

Summary of Communications  
Case No. 14587

Clifford Cone, Individually and as  
Trustee of the Trusts Created  
u/w/o Kathleen Cone, Deceased  
f/b/o Clifford Cone's Children

7.5% WI  
in N/2N/2

- 1) 10-26-10 Proposed well via certified mail with AFE enclosed. Offered to purchase term assignment in lieu of his participation in the well.
- 2) 11-15-10 Follow up letter via certified mail.
- 3) 11-19-10 Received email from Mr. Cone regarding our well proposal and offer whereby he advised he would rather be force pooled.
- 4) 11-22-10 Emailed Mr. Cone advising him of the consequences of his interest being force pooled and the non-consent penalty associated therewith.
- 5) 11-23-10 Received email from Mr. Cone again advising me he elected to be force pooled.
- 6) 11-25-10 Emailed Mr. Cone regarding his response and again advised him we would be agreeable to working out a trade if he wanted to.
- 7) 11-29-10 Received email from Mr. Cone whereby he elected to be force pooled.
- 8) 11-30-10 Emailed Mr. Cone that his interest would be force pooled either Jan. 6<sup>th</sup> or 20<sup>th</sup> and that I'd notify him of the Pooling Order once it is issued.

Kenneth G. Cone, Individually  
and as Trustee of the Trusts Created  
u/w/o Kathleen Cone, Deceased f/b/o  
Kenneth G. Cone's Children

5.0% WI  
in N/2N/2

- 1) 10-26-10 Proposed well via certified mail with AFE enclosed. Offered to purchase a term assignment from him in lieu of his participation in the well.
- 2) 11-15-10 Follow up letter via certified mail.
- 3) 12-30-10 Follow up letter whereby I advised his assistant (Kathy Shapira) that we'd still be willing to take a term assignment from Mr. Cone upon his return.

Oil Conservation Division  
Case No. 3  
Exhibit No. 3

Marilyn J. Cone, Trustee  
of the D.C. Trust

2.5% WI  
in N/2N/2

1) 10-26-10 Sent well proposal letter via certified mail with AFE enclosed to last known address. Letter was returned unclaimed.

2) 11-15-10 Sent follow up letter via certified mail to last known address. Letter was returned unclaimed.

Paul Haden/Mewbourne  
11/30/2010 08:27 AM

To CONEHEADQT@aol.com  
cc  
bcc  
Subject Re: Bradley "29" Fed. Com #4H 

Clifford , yes you'll get notice of the Force Pooling Case. The Case will occur in Santa Fe at an Examiner's hearing either Jan. 6th or 20th. Once the Force Pooling Order has been issued by the NMOCD , I'll send you a copy for your information.

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



CONEHEADQT@aol.com

11/29/2010 08:01 PM

To phaden@Mewbourne.com

cc

bcc

Subject Re: Bradley "29" Fed. Com #4H

History:

✉ This message has been replied to.

2010 November 29

Mewbourne Oil Company

Attention: Paul Haden

Dear Mrs. Haden:

Thank you for your reply.

I am willing to take my chances that someday I will get revenue out of this well through the forced pooling stipulations.

I will assume that I will be receiving notices on the force pooling proceedings and that I will be receiving a copy of the order specifying the terms of the forced pooling.

Sincerely,

Clifford Cone

Paul Haden/Mewbourne  
11/25/2010 02:46 AM

To CONEHEADQT@aol.com  
cc  
bcc  
Subject Re: Bradley "29" Fed. Com #4H

Mr. Cone , thanks for the reply. That's your decision if you want to be force pooled. At least I tried to persuade you not to be force pooled. If you change your mind later , let me know and we can work out a trade. Thanks and have a great week.

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



CONEHEADQT@aol.com  
11/25/2010 02:46 AM

To phaden@Mewbourne.com  
cc  
bcc  
Subject Bradley "29" Fed. Com #4H

2010 November 23

Mewbourne Oil Company

Attention: Paul Haden

Re: Bradley "29" Fed. Com #4H

Dear Mr. Haden:

Thank you for your e-mail reply to my letter.

Perhaps, you are correct that I will never see any revenue going the 300% penalty route. Nevertheless, I think that I will go this route.

Sincerely,

Clifford Cone

From: phaden@Mewbourne.com  
To: coneheadqt@aol.com  
Sent: 11/22/2010 2:06:35 P.M. Mountain Standard Time  
Subj: Re: Bradley "29" Fed. Com #4H

Hello Mr. Cone.

Thanks for the response , now I know that at least you aren't ignoring us.

We have made trades with some of the other Cone family members but so far not with Kenneth Cone and yourself. We always have to force pool Kenneth Cone.

The penalty for force pooling gives us a three to one return on our investment as to your interest or as to any other interest owner we have to force pool. You are charged with a non-consent penalty of 200% plus 100% of the well cost which makes it a 300% non-consent penalty. You get nothing from the revenue from the proposed well until Mewbourne recovers 300% of its investment. After the 300% penalty is paid out of production, you then will become a joint interest owner and will be expected to pay your part of the well cost after that point whereby you will get your proportionate part of the revenues.

Generally, by the time we get 300% back on our investment which seldom ever happens, the well is depleted and ready to be plugged of which you will have to pay your part of the plugging costs. I've been with this company over 31 years and have seldom seen where we get 300% of our money back.

We will have to force pool Kenneth. You can do what you want but if I were you, I would take the cash and overriding royalty we are offering in lieu of getting nothing.

Please call or email me if you have any other questions. Thanks for your consideration.

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

Paul Haden/Mewbourne

11/22/2010 02:44 PM

To : coneheadqt@aol.com

cc

bcc

Subject Re: Bradley "29" Fed. Com #4H

Hello Mr. Cone. Thanks for the response , now I know that at least you aren't ignoring us. We have made trades with some of the other Cone family members but so far not with Kenneth Cone and yourself. We always have to force pool Kenneth Cone. The penalty for force pooling gives us a three to one return on our investment as to your interest or as to any other interest owner we have to force pool. You are charged with a non-consent penalty of 200% plus 100% of the well cost which makes it a 300% non-consent penalty. You get nothing form the revenue from the proposed well until Mewbourne recovers 300% of its investment. After the 300% penalty is paid out of production, you then will become a joint interest owner and will be expected to pay your part of the well cost after that point whereby you will get your proportionate part of the revenues. Generally , by the time we get 300% back on our investment which seldom ever happens , the well is depleted and ready to be plugged of which you will have to pay your part of the plugging costs. I've been with this company over 31 years and have seldom seen where we get 300% of our money back. We will have to force pool Kenneth. You can do what you want but if I were you , I would take the cash and overriding royalty we are offering in lieu of getting nothing. Please call or email me if you have any other questions.

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

Address : Post Office Drawer 1629  
: Lovington, New Mexico 88260  
Telephone : 575 / 396-4642  
E-Mail : [coneheadqt@aol.com](mailto:coneheadqt@aol.com)

# CLIFFORD CONE

2011 November 19

Mewbourne Oil Company  
500 Texas - Suite 1020  
Midland, Texas 79701

Attention: D. Paul Haden  
Senior Landman

Re: Bradley "29" Federal Com. #4H Well  
Second Bone Springs Formation / 8,200 Feet  
T18S-R30E: Section 29: N/2N/2  
Eddy County, New Mexico

Dear Mr. Haden:

Thank you for your letter dated: October 26, 2010, and your letter dated: November 15, 2010.

First, I do not believe that I can justify spending the money to participate in the subject well. I know practically nothing about the geology, potential, or economics of this prospect.

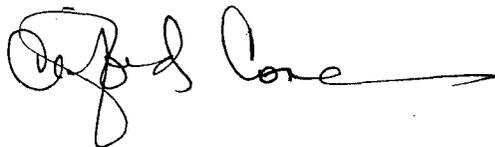
Although I know that it is probably an imposition for you to go through the process of force pooling my interests, I consider this to be my best option. To be honest with you, I do not know the penalties for being force pooled, but I doubt that they would any worse than any offer that I might receive from Mewbourne.

Furthermore, I will doubt that I will be the only one with interests in this subject well whom will be force pooled, so you will still have to go through the force pooling process

If you can make a convincing argument to the contrary, I would be willing to listen. Otherwise, I will simply let you force pool my interests for both the Clifford Cone Family Trust and for Clifford Cone, individually.

Since I travel often, I would suggest that you contact me by e-mail, if you want to communicate with me in a more-timely manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Clifford Cone", with a long horizontal flourish extending to the right.

Clifford Cone

Bradley 29#44

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

Clifford Cone  
 P.O. Drawer 1629  
 Lovington, New Mexico 88260

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressee

B. Received by (Printed Name) Date of Delivery  
 CLIFFORD CONE 1/19/10

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

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

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Transfer from service label) 7009 2250 0000 0617 3903

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

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

November 15, 2010

Via Certified Mail-Return Receipt No. 3903

Clifford Cone, Individually  
and as Trustee  
P.O. Drawer 1629  
Lovington, New Mexico 88260

Re: Bradley "29" Federal Com #4H Well  
510' FNL & 150' FWL (SL)  
510' FNL & 330' FEL (BHL)  
Section 29, T18S, R30E  
Eddy County, New Mexico

Dear Mr. Cone:

Reference is made to my previous letter dated October 26, 2010 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well at the referenced surface location (SL) to the proposed bottom hole location (BHL) to evaluate the Second Bone Spring Sand interval in the Bone Spring formation. To date you have not responded to our well proposal or offer to acquire a term assignment of your individual interest and the interest of the Children's Trust you represent.

Regarding the above, please respond to our proposal at your earliest convenience so we can avoid the necessity of having to force pool your interest. In the event our offer is unacceptable, please advise me of what terms would be acceptable regarding our offer to acquire the term assignment and I'll see what I can do to accommodate your counter proposal.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

Bradley 29#44

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

**Clifford Cone**  
**P.O. Drawer 1629**  
**Lovington, New Mexico 88260**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
X *Clifford Cone*

B. Received by (Printed Name) C. Date of Delivery  
*Clifford Cone*

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

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

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
(Transfer from service label)

7009 2250 0000 0617 3866

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

October 26, 2010

Via Certified Mail-Return Receipt No. 3866

Clifford Cone, Individually  
and as Trustee  
P.O. Drawer 1629  
Lovington, New Mexico 88260

Re: Bradley "29" Federal Com #4H Well  
510' FNL & 150' FWL (SL)  
510' FNL & 330' FEL (BHL)  
Section 29, T18S, R30E  
Eddy County, New Mexico

Dear Mr. Cone:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL) to a true vertical depth (TVD) of approximately 8,200 feet subsurface to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 13,200 feet. The N/2N/2 of the captioned Section 29 will constitute the Project Area and oil proration unit.

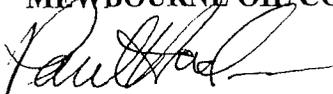
Enclosed for your consideration in the event you elect to participate in the proposed well is our AFE dated September 27, 2010. Public records indicate you own an undivided 20% interest (8 net acres) and the Trust created u/w/o and Codicil of Kathleen Cone fbo your children owns an undivided 10% interest (4 net acres) in the NE/4NE/4 of the captioned Section 29 as to rights below the base of the Queen formation. Accordingly, you own a 5.0% unit working interest and the Trust owns a 2.5% unit working interest in the proposed 160 acre Project Area. Should you elect to participate in the proposed well as to such interest, please sign and return one (1) copy of the enclosed AFE to me and I'll forward you our Operating Agreement for execution.

In the event you elect not to participate in the proposed well as to your interest and the Trust's interest, Mewbourne offers to purchase a Term Assignment of Operating Rights from you providing for a two (2) year primary term on the basis of \$400 per net acre whereby Mewbourne would be delivered an 80% net revenue interest, subject to proportionate reduction.

Regarding the above, you are encouraged to respond to our proposal in writing or you can call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

December 29, 2010

Kenneth G. Cone, Individually  
and as Trustee  
P.O. Box 11310  
Midland, Texas 79702  
Attn: Kathy Shapira

Re: Bradley "29" Federal Com #4H  
510' FNL & 150' FWL (SL)  
510' FNL & 330' FEL (BHL)  
Section 29, T18S, R30E  
Eddy County, New Mexico

Dear Ms.Shapira:

Reference is made to my previous letter dated October 26, 2010 whereby Mewbourne Oil Company ("Mewbourne") as Operator proposed drilling the captioned well (see copy enclosed). In the event Mr. Cone elected not to participate in the proposed well, Mewbourne offered to purchase a term assignment covering his interest in lieu of being force pooled.

The pooling case is to occur January 6, 2011 at an Examiner's Hearing in Santa Fe. We still would be interested in acquiring a term assignment of the Cone interest even after the pooling hearing occurs. I understand that Mr. Cone will be out of the country until May. We would be interested in acquiring a term assignment covering his interest upon his return.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/tm

Bradley 29 # 44

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

**Kenneth G. Cone**  
**P.O. Box 11310**  
**Midland, Texas 79702**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 X *Konopina*  Addressee

B. Received by *Printed Name* C. Date of Delivery  
*STAPPA* *1/15/10*

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

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

4. Restricted Delivery? (Extra Fee)  Yes  No

2. Article Number  
(Transfer from service label)

7009 2250 0000 0617 3910

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

November 15, 2010

Via Certified Mail-Return Receipt No. 3910

Kenneth G. Cone, Individually  
and as Trustee  
P.O. Box 11310  
Midland, Texas 79702

Re: Bradley "29" Federal Com #4H Well  
510' FNL & 150' FWL (SL)  
510' FNL & 330' FEL (BHL)  
Section 29, T18S, R30E  
Eddy County, New Mexico

Dear Mr. Cone:

Reference is made to my previous letter dated October 26, 2010 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well at the referenced surface location (SL) to the proposed bottom hole location (BHL) to evaluate the Second Bone Spring Sand interval in the Bone Spring formation. To date you have not responded to our well proposal or offer to acquire a term assignment of your individual interest and the interest of the Children's Trust you represent.

Regarding the above, please respond to our proposal at your earliest convenience so we can avoid the necessity of having to force pool your interest. In the event our offer is unacceptable, please advise me of what terms would be acceptable regarding our offer to acquire the term assignment and I'll see what I can do to accommodate your counter proposal.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

Bradley 29 #44

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

✓

Kenneth G. Cone  
 P.O. Box 11310  
 Midland, Texas 79702

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
 X *K. Shapiro*

B. Received by (Printed Name)  Date of Delivery  
 Shapiro *11/2/10*

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

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

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label)  
 PS Form 3811, February 2004

7009 2250 0000 0617 3659

Domestic Return Receipt

102595-02-M-1540

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

October 26, 2010

Via Certified Mail-Return Receipt No. 3859

Kenneth G. Cone, Individually  
and as Trustee  
P.O. Box 11310  
Midland, Texas 79702

Re: Bradley "29" Federal Com #4H Well  
510' FNL & 150' FWL (SL)  
510' FNL & 330' FEL (BHL)  
Section 29, T18S, R30E  
Eddy County, New Mexico

Dear Mr. Cone:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL) to a true vertical depth (TVD) of approximately 8,200 feet subsurface to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 13,200 feet. The N/2N/2 of the captioned Section 29 will constitute the Project Area and oil proration unit.

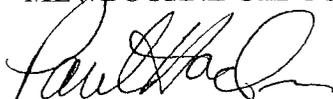
Enclosed for your consideration in the event you elect to participate in the proposed well is our AFE dated September 27, 2010. Public records indicate you own an undivided 10% interest (4 net acres) and the Trust created u/w/o and Codicil of Kathleen Cone fbo your children owns an undivided 10% interest (4 net acres) in the NE/4NE/4 of the captioned Section 29 as to rights below the base of the Queen formation. Accordingly, you and the Trust each own a 2.5% unit working interest in the proposed 160 acre Project Area. Should you elect to participate in the proposed well as to such interest, please sign and return one (1) copy of the enclosed AFE to me and I'll forward you our Operating Agreement for execution.

In the event you elect not to participate in the proposed well as to your interest and the Trust's interest, Mewbourne offers to purchase a Term Assignment of Operating Rights from you providing for a two (2) year primary term on the basis of \$400 per net acre whereby Mewbourne would be delivered an 80% net revenue interest, subject to proportionate reduction.

Regarding the above, you are encouraged to respond to our proposal in writing or you can call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

**CERTIFIED MAIL™**

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

7009 2250 0000 0617 3927



*Paul*

**Marilyn J. Cone  
P.O. Box 64244  
Lubbock, Texas 79464**

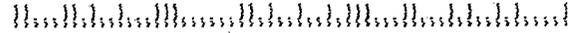
*1/16*

NIXIE 750 DE 1 00 12/1

RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD

BC: 79701420099 \*2192-06282-1

79701@4200



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

November 15, 2010

Via Certified Mail-Return Receipt No. 3927

Marilyn J. Cone, Trustee  
of the D.C. Trust  
P.O. Box 64244  
Lubbock, Texas 79464

Re: Bradley "29" Federal Com #4H Well  
510' FNL & 150' FWL (SL)  
510' FNL & 330' FEL (BHL)  
Section 29, T18S, R30E  
Eddy County, New Mexico

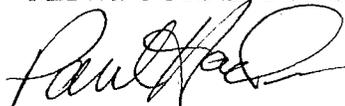
Dear Mrs. Cone:

Reference is made to my previous letter dated October 26, 2010 (see copy enclosed) whereby Mewbourne Oil Company as Operator proposed drilling the captioned well at the referenced surface location (SL) to the proposed bottom hole location (BHL) to evaluate the Second Bone Spring Sand interval in the Bone Spring formation. To date you have not responded to our well proposal or offer to acquire a term assignment of the D.C. Trust's interest.

Regarding the above, please respond to our proposal at your earliest convenience so we can avoid the necessity of having to force pool your interest. In the event our offer is unacceptable, please advise me of what terms would be acceptable regarding our offer to acquire the term assignment and I'll see what I can do to accommodate your counter proposal.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

**CERTIFIED MAIL**

FIRST CLASS

FIRST CLASS

FIRST CLASS

2250 0000 0617 3842

1. Article Addressed to:

**Marilyn J. Cone  
P.O. Box 64244  
Lubbock, Texas 79464**

2. Article Number  
(Transfer from service label)  
**7009 2250 0000 0617 3842**

3. Service Type  
 Certified Mail  
 Registered  
 Insured Mail  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.  
 Restricted Delivery? (Extra Fee)  Yes

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

5. Received by (Printed Name) \_\_\_\_\_ C. Date of Delivery \_\_\_\_\_

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

**FROM**

**MEWBOURNE OIL COMPANY**  
 500 WEST TEXAS, SUITE 1020  
 MIDLAND, TEXAS 79701

**SHIP TO**

Marilyn J. Cone  
 P.O. Box 64244  
 Lubbock, Texas 79464

**RETURN POSTAGE GUARANTEED**

**UNCLAIMED**

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

October 26, 2010

Via Certified Mail-Return Receipt No. 3842

Marilyn J. Cone, Trustee of the  
D.C. Trust  
P.O. Box 64244  
Lubbock, Texas 79464

Re: Bradley "29" Federal Com #4H Well  
510' FNL & 150' FWL (SL)  
510' FNL & 330' FEL (BHL)  
Section 29, T18S, R30E  
Eddy County, New Mexico

Dear Mrs. Cone:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL) to a true vertical depth (TVD) of approximately 8,200 feet subsurface to evaluate the Second Bone Spring Sand interval in the Bone Spring formation for oil production. The proposed well will have a horizontal measured depth (MD) of approximately 13,200 feet. The N/2N/2 of the captioned Section 29 will constitute the Project Area and oil proration unit.

Enclosed for your consideration in the event you elect to participate in the proposed well is our AFE dated September 27, 2010. Public records indicate the D.C. Trust owns an undivided 10% interest (4 net acres) in the NE/4NE/4 of the captioned Section 29 as to rights below the base of the Queen formation. Accordingly, you own a 2.5% unit working interest in the proposed 160 acre Project Area. Should you elect to participate in the proposed well as to such interest, please sign and return one (1) copy of the enclosed AFE to me and I'll forward you our Operating Agreement for execution.

In the event you elect not to participate in the proposed well as to your interest, Mewbourne offers to purchase a Term Assignment of Operating Rights from you providing for a two (2) year primary term on the basis of \$400 per net acre whereby Mewbourne would be delivered an 80% net revenue interest, subject to proportionate reduction.

Regarding the above, you are encouraged to respond to our proposal in writing or you can call me at (432) 682-3715 or my email address is [phaden@mewbourne.com](mailto:phaden@mewbourne.com).

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb