell  
**Subject:** RE: Pronghorn 15 Prospect

Corey:

I apologize for not getting back to you - I've been on the road a fair amount. I circled up internally, and we are not presently interested in participating in this well. I also do not believe we are interested in farming out this acreage. Where do you think that leaves things?

Thanks.

Nick Peters  
972.628.1507

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

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Monday, April 25, 2016 1:07 PM  
**To:** Peters, Nick  
**Subject:** FW: Pronghorn 15 Prospect

Nick,

I just wanted to follow up on this prospect. Have you heard anything back yet on what Merit is wanting to do? Any update will be appreciated. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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

**From:** Corey Mitchell  
**Sent:** Monday, March 28, 2016 5:03 PM  
**To:** 'Peters, Nick'  
**Subject:** Pronghorn 15 Prospect

Nick,

Pursuant to our conversation, please see attached well proposal I sent Merit back in February. Please review and let me know what you hear back. As mentioned, I am looking for direction (participate or work a deal) on Merit's thoughts

concerning this prospect. Let me know if you have any questions or need additional information. Thanks Nick. Have a great evening.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

## Corey Mitchell

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**From:** Peters, Nick <Nick.Peters@meritenergy.com>  
**Sent:** Thursday, December 17, 2015 10:27 AM  
**To:** Corey Mitchell  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Core:

I discussed this with management. Unfortunately, we do not want to farmout this acreage at this time. Thank you very much for your interest, and I'll be sure to let you know if our level of interest changes.

Take care, and enjoy the holidays.

Nick Peters  
972.628.1507

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**From:** Corey Mitchell [mailto:cmitchell@Mewbourne.com]  
**Sent:** Tuesday, December 08, 2015 5:01 PM  
**To:** Peters, Nick  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Nick,

Hope all is going well. I would like to start up our conversation again regarding the Farmout covering Merit's interest in Section 15, T23S, R34E, Lea County, New Mexico. Based on our last conversation, I believe Merit was okay with the terms below but was wanting to get a better feel for its NRI. We had title rendered and it appears Merit has an average NRI of 80.271718% interest throughout the section.

Please look it over and let me know your thoughts. Thanks Nick. I look forward to hearing from you. Have a great evening.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Peters, Nick [mailto:Nick.Peters@meritenergy.com]  
**Sent:** Friday, September 11, 2015 5:01 PM  
**To:** Corey Mitchell  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Thanks, Corey. We'll review this and get back to you.

Have a great weekend.

Nick Peters  
972.628.1507

## Corey Mitchell

---

**From:** Peters, Nick <Nick.Peters@meritenergy.com>  
**Sent:** Tuesday, December 08, 2015 5:03 PM  
**To:** Corey Mitchell  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Thanks, Corey. We'll take a look at this again and get back to you.

Nick Peters  
972.628.1507

---

**From:** Corey Mitchell [mailto:cmitchell@Mewbourne.com]  
**Sent:** Tuesday, December 08, 2015 5:01 PM  
**To:** Peters, Nick  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Nick,

Hope all is going well. I would like to start up our conversation again regarding the Farmout covering Merit's interest in Section 15, T23S, R34E, Lea County, New Mexico. Based on our last conversation, I believe Merit was okay with the terms below but was wanting to get a better feel for its NRI. We had title rendered and it appears Merit has an average NRI of 80.271718% interest throughout the section.

Please look it over and let me know your thoughts. Thanks Nick. I look forward to hearing from you. Have a great evening.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Peters, Nick [mailto:Nick.Peters@meritenergy.com]  
**Sent:** Friday, September 11, 2015 5:01 PM  
**To:** Corey Mitchell  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Thanks, Corey. We'll review this and get back to you.

Have a great weekend.

Nick Peters  
972.628.1507

---

**From:** Corey Mitchell [mailto:cmitchell@Mewbourne.com]  
**Sent:** Friday, September 11, 2015 4:08 PM  
**To:** Peters, Nick  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Nick,

Pursuant to our conversation, Mewbourne Oil Company hereby offers to acquire a Farmout from Merit Energy Company (including internal entities) covering its interest in Section 15, T23S, R34E, Lea County, New Mexico under the following revised terms:

- Mutually acceptable form with a two (2) year term. (I know you had requested a term of 1 year, but I think we will need longer simply due to the extensive title work that needs to be done on this section)
- Merit will reserve an ORI equal to the difference between 25% and existing burdens, whereby MOC is delivered a 75% NRI.
- If MOC drills a well within the primary term will earn 320 acres and will then have 180 day continuous development after expiration of the primary term to drill an additional well, earning the other 320 acres. Will earn term assignment by drilling the 2 wells "earning wells".
- Merit will have the option to convert its reserved ORI to a 25% working interest (proportionately reduced) on the earning wells.
- MOC would earn 75% of Merit's interest outside the wellbores of the earning wells.
- Merit would be heads up on subsequent wells with its retained 25% interest and have the option to either participate or farmout its interest with the option to convert its reserved ORI to a 25% working interest (proportionately reduced).
- Exclude existing wellbores and the production therefrom.
- Limited in depths as to the Bone Spring formation.

I believe the above terms cover what we discussed on the phone. Let me know if I am missing something or if you have any questions. Thanks Nick. Have a great weekend.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Peters, Nick [<mailto:Nick.Peters@meritenergy.com>]  
**Sent:** Wednesday, September 02, 2015 3:48 PM  
**To:** Corey Mitchell  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Corey:

Do you have any time to briefly discuss this today? If so, please let me know and we can set something up.

Thanks.

Nick Peters  
972.628.1507

---

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Friday, August 28, 2015 9:43 AM  
**To:** Roberts, Eric  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Eric,

Pursuant to our conversation last week and Merit's preference to not be at a heads up basis on subsequent wells, Mewbourne Oil Company hereby offers to acquire a Farmout from Merit Energy Company (including internal entities) covering its interest in Section 15, T23S, R34E, Lea County, New Mexico under the following revised terms:

- Mutually acceptable form with a two (2) year term.
- Merit will reserve an ORI equal to the difference between 25% and existing burdens, whereby MOC is delivered a 75% NRI.
- MOC would earn 75% of Merit's interest outside the wellbore of the initial well in each proration unit.
- Merit will have the option to convert its reserved ORI to a 25% working interest (proportionately reduced) on a well by well basis.
- If MOC drills a well within the primary term will earn 320 acres and will then have 180 day continuous development after expiration of the primary term to drill an additional well, earning the other 320 acres. Will earn term assignment by drilling the 2 wells.
- Exclude existing wellbores and the production therefrom.
- Limited in depths as to the Bone Spring formation.

Let me know if you have any questions. Thanks Eric. Have a great weekend.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Roberts, Eric [<mailto:Eric.Roberts@meritenergy.com>]  
**Sent:** Monday, August 17, 2015 5:26 PM  
**To:** Corey Mitchell  
**Subject:** Re: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Glad you didn't agree to this as an offer, I would have felt horrible had it come across felt like I was jerking you all around.

Eric

On Aug 17, 2015, at 4:57 PM, Corey Mitchell <[cmitchell@Mewbourne.com](mailto:cmitchell@Mewbourne.com)> wrote:

Eric,

Thanks for getting back with me. I believe we did a deal similar to your revisions a couple years ago. However, that was a different price environment and we didn't have a foothold in that prospect. Given the current environment and the fact we already have a position in this section, we are not going to be acceptable to working a deal based on your countered terms. Our offer is still valid and any counter would need to be closer to those terms. I hope this helps you out. Let me know if you have any questions. I look forward to hearing back from you. Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701

Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Roberts, Eric [<mailto:Eric.Roberts@meritenergy.com>]  
**Sent:** Tuesday, August 11, 2015 11:09 AM  
**To:** Corey Mitchell  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

I followed up and should hear something by EOD or tomorrow

- Mutually acceptable form with a two (2) year term. **1 year term**
- Merit will reserve an ORI equal to the difference between 25% and existing burdens, whereby MOC is delivered a 75% NRI. **SAME**
- Merit will have the option to convert its reserved ORI to a ~~25%~~ working interest (proportionately reduced) on the initial well drilled in each proration unit. **33 1/3%**
- MOC would earn 75% of Merit's interest outside the wellbore of the initial well in each proration unit. **MOC earns 100% in First Test Well vertically limited to First Bone Spring interval and Earn 50% interest of Farmors interest in each of the 2<sup>nd</sup> Bone Spring & Third Bone Spring**
- Merit would be heads up on subsequent wells with its retained 25% interest. N/A
- 180 day continuous development language. **180 days Continuous Dev**
- Exclude existing wellbores and the production therefrom.
- Limited in depths from the surface to the base of the Wolfcamp formation. **Limited stratigraphically from first bone Spring 9,354' to 9,880', 2<sup>nd</sup> Bone Spring 9,880' to 10,493' etc.**

Eric Roberts, RPL, CPLTA | Landman

 **Merit Energy Company** | 13727 Noel Road, Suite 1200 | Dallas, TX 75240  
Office 972.628.1493 | Fax 972.628.1793

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**From:** Corey Mitchell  
[\[mailto:cmitchell@Mewbourne.com\]](mailto:cmitchell@Mewbourne.com)

**Sent:** Tuesday, August 11, 2015 9:25 AM  
**To:** Roberts, Eric  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Eric,

I just wanted to touch base with you and see if you have heard anything back regarding our offer? Any update will be appreciated. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Corey Mitchell  
**Sent:** Tuesday, July 28, 2015 8:19 AM  
**To:** 'Roberts, Eric'  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Eric,

Pursuant to our conversation, Mewbourne Oil Company hereby offer to acquire a Farmout from Merit Energy Company (including internal entities) covering its interest in Section 15, T23S, R34E, Lea County, New Mexico under the following terms:

- Mutually acceptable form with a two (2) year term.
- Merit will reserve an ORI equal to the difference between 25% and existing burdens, whereby MOC is delivered a 75% NRI.
- Merit will have the option to convert its reserved ORI to a 25% working interest (proportionately reduced) on the initial well drilled in each proration unit.
- MOC would earn 75% of Merit's interest outside the wellbore of the initial well in each proration unit.
- Merit would be heads up on subsequent wells with its retained 25% interest.
- 180 day continuous development language.
- Exclude existing wellbores and the production therefrom.
- Limited in depths from the surface to the base of the Wolfcamp formation.

Please review and let me know if this is acceptable. If so, I will send over a Farmout Agreement for review. Let me know if you have any questions. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Roberts, Eric [<mailto:Eric.Roberts@meritenergy.com>]  
**Sent:** Monday, July 27, 2015 8:33 AM  
**To:** Corey Mitchell  
**Subject:** RE: Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Morning Cory,

Unfortunately, this was just bad timing for Merit to have to make a decision on a capital rich horizontal, but I appreciate your interest and hope we can put something together when the timing is right. Please do stay in touch.

Thank you,

Eric Roberts, RPL, CPLTA | Landman

<image001.jpg> Merit Energy Company | 13727 Noel Road, Suite 1200 | Dallas, TX 75240

Office 972.628.1493 | Fax 972.628.1793

---

**From:** Roberts, Eric  
**Sent:** Tuesday, July 21, 2015 5:53

PM

**To:** 'Corey Mitchell'

**Subject:** Mewbourne Oil Co. New Well proposal :PRONGHORN 15 B3DM FED COM NO. 1H

Cory,

We are not interested in participating/developing the acreage at this time. If you want to draft a farm out agreement proposal with favorable terms, we would be willing to consider it.

I apologize for just getting back to you on this,

Eric Roberts, RPL, CPLTA | Landman

<image001.jpg> **Merit Energy Company** | 13727 Noel Road, Suite 1200 | Dallas, TX 75240

Office 972.628.1493 | Fax 972.628.1793



Date: June 27, 2015

Simple Certified:

The following is in response to your June 27, 2015 request for delivery information on your Certified Mail™/RRE item number 9414810699945009851930. The delivery record shows that this item was delivered on June 26, 2015 at 10:43 am in DALLAS, TX 75240. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature X	<i>Dorella Warner</i>
Printed Name	Dorella Warner

Address of Recipient :

Delivery Address	13727 NOEL 1200
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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

Mr. Eric Roberts  
Merit Energy Company  
13727 NOEL RD STE 1200  
DALLAS, TX 75240  
Reference #: Pronghorn 15 B3DM cm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 24, 2015

Via Certified Mail

Merit Energy Company  
13727 Noel Road, Ste. 1200  
Dallas, Texas 75240  
Attn: Mr. Eric Roberts

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production.

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated May 1, 2015 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

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

Sincerely,

MEWBOURNE OIL COMPANY

*Corey Mitchell*  
Corey Mitchell  
Landman

## Corey Mitchell

---

**From:** Corey Mitchell  
**Sent:** Tuesday, January 27, 2015 3:06 PM  
**To:** 'Dick, Carolyn'  
**Subject:** Lea County, New Mexico Offer  
**Attachments:** Merit Offer Letter.pdf

Carolyn,

Pursuant to our conversation, please see attached offer regarding Merit Energy Company's (and affiliates) interest in Section 15, T23S, R34E, Lea County, New Mexico. Hopefully this will help in moving forward. Please let me know your thoughts once you have had a chance to review. Let me know if you have any questions. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170



Date: February 1, 2015

Simple Certified:

The following is in response to your February 1, 2015 request for delivery information on your Certified Mail™/RRE item number 9414810699945007651099. The delivery record shows that this item was delivered on January 31, 2015 at 12:26 pm in DALLAS, TX 75240. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	X <i>J. Graham</i>
Printed Name	J. Graham

Address of Recipient :

Delivery Address	13727 Noel Rd #200
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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

Carolyn Dick  
Merit Energy Company  
13727 NOEL RD STE 1200  
DALLAS, TX 75240  
Reference #: Mad Dog 15 cm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

January 27, 2015

Via Email and Certified Mail

Merit Energy Company  
13727 Noel Road, Suite 1200  
Dallas, Texas 75240  
Attn: Ms. Carolyn Dick

Re: Mad Dog "15" Prospect  
Section 15, T23S, R34E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") is interested in acquiring a Term Assignment covering all of Merit Management Partners III, L.P., Merit Management Partners II, L.P., Merit Management Partners I, L.P., Merit Energy Partners F-III, L.P., Merit Energy Partners E-III, L.P. and Merit Energy Partners III, L.P. ("Merit") right, title and interest in the above captioned Section 15 as to depths from the surface to 11,710' beneath the surface, save and except all interest in and to the existing wellbores and production therefrom from any well currently located on the lands or communitized therewith.

According to the records in Lea County, New Mexico, Merit appears to own approximately 33.333333% working interest (53.333333 net acres) in the NW/4 and 39.356050% working interest (62.96968 net acres) in the SE/4 of the captioned Section 15.

Regarding the above, Mewbourne hereby offers to purchase a three (3) year Term Assignment covering all of Merit's interest in the above captioned Section 15 for \$750.00 per net acre; based upon delivery of a 77% net revenue interest to Mewbourne (116.303013 net acres x \$750.00 per acre = \$87,227.26).

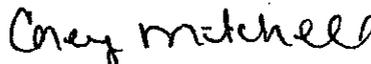
This offer is subject to Mewbourne's approval of title and execution of a mutually acceptable form of assignment. Please indicate your acceptance by signing and returning page 2 of this letter within 30 days of receipt.

As previously mentioned, there are several documents this interest appears to be subject to that are not filed of record in Lea County, New Mexico. Mewbourne's offer is subject to verification/confirmation that Merit owns the above working interest in the captioned Section 15, as we believe they do.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell

The undersigned elects to assign and convey all of their interest, subject to approval of title and a mutually acceptable Term Assignment, in and to the lands and depths referenced below, delivering no less than 77% net revenue interest to Mewbourne Oil Company.

**Township 23 South, Range 34 East**  
Section 15: All  
Lea County, New Mexico  
Limited to depths from the surface to 11,710'

**MERIT ENERGY COMPANY**

\_\_\_\_\_  
BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

## Corey Mitchell

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**From:** Karen Stanford <karenstanford@yahoo.com>  
**Sent:** Tuesday, September 20, 2016 7:22 AM  
**To:** Corey Mitchell  
**Cc:** Karen Stanford  
**Subject:** Re: Term Assignment

Thanks Corey. I will look at the changes and discuss this again with Tom.

I forgot to give you the well information requirements for the term assignment. Assuming that's the way Tom wants to go, I will get that to you and we can add it as an Exhibit to the Assignment.

Thanks,

Karen

---

**From:** Corey Mitchell <[cmitchell@Mewbourne.com](mailto:cmitchell@Mewbourne.com)>  
**To:** Karen Stanford <[kstanford@sianaoil.com](mailto:kstanford@sianaoil.com)>  
**Cc:** "[karenstanford@yahoo.com](mailto:karenstanford@yahoo.com)" <[karenstanford@yahoo.com](mailto:karenstanford@yahoo.com)>  
**Sent:** Monday, September 19, 2016 4:59 PM  
**Subject:** RE: Term Assignment

Karen,

Pursuant to our conversation, please see attached redlined Term Assignment. I believe I have incorporated all the changes we discussed.

Please send me over the respective paperwork showing Mr. Ragsdale owns this as his separate property.

I talked to my team about purchasing a full assignment as opposed to doing a term assignment. They don't think we would be able to add much more value, but said if you have something to offer we will look at it.

Because we would look to wrap this up sooner than later, I believe sticking with the Term Assignment will be our best option. However, please have Mr. Ragsdale sign and send in the executed AFE should he wish to participate instead.

Let me know if you have any questions or if I am missing anything. Thanks. Have a great evening.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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

## Corey Mitchell

---

**From:** Karen Stanford <kstanford@sianaoil.com>  
**Sent:** Friday, September 16, 2016 10:54 AM  
**To:** Corey Mitchell  
**Subject:** RE: Term Assignment

Monday sounds good. How about 10:00 - I'll call you?

Hope you have a good weekend!

Karen

---

**From:** Corey Mitchell [cmitchell@Mewbourne.com]  
**Sent:** Friday, September 16, 2016 10:35 AM  
**To:** Karen Stanford  
**Subject:** RE: Term Assignment

Karen,

Monday would probably be best. I have a meeting 2-3, but should be available the rest of the day. Any time work better for you than another? Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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

**From:** Karen Stanford [mailto:kstanford@sianaoil.com]  
**Sent:** Friday, September 16, 2016 9:48 AM  
**To:** Corey Mitchell  
**Subject:** RE: Term Assignment

Hi Corey - I am at an offsite meeting today, but can take your call if you want to talk through the Assignment. Might be best to set up a time to talk. Just let me know.

Thanks,

Karen Stanford  
713-320-6871

---

**From:** Karen Stanford  
**Sent:** Thursday, September 15, 2016 9:39 AM

To: Corey Mitchell  
Subject: RE: Term Assignment

Corey - My apologies - if you mentioned the Wolfcamp as an objective I overlooked it. My intention has always been for Mewbourne to earn 160 acres per Bone Spring well during the term of the Assignment, with Tom having the option to back-in on wells drilled on the remaining 480 acres.

At this point it probably makes more sense to discuss this by phone so we can timely work through this issue and any others regarding the Assignment. Please let me know when you are available to discuss.

Thanks,

Karen

---

From: Corey Mitchell [cmitchell@mewbourne.com]  
Sent: Wednesday, September 14, 2016 5:19 PM  
To: Karen Stanford  
Subject: RE: Term Assignment

Karen,

Our initial well is the Pronghorn 15 B3DM Fed Com #1H, which will be a Bone Spring test. However, we are looking at the Wolfcamp as a secondary target. We plan on spudding this well in the coming months.

The terms as proposed by you and accepted by MOC were that Mr. Ragsdale would farmout its interest in Section 15 and have no back-in option on the first well and have a back-in option on all subsequent wells. This is how the deal is set up. Mr. Ragsdale would not have the option to participate upfront on subsequent wells, but would instead have the option at payout.

Hope this helps clear up the confusion.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

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

From: Karen Stanford [mailto:kstanford@sianoil.com]  
Sent: Wednesday, September 14, 2016 5:08 PM  
To: Corey Mitchell  
Subject: RE: Term Assignment

Hi Corey - Thanks for your response.

I had been under the assumption that the objective of the Pronghorn 15 #1H was the Bone Spring and not the Wolfcamp. Would you please let me know what the drilling plan is for the well, what the future plan is for Section 15, what your interest is and who your partners are in the well.



From: Karen Stanford [mailto:kstanford@sianaoil.com]  
Sent: Monday, September 12, 2016 2:22 PM  
To: Corey Mitchell  
Subject: Term Assignment

Hi Corey,

Sorry it took so long to get comments on the Term Assignment to you. I have attached the document with my comments. I left in the earning of rights from the surface to the deepest producing zone, however, Tom will have the option to back in on the first well in addition to subsequent wells.

Call me when you are ready to talk through the changes.

Thanks,

Karen Stanford  
713-568-1082

## Corey Mitchell

---

**From:** Karen Stanford <kstanford@sianaoil.com>  
**Sent:** Tuesday, September 13, 2016 10:06 AM  
**To:** Corey Mitchell  
**Subject:** RE: Term Assignment

Corey - I just realized that I forgot to include the information requirements. I'd like to add that to the agreement. I'll get those to you by tomorrow.

Thanks,

Karen

---

**From:** Karen Stanford  
**Sent:** Monday, September 12, 2016 2:22 PM  
**To:** Corey Mitchell  
**Subject:** Term Assignment

Hi Corey,

Sorry it took so long to get comments on the Term Assignment to you. I have attached the document with my comments. I left in the earning of rights from the surface to the deepest producing zone, however, Tom will have the option to back in on the first well in addition to subsequent wells.

Call me when you are ready to talk through the changes.

Thanks,

Karen Stanford  
713-568-1082

## Corey Mitchell

---

**From:** Karen Stanford <kstanford@sianoil.com>  
**Sent:** Wednesday, September 07, 2016 5:32 PM  
**To:** Corey Mitchell  
**Subject:** Agreement

Hi Corey – I did not get a chance to look at the agreement today, but will try to do tomorrow and get back with you.

As for the shallow rights – Tom will give up the shallow rights for a back-in on the first well.

Talk to you tomorrow,

Karen

## Corey Mitchell

---

**From:** Karen Stanford <kstanford@sianoil.com>  
**Sent:** Wednesday, September 07, 2016 9:29 AM  
**To:** Corey Mitchell  
**Subject:** RE: Pronghorn 15 Prospect

Got it! Thanks Corey. I will get back with you later today.

Karen

---

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Tuesday, September 06, 2016 5:30 PM  
**To:** Karen Stanford  
**Subject:** RE: Pronghorn 15 Prospect

Karen,

I tried faxing to you. Let me know if it did not go through. Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Karen Stanford [<mailto:kstanford@sianoil.com>]  
**Sent:** Friday, September 02, 2016 9:03 AM  
**To:** Corey Mitchell  
**Subject:** RE: Pronghorn 15 Prospect

Thanks Corey – Is there a JOA that has been executed already? I would like to review it if it's the JOA that Tom will be subject to at payout. Do you have a fax machine? Maybe you can fax it? Our fax number is 832-767-1403.

I'll talk to Tom about the shallow rights and let you know.

Thanks,

Karen

---

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Thursday, September 01, 2016 11:23 AM  
**To:** Karen Stanford  
**Subject:** FW: Pronghorn 15 Prospect

Karen,

My email keeps getting kicked back when I attach the JOA form.

I was thinking it may not be necessary to attach the JOA as an exhibit. A simple reference describing the JOA to be effective at payout may suffice.

Also, we are not acceptable to limiting the term assignment to just the producing formation. We feel we are giving a lot on the terms and would like the opportunity to develop surface to the base of the Wolfcamp. Plus, this will keep things uniformed with the other partners as they are surface to base of Wolfcamp. In addition, we are only earning down to what we produce and the term assignment is already set up that any unproduced depths below our producing formation will revert back to Mr. Ragsdale.

We have this well set to spud late 2016 / early 2017.

Let me know if you need anything else. Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Karen Stanford [<mailto:kstanford@sianaoil.com>]

**Sent:** Wednesday, August 31, 2016 5:19 PM

**To:** Corey Mitchell

**Subject:** RE: Pronghorn 15 Prospect

Hi Corey – thanks for the heads up. Do you have a lot of interest owners that need to be forced pooled? Who are your partners? Could you send me a copy of the JOA? I would like to review that and attach it to the Assignment. I need to review the Assignment more closely before I can give you comments and changes we may need, but we would like to only assign the producing formation. I should be able to give you my comments by Friday though. Let me know if there is a problem with attaching the JOA and assigning only the producing formation.

When is your expected spud date?

Thanks,

Karen

---

**From:** Corey Mitchell [<mailto:cmitchell@mewbourne.com>]

**Sent:** Monday, August 29, 2016 4:39 PM

**To:** Karen Stanford

**Subject:** Pronghorn 15 Prospect

Karen,

I just wanted to give you a heads up that I will be moving forward with force pooling for all parties not under our JOA or an executed deal in place.

We recognize our recent negotiations on a term assignment and still want to move forward with closing said deal. Once executed, Mr. Ragsdale will be released from the pooling application.

I've been instructed to do this in order to prepare the well for drilling so we don't have any interest hanging out. Also, we do not want to go back and reopen the case should our deal fall apart for any reason. Although, I don't expect that it will.

I just wanted to give you a heads up so you didn't think we were not interested in working a deal out anymore.

Let me know if you have any questions. Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

## Corey Mitchell

---

**From:** Karen Stanford <kstanford@sianaoil.com>  
**Sent:** Monday, August 22, 2016 6:15 PM  
**To:** Corey Mitchell  
**Cc:** Mark Crosswell  
**Subject:** RE: Pronghorn 15 Prospect

Hi Corey – Sorry for not getting back to you sooner. I just talked Tom about it. The basic structure of the deal he is fine with. There are some specifics we need to discuss such as:

1. Receiving well Information
2. Pugh clause
3. Wellbore only assignment
4. Definition of payout

Also, Mark Crosswell with Siana has been talking to your production people about the disposal of the saltwater from these wells. Siana has a SWD well nearby and would like to contract with Mewbourne for the disposal. Could we set up a meeting to discuss this with the appropriate people?

I am out tomorrow, but checking email. Let me know if you want to set up a time to talk about the assignment and/or the SWD contract.

Thanks,

Karen

**From:** Corey Mitchell [mailto:cmitchell@Mewbourne.com]  
**Sent:** Monday, August 22, 2016 4:55 PM  
**To:** Karen Stanford <kstanford@sianaoil.com>  
**Subject:** RE: Pronghorn 15 Prospect

Karen,

Just checking in. Any feedback? Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Karen Stanford [mailto:kstanford@sianaoil.com]  
**Sent:** Wednesday, August 17, 2016 10:22 AM  
**To:** Corey Mitchell  
**Subject:** RE: Pronghorn 15 Prospect

Hi Corey - Thanks for your revised offer. Sorry I didn't get back to you yesterday. I will try to talk to Tom about it this afternoon and hopefully can get back with you then.

Thanks,

Karen

---

**From:** Corey Mitchell [cmitchell@Mewbourne.com]

**Sent:** Monday, August 15, 2016 9:01 AM

**To:** Karen Stanford

**Subject:** RE: Pronghorn 15 Prospect

Karen,

Pursuant to our conversation, please see revised offer below.

- 3 year term
- Limited from the Surface to the base of the Wolfcamp formation.
- [REDACTED] bonus
- ORRI - [REDACTED]
- [REDACTED]
- [REDACTED]
- 180 day continuous development earning through the base of the producing formation in each proration unit.

Please review and let me know if the above is acceptable. If so, I will forward a copy of our term assignment for review. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Karen Stanford [mailto:kstanford@sianaoil.com]

**Sent:** Thursday, August 11, 2016 6:25 PM

**To:** Corey Mitchell

**Subject:** RE: Pronghorn 15 Prospect

Hi Corey - Thanks for your note. I will be out Monday, but in Tuesday. Look forward to talking with you. Enjoy your weekend!

Karen  
713- 568-1082

---

**From:** Corey Mitchell [cmitchell@Mewbourne.com]

**Sent:** Thursday, August 11, 2016 5:24 PM

**To:** Karen Stanford

**Subject:** RE: Pronghorn 15 Prospect

Karen,

Sorry, I am out of the office but will be back on Monday. I will get with you then and hopefully get a deal worked out. Thanks for your patience. Have a great weekend.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Karen Stanford [<mailto:kstanford@sianaoil.com>]

**Sent:** Monday, August 08, 2016 4:54 PM

**To:** Corey Mitchell

**Subject:** RE: Pronghorn 15 Prospect

Hi Corey-

We can reduce the ORRI to the [REDACTED] difference between 25% and lease burdens, [REDACTED]  
[REDACTED]

I am happy to discuss this with you by phone - just let me know when it's a good time for you to talk.

Thanks,

Karen

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]

**Sent:** Friday, August 05, 2016 4:39 PM

**To:** Karen Stanford <[kstanford@sianaoil.com](mailto:kstanford@sianaoil.com)>

**Subject:** RE: Pronghorn 15 Prospect

Karen,

We are not going to be able to do a deal based on the terms set out below. MOC is willing to purchase a Term Assignment based on the following:

- 3 year term
- Limited from the Surface to the base of the Wolfcamp formation.
- [REDACTED] bonus
- 25% - existing burdens, proportionately reduced, as an overriding royalty reservation.
- 180 day continuous development

I cannot get approval to pay the big bonus amount, have an ORI reservation that would potentially put our NRI less than 75% and burden the interest even further with a BIAPO.

Please review and let me know if the above is acceptable. Hopefully we can find some common ground here. Thanks. Have a great weekend.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701

Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Karen Stanford [mailto:kstanford@sianaoil.com]  
**Sent:** Wednesday, August 03, 2016 6:00 PM  
**To:** Corey Mitchell  
**Subject:** RE: Pronghorn 15 Prospect

Corey - Thanks for your counter proposal. I just ran it by Tom and this is what we would like to propose:

3 year term assignment from surface to Bone Springs

██████████ bonus

ORRI - ██████████  
██████████  
██████████

Pugh Clause - at end of primary term, all acreage not within 160 acre proration unit is released along with all non producing zones  
Will need to attach a negotiated JOA

I will not be in the office tomorrow, but will be checking emails. Ill be back in on Friday.

Let me know what you think.

Thanks,

Karen  
713-569-1082 (office)  
713-320-6871 (cell)

---

**From:** Corey Mitchell [cmitchell@Mewbourne.com]  
**Sent:** Wednesday, August 03, 2016 11:24 AM  
**To:** Karen Stanford  
**Subject:** Pronghorn 15 Prospect

Karen,

Pursuant to our conversation the other day, would Mr. Ragsdale be acceptable to a three (3) year term assignment covering all his interest in Section 15, T23S, R34E, Lea County, New Mexico for ██████████ per net acre, delivering a 75% NRI?

My records show that he owns 6.77495% interest (21.67984 net acres) in the S/2 and 6.9% interest (22.08 net acres) in the N/2. This would equate to ██████████ (21.67984 + 22.08 = 43.75984 net acres X ██████████ = ██████████).

Please review and let me know your thoughts. Thanks Karen. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

## Corey Mitchell

---

**From:** Corey Mitchell  
**Sent:** Thursday, June 30, 2016 1:29 PM  
**To:** Mark Crosswell  
**Cc:** Tom Ragsdale  
**Subject:** RE: Pronghorn 15

Sounds good.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Mark Crosswell [<mailto:mcrosswell@sianaoil.com>]  
**Sent:** Thursday, June 30, 2016 10:13 AM  
**To:** Corey Mitchell  
**Cc:** Tom Ragsdale  
**Subject:** RE: Pronghorn 15

Lets do 3pm - thanks

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Thursday, June 30, 2016 7:59 AM  
**To:** Mark Crosswell <[mcrosswell@sianaoil.com](mailto:mcrosswell@sianaoil.com)>  
**Cc:** Tom Ragsdale <[tmragsdale@sianaoil.com](mailto:tmragsdale@sianaoil.com)>  
**Subject:** RE: Pronghorn 15

Mark,

I will be in meetings this morning. Will 2 or 3 work for you this afternoon?

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Mark Crosswell [<mailto:mcrosswell@sianaoil.com>]  
**Sent:** Wednesday, June 29, 2016 5:14 PM  
**To:** Corey Mitchell  
**Cc:** Tom Ragsdale  
**Subject:** Pronghorn 15

Corey,

I left you a message to discuss the above captioned prospect. We were hoping to set up a call to discuss the AFE. Do you have anytime tomorrow for a call with Tom Ragsdale and myself?

H. Mark Crosswell, CFA  
Siana Oil & Gas Co., LLC  
12012 Wickchester Lane, ste 410  
Houston, Texas 77079  
713-568-1082  
Cell: 713-410-1778

## Corey Mitchell

---

**From:** Corey Mitchell  
**Sent:** Thursday, June 16, 2016 10:59 AM  
**To:** Tom Ragsdale  
**Subject:** RE: Pronghorn 15 B3DM Fed Com No. 1

Hey Tom,

I just wanted to follow up on our conversation the other day. I believe you were looking at countering our offer as opposed to participating. I just wanted to check in and see if you had something else in mind. Let me know what you think. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Tom Ragsdale [<mailto:tmragsdale@sianaoil.com>]  
**Sent:** Wednesday, May 25, 2016 6:00 PM  
**To:** Corey Mitchell  
**Subject:** Pronghorn 15 B3DM Fed Com No. 1

Hi Corey,

We recently received your well proposal and AFE. We have a few questions about the proposed well. Let's visit tomorrow if you'll be in the office. I believe we met before with Larry Cunningham and your group at lunch. I will look forward to visiting with you. Thanks

Tom M. Ragsdale  
President  
Siana Oil & Gas Co., LLC.  
12012 Wickchester Lane, Ste 410  
Houston, TX 77079  
713-568-1082



Date: May 17, 2016

Simple Certified:

The following is in response to your May 17, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945015090651. The delivery record shows that this item was delivered on May 16, 2016 at 2:51 pm in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :

*John Lebel John Lebel*

Address of Recipient :

*P. O. Box 10303  
Midland, TX*

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

Tom M. Ragsdale  
PO BOX 10303  
MIDLAND, TX 79702  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

April 27, 2016

Via Certified Mail

Tom M. Ragsdale

P.O. Box 10303

Midland, Texas 79702

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Mr. Ragsdale:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 6.774950% interest in the S/2 and 6.900000% interest in the N/2 of the captioned Section 15. Accordingly, you would own 6.837475% working interest in the proposed WIU (6.774950% interest X 320 gross acres = 21.679840 net acres) (6.900000% interest X 320 gross acres = 22.080000 net acres) (21.679840 net acres + 22.080000 net acres = 43.759840 net acres / 640 gross acres = 6.837475% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Tom M. Ragsdale  
Pronghorn 15 Prospect  
April 27, 2016  
Page 2 of 2

In lieu of participating, Mewbourne hereby offers to purchase a three (3) year Term Assignment from you on the basis of \$1,000.00 per net acre whereby Mewbourne would be delivered a 75% net revenue interest, subject to proportionate reduction. The term assignment will be limited in depths from the surface to the base of the Wolfcamp formation (43.759840 net acres X \$1,000.00 = \$43,759.84).

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

Sincerely,

**MEWBOURNE OIL COMPANY**

*Corey Mitchell*

Corey Mitchell  
Landman

## Corey Mitchell

---

**From:** J.J. Chisholm <jjchisholm@viersenoilandgas.com>  
**Sent:** Thursday, June 23, 2016 4:52 PM  
**To:** Corey Mitchell  
**Subject:** RE: Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

Corey,

We are still reviewing the JOA.

Thank you,



J. J. Chisholm  
Landman  
Viersen Oil & Gas Co.  
P. O. Box 702708  
Tulsa, OK 74170  
Office: 918-392-8812  
Cell: 918-978-8311  
[jjchisholm@viersenoilandgas.com](mailto:jjchisholm@viersenoilandgas.com)

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Thursday, June 16, 2016 11:00 AM  
**To:** J.J. Chisholm <[jjchisholm@viersenoilandgas.com](mailto:jjchisholm@viersenoilandgas.com)>  
**Subject:** RE: Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

J.J.,

Any progress on the JOA? Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** J.J. Chisholm [<mailto:jjchisholm@viersenoilandgas.com>]  
**Sent:** Friday, April 29, 2016 2:34 PM  
**To:** Corey Mitchell  
**Subject:** Re: Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

Corey,

You're welcome and you too.

Thank you,

**J. J. Chisholm**  
Landman  
Viersen Oil & Gas Co.  
**P. O. Box 702708**  
**Tulsa, OK 74170**  
Office: **918-392-8812**  
Cell: **918-978-8311**  
[jjchisholm@viersenoilandgas.com](mailto:jjchisholm@viersenoilandgas.com)

On Apr 29, 2016, at 12:37 PM, Corey Mitchell <[cmitchell@Mewbourne.com](mailto:cmitchell@Mewbourne.com)> wrote:

J.J.,

Thanks for the update. Have a great weekend.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** J.J. Chisholm [<mailto:jjchisholm@viersenoilandgas.com>]  
**Sent:** Friday, April 29, 2016 12:01 PM  
**To:** Corey Mitchell  
**Subject:** RE: Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

Corey,

Good morning. We are currently reviewing the JOA and I will let you know if we have questions regarding the JOA.

Thank you,

<image001.png>

**J. J. Chisholm**  
Landman  
Viersen Oil & Gas Co.  
**P. O. Box 702708**  
**Tulsa, OK 74170**  
Office: **918-392-8812**  
Cell: **918-978-8311**  
[jjchisholm@viersenoilandgas.com](mailto:jjchisholm@viersenoilandgas.com)

---

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Wednesday, April 27, 2016 9:28 AM

**To:** J.J. Chisholm  
**Subject:** RE: Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

J.J.,

I hope all is going well. I just wanted to follow up on our Pronghorn 15 Prospect. I received the executed AFE on behalf of Viersen Oil & Gas Co. for the Pronghorn 15 B3DM Fed Com No. 1H. However, I have not received the executed signature/notary pages to the JOA. Can you look into this matter and see where you are at with the JOA? Any update will be appreciated. Thanks J.J. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** J.J. Chisholm [<mailto:jjchisholm@viersenoilandgas.com>]  
**Sent:** Thursday, February 25, 2016 5:02 PM  
**To:** Corey Mitchell  
**Subject:** RE: Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

Corey,

Good deal. Thanks and you too.

Thank you,

<image001.png>

J. J. Chisholm  
Landman  
Viersen Oil & Gas Co.  
P. O. Box 702708  
Tulsa, OK 74170  
Office: 918-392-8812  
Cell: 918-978-8311  
[jjchisholm@viersenoilandgas.com](mailto:jjchisholm@viersenoilandgas.com)

---

**From:** Corey Mitchell [<mailto:cmitchell@Mewbourne.com>]  
**Sent:** Thursday, February 25, 2016 2:19 PM  
**To:** J.J. Chisholm  
**Cc:** Chris Thompson; Mace Patterson  
**Subject:** RE: Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

Got it. Thanks J.J. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** J.J. Chisholm [<mailto:jjchisholm@viersenoilandgas.com>]  
**Sent:** Thursday, February 25, 2016 10:51 AM  
**To:** Corey Mitchell  
**Cc:** Chris Thompson; Mace Patterson  
**Subject:** Viersen's Pronghorn 15 B3DM Fed Com No. 1H Well Proposal Election

Corey,

Please find attached Viersen Oil & Gas Co.'s election to participate in the drilling of the Pronghorn 15 B3DM Fed Com No. 1H well. The hard copy will go out in the mail today.

Thank you,

<image002.jpg>

**J. J. Chisholm**  
**Landman**  
**Viersen Oil & Gas Co.**  
**P. O. Box 702708**  
**Tulsa, OK 74170**  
**Office: 918-392-8812**  
**Cell: 918-978-8311**  
**[jjchisholm@viersenoilandgas.com](mailto:jjchisholm@viersenoilandgas.com)**

## Corey Mitchell

---

**From:** Corey Mitchell  
**Sent:** Thursday, February 25, 2016 8:46 AM  
**To:** 'J.J. Chisholm'  
**Subject:** RE: J. J. Chisholm's Contact Information - Pronghorn 15 B3DM Fed Com No. 1H

JJ.,

Thanks for sending me your information. FYI. I put a copy of our proposed JOA and relative pages of the Title Opinion in the mail to your attention yesterday. Hopefully it will reach you by Monday. Once you have a chance to review, let me know if you have any questions. Thanks. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** J.J. Chisholm [<mailto:jjchisholm@viersenoilandgas.com>]  
**Sent:** Wednesday, February 24, 2016 3:48 PM  
**To:** Corey Mitchell  
**Subject:** J. J. Chisholm's Contact Information - Pronghorn 15 B3DM Fed Com No. 1H

Corey,

It was good talking with you the yesterday. I thought I would send you my full contact information.

Thank you,



J. J. Chisholm  
Landman  
Viersen Oil & Gas Co.  
P. O. Box 702708  
Tulsa, OK 74170  
Office: 918-392-8812  
Cell: 918-978-8311  
[jjchisholm@viersenoilandgas.com](mailto:jjchisholm@viersenoilandgas.com)

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

February 24, 2016

Viersen Oil & Gas Co.  
P.O. Box 702708  
Tulsa, Oklahoma 74170  
Attn: Mr. J.J. Chisholm

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Mr. Chisholm:

Pursuant to our conversation, enclosed for your further handling regarding the captioned well and lands is our Operating Agreement dated February 1, 2016, along with an extra set of signature/notary pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated February 3, 2016.

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

Also, I have included portions of the Drilling Title Opinion dated December 3, 2015 that relate to Viersen Oil & Gas Co.'s interest.

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

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell  
Landman



UNITED STATES  
POSTAL SERVICE

Date: February 9, 2016

Simple Certified:

The following is in response to your February 9, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013299025. The delivery record shows that this item was delivered on February 8, 2016 at 1:29 pm in TULSA, OK 74136. 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

Land Department  
Viersen Oil and Gas Co  
7130 S LEWIS AVE STE 200  
TULSA, OK 74136  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

**MEWBOURNE OIL COMPANY**

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 3, 2016

*Via Certified Mail*

Viersen Oil & Gas Co.  
7130 S. Lewis Avenue, Suite 200  
Tulsa, Oklahoma 74136  
Attn: Land Department

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently Viersen Oil & Gas Co. ("Viersen") owns 5% interest in the S/2 of the captioned Section 15. Accordingly, Viersen would own 2.5% working interest in the proposed WIU (5% interest X 320 net acres / 640 gross acres = 2.5% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

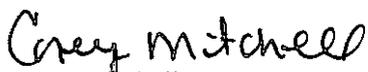
Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should Viersen not wish to participate, Mewbourne is interested in working a deal for its interest.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

  
Corey Mitchell  
Landman

MAIL

Page 1 of 1

Mewbourne Oil Company  
Corey Mitchell  
500 W Texas, STE 1020  
MIDLAND TX 79701-4279

Pronghorn 15 B3DM 1H cm

US POSTAGE AND FEES PAID  
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ia.com

CID: 56133

071S00534813



USPS CERTIFIED MAIL

Midland, TX

9414 8106 9994 5013 3009 67

*[Handwritten signature]*

andis Drilling Co.  
Department  
BOX 994  
MIDLAND TX 79702-0994

*[Large handwritten signature]*

NIXIE 797022005-1N 02/10/16

RETURN TO SENDER  
ATTEMPTED - NOT KNOWN  
UNABLE TO FORWARD  
RETURN TO SENDER



Certified Mail

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 3, 2016

Via Certified Mail

Landis Drilling Co.  
P.O. Box 994  
Midland, Texas 79701  
Attn: Land Department

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently Landis Drilling Co. ("Landis") owns 2.133333% interest in the N/2 of the captioned Section 15. Accordingly, Landis would own 1.066667% working interest in the proposed WIU (2.133333% interest X 320 net acres / 640 gross acres = 1.066667% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Landis Drilling Co.  
Pronghorn 15 Prospect  
February 3, 2016  
Page 2 of 2

Should Landis not wish to participate, Mewbourne is interested in working a deal for its interest.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

*Corey Mitchell*

Corey Mitchell  
Landman

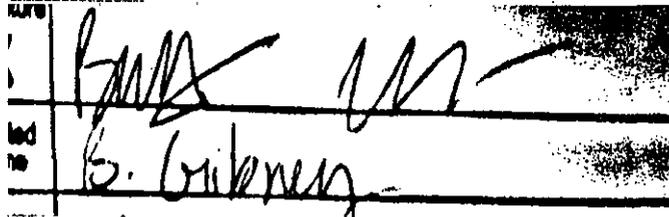


Date: February 17, 2016

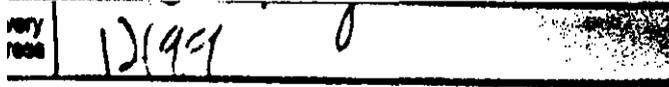
Simple Certified:

The following is in response to your February 17, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013322327. The delivery record shows that this item was delivered on February 17, 2016 at 11:10 am in SAN ANTONIO, TX 78212. 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

Bonnie Bowman Korbell and John Korbell  
PO BOX 12199  
SAN ANTONIO, TX 78212  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

February 4, 2016

Via Certified Mail

Bonnie Bowman Korbell  
and John Korbell  
P.O. Box 12199  
San Antonio, Texas 78212

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Mr. and Mrs. Korbell:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 1.736267% interest in the S/2 of the captioned Section 15. Accordingly, you would own 0.868134% working interest in the proposed WIU ( $1.736267\% \text{ interest} \times 320 \text{ net acres} / 640 \text{ gross acres} = 0.868134\% \text{ interest in the WIU}$ ).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

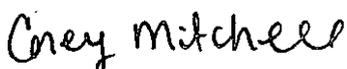
Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you not wish to participate, Mewbourne is interested in working a deal for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman

## Corey Mitchell

---

**From:** Corey Mitchell  
**Sent:** Thursday, June 16, 2016 11:02 AM  
**To:** Chadwick Bothe  
**Subject:** FW: Pronghorn 15 Prospect

Chad,

Any progress on the JOA?

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

---

**From:** Corey Mitchell  
**Sent:** Wednesday, April 27, 2016 9:29 AM  
**To:** Chadwick Bothe  
**Subject:** Pronghorn 15 Prospect

Chad,

I hope all is going well. I just wanted to follow up on the captioned prospect. I received the executed AFE on behalf of Texas Independent Exploration, Inc. for the Pronghorn 15 B3DM Fed Com No. 1H. However, I have not received the executed signature/notary pages to the JOA. Can you look into this matter and see where you are at with the JOA? Any update will be appreciated. Thanks Chad. Have a great day.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus. (432) 682-3715  
Fax (432) 685-4170

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

March 18, 2016

Texas Independent Exploration, Inc.  
6760 Portwest Drive  
Houston, Texas 77024  
Attn: Mr. Chad Bothe

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

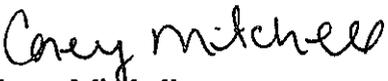
Enclosed for your further handling regarding the captioned well and lands is our Operating Agreement dated February 1, 2016, along with an extra set of signature/notary pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated February 4, 2016.

Regarding the above, please have the Operating Agreement and extra set of signature/notary pages executed and return only the extra set of signature/notary 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 [cmitchell@mewbourne.com](mailto:cmitchell@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman



Date: February 11, 2016

Simple Certified:

The following is in response to your February 11, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013321931. The delivery record shows that this item was delivered on February 10, 2016 at 1:16 pm in HOUSTON, TX 77024. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, consisting of a stylized initial 'M' followed by a long horizontal line.

Address of Recipient :

A handwritten address in black ink, appearing to be "6760 Portwest DR".

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

Chad Bothe  
Texas Independent Exploration, Inc.  
6760 Portwest DR  
Houston, TX 77024  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 4, 2016

Via Certified Mail

Texas Independent Exploration, Inc.  
6760 Portwest Drive  
Houston, Texas 77024  
Attn: Mr. Chad Bothe

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently Texas Independent Exploration, Inc. ("TIE") owns 0.351563% interest in the S/2 and 0.281250% interest in the N/2 of the captioned Section 15. Accordingly, TIE would own 0.316407% working interest in the proposed WIU (0.351563% interest X 320 gross acres = 1.125002 net acres) (0.281250% interest X 320 gross acres = 0.90 net acres) (1.125002 net acres + 0.90 net acres = 2.025002 net acres / 640 gross acres = 0.316407% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Texas Independent Exploration, Inc.  
Pronghorn 15 Prospect  
February 4, 2016  
Page 2 of 2

Should TIE not wish to participate, Mewbourne is still willing to work a trade as previously discussed.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

*Corey Mitchell*  
Corey Mitchell  
Landman



Date: March 3, 2016

Simple Certified:

The following is in response to your March 3, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013714177. The delivery record shows that this item was delivered on March 2, 2016 at 3:20 pm in HOUSTON, TX 77057. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to be "David V. De Marco".

Address of Recipient :

A handwritten address in black ink: "800 Bering St 268".

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

David V. De Marco  
Black & Gold Resources, LLC  
800 Bering, Ste 201  
Houston, TX 77057  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

February 26, 2016

Via Certified Mail

Black & Gold Resources, LLC  
800 Bering, Suite 201, Houston, Texas 77057  
Attn: David V. De Marco

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently Black & Gold Resources, LLC ("Black & Gold") owns 0.316700% interest in the S/2 of the captioned Section 15. Accordingly, Black & Gold would own 0.158350% working interest in the proposed WIU (0.316700% interest X 320 net acres / 640 gross acres = 0.158350% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

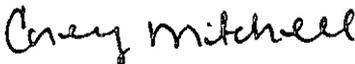
Black & Gold Resources, LLC  
Pronghorn 15 Prospect  
February 26, 2016  
Page 2 of 2

Should Black & Gold not wish to participate, Mewbourne is interested in working a deal for its interest.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

  
Corey Mitchell  
Landman



Date: February 23, 2016

Simple Certified:

The following is in response to your February 23, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013321696. The delivery record shows that this item was delivered on February 22, 2016 at 9:54 am in LA VETA, CO 81055. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	<i>Terry L. Warlick</i>
X	
Printed Name	Terry L. Warlick

Address of Recipient :

Delivery Address	25 Austin Circle La Veta
------------------	--------------------------

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

Land Department  
Warlick and Marrs Kingrea Oil Interests  
25 AUSTIN CIR  
LA VETA, CO 81055  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

February 4, 2016

Via Certified Mail

Warlick & Marrs – Kingrea Oil Interests  
25 Austin Circle  
La Veta, Colorado 81055  
Attn: Land Department

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (“Mewbourne”) as Operator hereby proposes to form a 640.00 acre Working Interest Unit (“WIU”) covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently Warlick & Marrs – Kingrea Oil Interests (“WM”) owns 0.316700% interest in the S/2 of the captioned Section 15. Accordingly, WM would own 0.158350% working interest in the proposed WIU (0.316700% interest X 320 net acres / 640 gross acres = 0.158350% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Warlick & Marris - Kingrea Oil Interests  
Pronghorn 15 Prospect  
February 4, 2016  
Page 2 of 2

Should WM not wish to participate, Mewbourne is interested in working a deal for its interest.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

*Corey Mitchell*

Corey Mitchell  
Landman



Date: February 9, 2016

Simple Certified:

The following is in response to your February 9, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013321368. The delivery record shows that this item was delivered on February 8, 2016 at 1:24 pm in COSTA MESA, CA 92627. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	<input checked="" type="checkbox"/> <i>Dawn Smith</i>
Printed Name	

Address of Recipient :

Delivery Address	
------------------	--

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

Charles C. Albright, III, Trustee  
729 W 16TH ST STE B8  
COSTA MESA, CA 92627  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 4, 2016

Via Certified Mail

Charles C. Albright, III, Trustee  
729 W. 16<sup>th</sup> Street, Suite B8  
Costa Mesa, CA 92627

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Mr. Albright:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 0.168350% interest in the SW/4 and the NE/4 of the captioned Section 15. Accordingly, you would own 0.084175% working interest in the proposed WIU (0.168350% interest X 320 net acres / 640 gross acres = 0.084175% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you not wish to participate, Mewbourne is interested in working a deal for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

February 4, 2016

Via Certified Mail

M. Kurt Chapman  
P.O. Box 344  
Post, Texas 79356

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

*NOT INTERESTED  
AT THIS TIME  
Kurt*

Dear Mr. Chapman:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 0.168350% interest in the SW/4 and NE/4 of the captioned Section 15. Accordingly, you would own 0.084175% working interest in the proposed WIU (0.168350% interest X 320 net acres / 640 gross acres = 0.084175% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you not wish to participate, Mewbourne is interested in working a deal for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

*Corey Mitchell*  
Corey Mitchell  
Landman



Date: February 8, 2016

Simple Certified:

The following is in response to your February 8, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013321405. The delivery record shows that this item was delivered on February 8, 2016 at 8:36 am in POST, TX 79356. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to read "Kurt Chapman".

Address of Recipient :

A handwritten number "344" in black ink, representing the recipient's address.

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

M Kurt Chapman  
PO BOX 344  
POST, TX 79356  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

February 4, 2016

Via Certified Mail

M. Kurt Chapman  
P.O. Box 344  
Post, Texas 79356

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Mr. Chapman:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 0.168350% interest in the SW/4 and NE/4 of the captioned Section 15. Accordingly, you would own 0.084175% working interest in the proposed WIU (0.168350% interest X 320 net acres / 640 gross acres = 0.084175% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

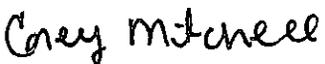
Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you not wish to participate, Mewbourne is interested in working a deal for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman



Date: February 10, 2016

Simple Certified:

The following is in response to your February 10, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013321498. The delivery record shows that this item was delivered on February 9, 2016 at 1:41 pm in PORTOLA VALLEY, CA 94028. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to read "LILLIAN E RUTHERFORD".

Address of Recipient :

A handwritten address in black ink, reading "321 GROVE DR".

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

Lillian E Rutherford and Kenneth Rutherford  
Trustees of the Rutherford Family 1970 Trust  
321 GROVE DR  
PORTOLA VALLEY, CA 94028  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

February 4, 2016

Via Certified Mail

Lillian E. Rutherford and Kenneth Rutherford,  
Trustees of the Rutherford Family 1970 Trust  
321 Grove Drive  
Portola Valley, CA 94028

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Mr. and Mrs. Rutherford:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 0.084175% interest in the SW/4 and NE/4 of the captioned Section 15. Accordingly, you would own 0.042088% working interest in the proposed WIU (0.084175% interest X 320 net acres / 640 gross acres = 0.042088% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

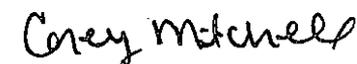
Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you not wish to participate, Mewbourne is interested in working a deal for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman

Mewbourne Oil Company  
Corey Mitchell  
500 W Texas, STE 1020  
MIDLAND TX 79701-4279

Pronghorn 15 B3DM 1H

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**USPS CERTIFIED MAIL**

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9414 8106 9994 5013 3454 49

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ABC Oil and Gas Properties  
Darleen Cockburn  
3208 BOYD AVE  
MIDLAND TX 79705-8201

NIXIE 797052045-1N 040 02/10/16

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



## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 5, 2016

Via Certified Mail

ABC Oil & Gas Properties

c/o Darleen Cockburn

3208 Boyd

Midland, Texas 79705

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently ABC Oil & Gas Properties ("ABC") owns 0.042088% interest in the SW/4 and NE/4 of the captioned Section 15. Accordingly, ABC would own 0.021044% working interest in the proposed WIU (0.042088% interest X 320 net acres / 640 gross acres = 0.021044% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

ABC Oil & Gas Properties  
Pronghorn 15 Prospect  
February 5, 2016  
Page 2 of 2

Should ABC not wish to participate, Mewbourne is interested in working a deal for its interest.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

*Corey Mitchell*

Corey Mitchell  
Landman



Date: February 9, 2016

Simple Certified:

The following is in response to your February 9, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013321535. The delivery record shows that this item was delivered on February 9, 2016 at 12:25 pm in NEW YORK, NY 10022. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to read "M. [unclear]".

Address of Recipient :

A handwritten address in black ink, appearing to read "435 E 52nd".

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

Constance B Cartwright  
435 E 52nd St  
New York, NY 10022  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 4, 2016

Via Certified Mail

Constance B. Cartwright  
435 E. 52<sup>nd</sup> Street  
New York, New York 10022

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Constance:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 0.042088% interest in the SW/4 and the NE/4 of the captioned Section 15. Accordingly, you would own 0.021044% working interest in the proposed WIU (0.042088% interest X 320 net acres / 640 gross acres = 0.021044% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you not wish to participate, Mewbourne is interested in working a deal for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

*Corey Mitchell*  
Corey Mitchell  
Landman



Date: February 11, 2016

Simple Certified:

The following is in response to your February 11, 2016 request for delivery information on your Certified Mail™/RRE item number 9414810699945013322426. The delivery record shows that this item was delivered on February 11, 2016 at 11:42 am in MIAMI BEACH, FL 33140. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to read "Phoebe Tompkins".

Address of Recipient :

5184 Pine Tree  
Miami Be

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

Phoebe Tompkins  
5184 PINE TREE DR  
MIAMI BEACH, FL 33140  
Reference #: Pronghorn 15 B3DM 1H cm  
Item ID: Pronghorn 15 B3DM 1H cm

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

February 4, 2016

Via Certified Mail

Phoebe Tompkins  
5184 Pine Tree Drive  
Miami Beach, FL 33140

Re: Pronghorn 15 B3DM Fed Com No. 1H  
185' FNL & 450' FWL (SL)  
330' FSL & 450' FWL (BHL)  
Section 15, T23S, R34E  
Lea County, New Mexico

Dear Ms. Tompkins:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the captioned Section 15 as to depths from the surface to the base of the Wolfcamp formation for oil and gas production. Apparently you own 0.042088% interest in the SW/4 and NE/4 of the captioned Section 15. Accordingly, you would own 0.021044% working interest in the proposed WIU (0.042088% interest X 320 net acres / 640 gross acres = 0.021044% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,380 feet subsurface to evaluate the Third Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,000 feet. The W/2W/2 of the captioned Section 15 will be dedicated to the well as the oil proration unit.

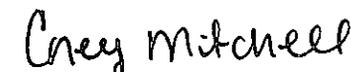
Regarding the above, enclosed for your further handling is our AFE dated January 29, 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you not wish to participate, Mewbourne is interested in working a deal for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman