

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 1

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF BRANKO JANKOVIC IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

PROVINCE OF ALBERTA)
) ss.
COUNTRY OF CANADA)

I, Branko Jankovic, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am President of Branko, Inc., a New Mexico Corporation, and I am familiar with its affairs.
3. Branko, Inc. owns an undivided interest in the leasehold operating rights in, to and under United States Oil and Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

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4. On or about November 1, 1989, Branko, Inc. paid for and acquired 1.5625% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, Branko, Inc. still owns the above-described interest.

5. As consideration for the interest which Branko, Inc. acquired in the Strata North Gavilon Lease, Branko, Inc. paid Strata Production Company ("Strata") \$316.48.

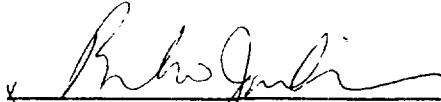
6. To the best of my knowledge and belief, Branko, Inc. has paid 1.5625% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

7. Branko, Inc. did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

8. Branko, Inc. was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.


9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Branko Jankovic

Subscribed and sworn to before me this 23 day of January, 1996.



Notary Public
JOHN K.J. CAMPBELL
BARRISTER & SOLICITOR

My Commission Expires:

N/A

JC

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 2

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF DUANE BROWN IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Duane Brown, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. On or about September 22, 1989, I paid for and acquired 5% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest.

3. As consideration for the interest which I acquired in the Strata North Gavilon Lease, I paid Strata Production Company ("Strata") \$1,012.75.

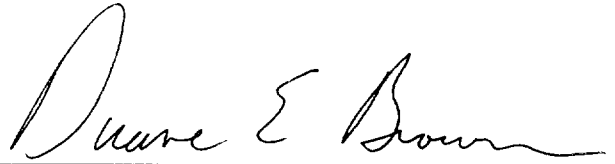
4. To the best of my knowledge and belief, I have paid 5% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

5. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

6. I was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

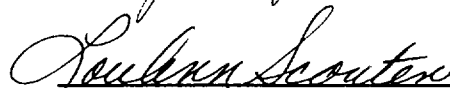
7. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Duane Brown

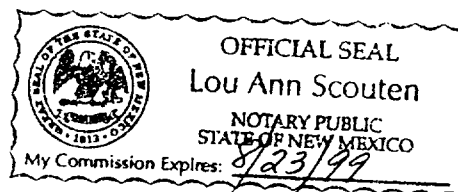
Subscribed and sworn to before me this 22nd day of January, 1996.



Notary Public

My Commission Expires:

August 23, 1999



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 3

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF S. H. CAVIN IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, S. H. Cavin, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I own an undivided interest in the leasehold operating rights in, to and under United States Oil and Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

3. On or about OCTOBER 5, 1989, I paid for and acquired 2% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest.

4. As consideration for the interest which I acquired in the Strata North Gavilon Lease, I paid Strata Production Company ("Strata") \$405.10.

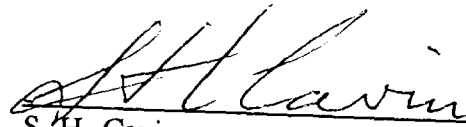
5. To the best of my knowledge and belief, I have paid 2% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

6. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

7. I was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

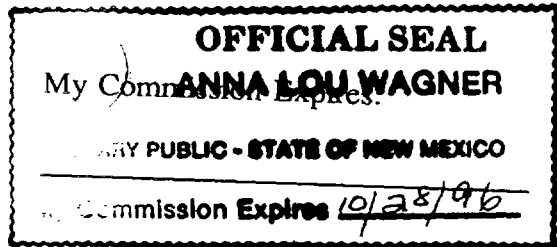
8. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.


S. H. Cavin

Subscribed and sworn to before me this 22nd day of January, 1996.


Notary Public



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 4

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF ROBERT W. EATON IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Robert W. Eaton, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I own an undivided interest in the leasehold operating rights in, to and under United States Oil and Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

3. On or about September 24, 1989, I paid for and acquired 1.5625% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest.

4. As consideration for the interest which I acquired in the Strata North Gavilon Lease, I paid Strata Production Company ("Strata") \$316.48.

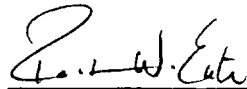
5. To the best of my knowledge and belief, I have paid 1.5625% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

6. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

7. I was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

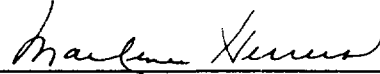
8. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Robert W. Eaton

Subscribed and sworn to before me this 24 day of JANUARY, 1996.



Notary Public

My Commission Expires:

1/06/95

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 5

Case No. 11510

Case No. 10656

Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF TERRY S. KRAMER IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Terry S. Kramer, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am currently married to Barb Kramer, and I have been married to Barb Kramer for all times relative to this Affidavit.
3. On or about March 7, 1990, I paid for and acquired (with my wife, Barb Kramer) 30% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest with my wife.

4. As consideration for the interest which we acquired in the Strata North Gavilon Lease, we paid Strata Production Company ("Strata") \$6,076.50.


5. To the best of my knowledge and belief, we have paid 30% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

6. We did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

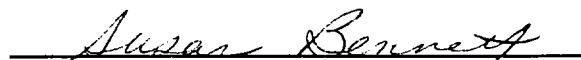
7. We were not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

8. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.

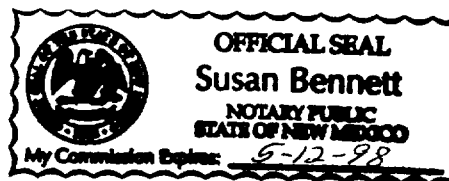

Terry S. Kramer

Subscribed and sworn to before me this 24th day of January, 1996.


Notary Public

My Commission Expires:

5-12-98



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 6

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF LARRY V. LUNT IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

I, Larry V. Lunt, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am General Partner of Landwest, a Utah General Partnership ("Landwest"), and

I am familiar with its affairs.

3. Landwest owns an undivided interest in the leasehold operating rights in, to and under United States Oil and Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

4. On or about September 1989, Landwest paid for and acquired 1% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, Landwest still owns the above-described interest.

5. As consideration for the interest which Landwest acquired in the Strata North Gavilon Lease, Landwest paid Strata Production Company ("Strata") \$202.55.

6. To the best of my knowledge and belief, Landwest has paid 1% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

7. Landwest did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

8. Landwest was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

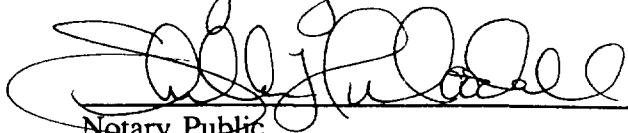
9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Larry V. Lunt

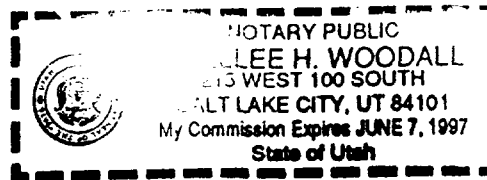
Subscribed and sworn to before me this 22nd day of January, 1996.



Notary Public

My Commission Expires:

6/7/97



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 7

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF CANDACE MCCLELLAND
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Candace McClelland, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. On or about November 1, 1989, I paid for and acquired 2.125% of the
leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which
covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the
date of this Affidavit, I still own the above-described interest.

3. As consideration for the interest which I acquired in the Strata North Gavilon Lease, I paid Strata Production Company ("Strata") \$430.42.

4. To the best of my knowledge and belief, I have paid 2.125% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

5. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

6. I was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

7. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.

Candace McClelland
Candace McClelland

Subscribed and sworn to before me this 29th day of January, 1996.

Andy H. Carrif
Notary Public

My Commission Expires:

4/6/96

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 8

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF LARRY V. LUNT IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF UTAH)
COUNTY OF Salt Lake) ss.

I, Larry V. Lunt, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am Vice President of Permian Hunter Corporation, a New Mexico Corporation ("Permian"), and I am familiar with its affairs.
3. Permian owns an undivided interest in the leasehold operating rights in, to and under United States Oil and Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

4. On or about September 25, 1989, Permian paid for and acquired 4% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, Permian still owns the above-described interest.

5. As consideration for the interest which Permian acquired in the Strata North Gavilon Lease, Permian paid Strata Production Company ("Strata") \$810.20.


6. To the best of my knowledge and belief, Permian has paid 4% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

7. Permian did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

8. Permian was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

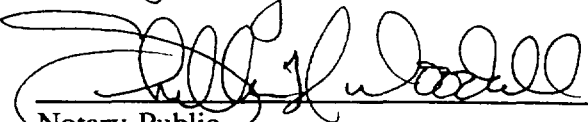
9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Larry V. Lunt

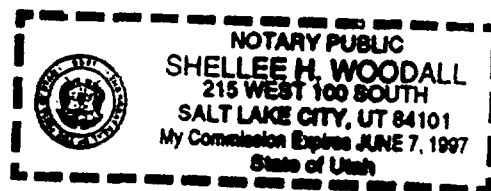
Subscribed and sworn to before me this 22nd day of January, 1996.



Notary Public

My Commission Expires:

6/7/97



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 9

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF CHARLES WARREN SCOTT
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Charles Warren Scott, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am President of Scott Exploration, Inc., a New Mexico Corporation ("Scott"), and

I am familiar with its affairs.

3. Scott owns a .5% overriding royalty interest in, to and under United States Oil and
Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

4. On or about November 1, 1989, Scott paid for and acquired 9% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, Scott still owns the above-described interest.

5. As consideration for the interest which Scott acquired in the Strata North Gavilon Lease, Scott paid Strata Production Company ("Strata") \$1,822.95.


6. To the best of my knowledge and belief, Scott has paid 9% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

7. Scott did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

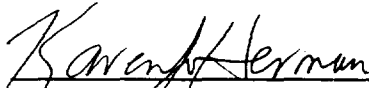
8. Scott was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.


Charles Warren Scott

Subscribed and sworn to before me this 24th day of January, 1996.


Notary Public

My Commission Expires:

4-16-98

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 10

Case No. 11510

Case No. 10656

Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF CHARLES I. WELLBORN IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Charles I. Wellborn, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I own an undivided interest in the leasehold operating rights in, to and under
United States Oil and Gas Lease NM57683 which covers the following lands in Lea County,
New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

3. On or about November 1, 1989, I paid for and acquired 2% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest.

4. As consideration for the interest which I acquired in the Strata North Gavilon Lease, I paid Strata Production Company ("Strata") \$405.10.

5. To the best of my knowledge and belief, I have paid 2% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

6. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

7. I was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

8. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Charles I. Wellborn

Subscribed and sworn to before me this 22nd day of January, 1996.



Notary Public

My Commission Expires:

10-6-99

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 11

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF SUSAN SCOTT MURPHY
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Susan Scott Murphy, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am President of Winn Investments, Inc., a New Mexico Corporation ("Winn"),
and I am familiar with its affairs.
3. Winn owns an undivided interest in the leasehold operating rights in, to and under
United States Oil and Gas Lease NM57683 which covers the following lands in Lea County,
New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

4. On or about November 1, 1989, Winn paid for and acquired 1% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, Winn still owns the above-described interest.

5. As consideration for the interest which Winn acquired in the Strata North Gavilon Lease, Winn paid Strata Production Company ("Strata") \$202.55.

6. To the best of my knowledge and belief, Winn has paid 1% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

7. Winn did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

8. Winn was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.

Susan Scott Murphy
Susan Scott Murphy

Subscribed and sworn to before me this 17 day of January, 1996.

Cheri L. Rogers
Notary Public

My Commission Expires:

February 10, 1999

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 12

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF LORI SCOTT WORRALL
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Lori Scott Worrall, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I own an undivided interest in the leasehold operating rights in, to and under
United States Oil and Gas Lease NM57683 which covers the following lands in Lea County,
New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

3. On or about November 1, 1989, I paid for and acquired 1% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest.

4. As consideration for the interest which I acquired in the Strata North Gavilon Lease, I paid Strata Production Company ("Strata") \$202.55.

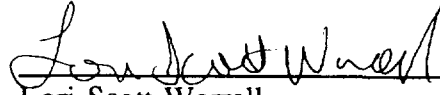
5. To the best of my knowledge and belief, I have paid 1% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

6. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

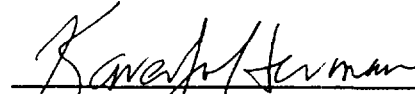
7. I was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

8. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.


Lori Scott Worrall

Subscribed and sworn to before me this 27th day of January, 1996.


Notary Public

My Commission Expires:

4-16-98

BEFORE EXAMINER STOGNER

Case No. 11510

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

4. On or about September 15, 1989, Xion paid for and acquired 10% of the leasehold operating rights in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, Xion still owns the above-described interest.

5. As consideration for the interest which Xion acquired in the Strata North Gavilon Lease, Xion paid Strata Production Company ("Strata") \$2025.50.

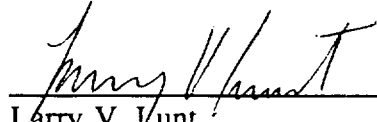
6. To the best of my knowledge and belief, Xion has paid 10% of the rentals paid by Strata with respect to the Strata North Gavilon Lease.

7. Xion did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

8. Xion was not offered or afforded an opportunity to participate in Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

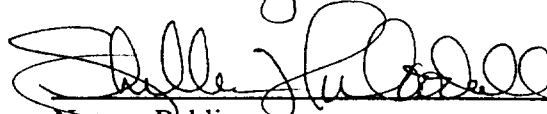
9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Larry V. Lunt

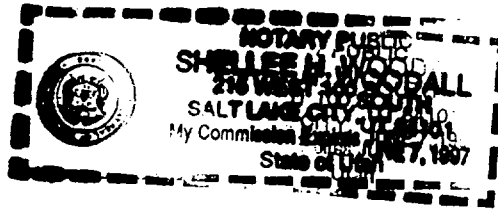
Subscribed and sworn to before me this 22nd day of January, 1996.



Notary Public

My Commission Expires:

6/2/97



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 14

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF GEORGE L. SCOTT, III IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, George L. Scott, III, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I own a .5% overriding royalty interest in, to and under United States Oil and Gas

Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.

Section 33: All

Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

3. My overriding royalty interest in the Strata Gavilon Lease was acquired in
consideration of geological services rendered in connection with the origination of the prospect
with covers such Lease.

4. On or about November 1, 1989, I received a .5% overriding royalty interest in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest.

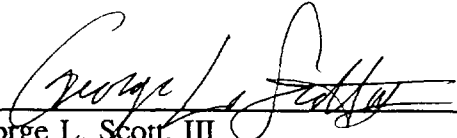
5. I received the .5% overriding royalty interest in the Strata North Gavilon Lease in consideration of geological services which I rendered in connection with the origination and acquisition of such Lease.

6. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

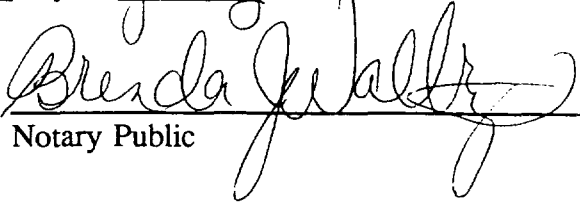
7. I was not offered or afforded an opportunity to share in production from the Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

8. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.


George L. Scott, III

Subscribed and sworn to before me this ^{23rd} day of January, 1996


Notary Public

My Commission Expires:

3-9-96

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 15

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF STEPHEN T. MITCHELL IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Stephen T. Mitchell, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I own a .5% overriding royalty interest in, to and under United States Oil and Gas

Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

3. My overriding royalty interest in the Strata Gavilon Lease was acquired in consideration of geological services rendered in connection with the origination of the prospect with covers such Lease.

4. On or about November 1, 1989, I received a .5% overriding royalty interest in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, I still own the above-described interest.

5. I received the .5% overriding royalty interest in the Strata North Gavilon Lease in consideration of geological services which I rendered in connection with the origination and acquisition of such Lease.

6. I did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

7. I was not offered or afforded an opportunity to share in production from the Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

8. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.

Stephen T. Mitchell
Stephen T. Mitchell

Subscribed and sworn to before me this 19 day of January, 1996.

Karen A. Herman
Notary Public

My Commission Expires:

4-16-98

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 16

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF CHARLES WARREN SCOTT
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Charles Warren Scott, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am President of Scott Exploration, Inc., a New Mexico Corporation ("Scott"), and

I am familiar with its affairs.

3. Scott owns a .5% overriding royalty interest in, to and under United States Oil and
Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 33: All
Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

4. Scott's overriding royalty interest in the Strata Gavilon Lease was acquired in consideration of geological services rendered in connection with the origination of the prospect with covers such Lease.

5. On or about November 1, 1989, Scott received a .5% overriding royalty interest in, to and under United States Oil and Gas Lease NM82927 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4
Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease." As of the date of this Affidavit, Scott still owns the above-described interest.

6. Scott received the .5% overriding royalty interest in the Strata North Gavilon Lease in consideration of geological services which Scott rendered in connection with the origination and acquisition of such Lease.

7. Scott did not receive notice of Mitchell Energy Corporation's Application in Oil Conservation Division Case No. 10656.

8. Scott was not offered or afforded an opportunity to share in production from the Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well, located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.

Charles Warren Scott
Charles Warren Scott

Subscribed and sworn to before me this 19 day of January, 1996.

Kenneth Heron
Notary Public

My Commission Expires:

6-16-98

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 17

Case No. 11510

~~Case No. 10656~~

Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF MARK B. MURPHY IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Mark B. Murphy, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. Strata Production Company ("Strata") is a New Mexico Corporation with its principal place of business in Roswell, New Mexico. Strata's principal business is the exploration and production of oil and gas. I am the President of Strata and I am familiar with the matters covered by this Affidavit.
3. Strata is the Operator of the Gavilon Federal No. 1 Well which is located on United States Oil and Gas Lease NM57683 which covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.

Section 33: All

Containing 640.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata Gavilon Lease."

4. In late 1989, Strata acquired United States Oil and Gas Lease NM82927 at a Federal lease sale. This lease covers the following lands in Lea County, New Mexico:

Township 20 South, Range 33 East, N.M.P.M.

Section 28: S/2SW/4, SW/4SE/4

Containing 120.00 acres, more or less.

This Lease is known as and herein referred to as the "Strata North Gavilon Lease."

5. In late 1989, Strata offered the Strata North Gavilon Lease to the working interest owners in the Strata Gavilon Lease. Some of the parties accepted the offer and purchased an interest in the leasehold operating rights in such lease, and others declined the offer. The remaining interest in the Strata North Gavilon Lease was sold to new parties or retained by Strata. The division of interest following the sale by Strata is set forth in the letter from Strata to Mitchell Energy Corporation dated January 13, 1993, a copy of which is attached hereto as Exhibit A. The interest sold by Strata was sold subject to a 1.5% geologic override divided as follows:

Steve Mitchell	.5%
George L. Scott, III	.5%
Scott Exploration, Inc.	<u>.5%</u>
Total	1.5%

This override is also reflected at Exhibit A.

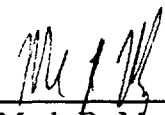
6. Following the sale by Strata of the interest in the Strata North Gavilon Lease as indicated hereinabove at Paragraph 5, Strata retained all of the record title interest subject to the beneficial interest of the parties as described at Exhibit A hereto.

7. Consistent with the division of interest reflected at Exhibit A hereto, Strata recently made and recorded an Assignment of Overriding Royalty Interest and an Assignment of Leasehold Operating Rights. The Assignment of Overriding Royalty Interest is attached hereto as Exhibit B, and the Assignment of Leasehold Operating Rights is attached hereto as Exhibit C.

8. The owners of the leasehold operating rights as reflected at Exhibits A and C have paid their share of the rentals paid with respect to the Strata North Gavilon Lease.

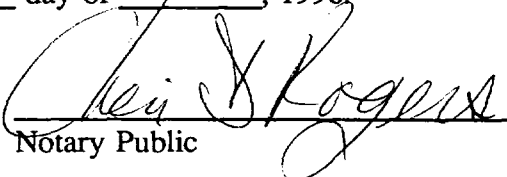
9. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose.

FURTHER AFFIANT SAYETH NOT.



Mark B. Murphy

Subscribed and sworn to before me this 17 day of January, 1996.



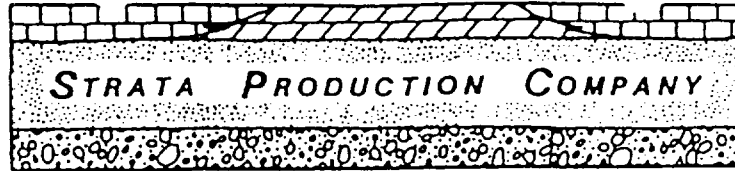
Notary Public

My Commission Expires:

February 10, 1999

EXHIBIT A

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

January 13, 1993

Via Telefax (915 682-6439)/Hard Copy by Certified Mail

Mitchell Energy Corporation
1000 Independence Plaza
400 West Illinois
Midland, Texas 79701
Attn: Steve Smith

Re: Leasehold Ownership Information
North Gavilon Prospect
NM #92957, S/2 SW/4, SW/4 SE/4
Section 28, T-20-S, R-33-E
Lea County, New Mexico

Dear Mr Smith:

During our telephone conversation this morning you expressed some concern that you had not been provided a list of leasehold partners and ownership in the above referenced lease. As Mitchell has set a compulsory pooling and unorthodox gas well location hearing (Case #10656) for Thursday January 21, 1993, I provide this information to facilitate your notification of said owners. Strata has or is in the process of making a direct assignment of each partners proportionate ownership. The names, addresses and ownership is as follows:

<u>Name/Address</u>	<u>Leasehold Ownership</u>
Arrowhead Oil Corporation P.O. Box 548 Artesia, New Mexico 88211-0548	6.25%
Branko, Inc. 45 Beaverbrook Crescent St. Albert, Alberta, Canada, T8N2L-4	1.56250%
Duane Brown 1315 Marquette PL, NE Albuquerque, New Mexico 87106	5.0%
S.H. Cavin P.O. Box 1125 Roswell, New Mexico 88202	2.0%

Name/AddressLeasehold Ownership

Robert W. Eaton
2505 Don Juan NW
Albuquerque, New Mexico 87104

1.56250%

Terry & Barb Kramer
5108 Irving BLVD., N.W.
Albuquerque, New Mexico 87114

30.0%

Landwest
215 West 100 South
Salt Lake City, UT 84101

1.0%

Candance McClelland
4 Country Hill Road
Roswell, New Mexico 88201

2.1250%

Permian Hunter Corporation
215 West 100 South
Salt Lake City, UT 84101

4.0%

Scott Exploration, Inc.
200 W. First
Suite 648
Roswell, New Mexico 88201

9.0%

Strata Production Company
200 W. First, Suite 700
P.O. Box 1030
Roswell, New Mexico 88202

18.50%

Warren, Inc.
P.O. Box 7250
Albuquerque, New Mexico 87194-7250

5.0%

Charles J. Wellborn
P.O. Box 2168
Albuquerque, New Mexico 87103-2168

2.0%

Winn Investments, Inc.
706 W. Brazos
Roswell, New Mexico 88201

1.0%

Lori Scott Worrall
200 W. First, Suite 648
Roswell, New Mexico 88201

1.0%

Xion Investments
215 West 100 South
Salt Lake City, UT 84101

10.0%

Total 100%

In addition the following own a overriding royalty interest (ORRI) as set forth below:

<u>Name/Address</u>	<u>ORRI</u>
Steve Mitchell 200 W. First, Suite 648 Roswell, New Mexico 88201	.5
George L. Scott III 200 W. First, Suite 648 Roswell, New Mexico 88201	.5
Scott Exploration Inc. 200 W. First, Suite 648 Roswell, New Mexico 88201	.5

Total 1.5%

If I may be of further assistance please call.

Very truly yours,

STRATA PRODUCTION COMPANY



Mark B. Murphy
President

cc: Sealy H. Cavin, Jr., Esq.

MBM/mo

EXHIBIT B

82390

MISC **611** PAGE **653**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995

Lease Serial No.

NM-829\$7

2

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)

Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

Transferee (Sublessee)*

Street See Exhibit A Which is Attached Hereto For a List of the
City, State, ZIP Code Transferees and Their Percentage Interest.

If more than one transferee, check here ☒ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a
separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☐ Operating Rights (sublease) ☒ Overriding Royalty, payment out of production or other
similar interests or payments

This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
The following lands in Lea County, New Mexico: <u>Township 20 South, Range 33 East, N.M.P.M.</u> <u>Section 28: S/2SW/4, SW/4SE/4</u>	100%*	1.5%*	100%*	0	0
This Transfer of Overriding Royalty Interest shall be effective as of the effective date of Lease NM-829\$7, November 1, 1989.					
*Strata owns 100% of the record title interest and leasehold operating rights. Strata is conveying a 1.5% overriding royalty interest to the parties and in the percentages indicated at <u>Exhibit A</u> hereto. Strata is retaining 100% of the record title interest and 100% of the leasehold operating rights, subject to the 1.5% overriding royalty interest which is hereby conveyed.					

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

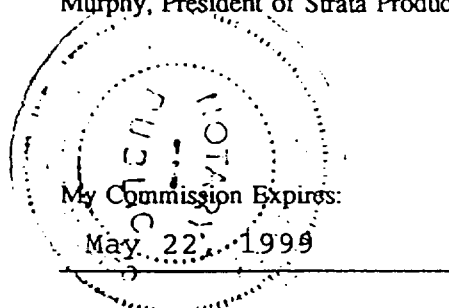
THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable
interest in this lease.

MISC 611 PAGE 654

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 7th day of November, 1995, by Mark B. Murphy, President of Strata Production Company.



Jo McInerney
Notary Public Jo McInerney

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 7th day of November, 19 95

Executed this _____ day of _____, 19 _____

Name of Transferor Strata Production Company

Please type or print

Transferor By: *Mark B. Murphy*

or Mark B. Murphy, President

Attorney-in-fact _____
(Signature)

Transferee _____

or (Signature)

Attorney-in-fact _____
(Signature)

200 West 1st Street, Suite 700

(Transferor's Address)

Roswell, New Mexico 88201

(City) (State) (Zip Code)

See Separate Transferee
Signature Pages Attached Hereto

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT A

MISC 611 PAGE 655

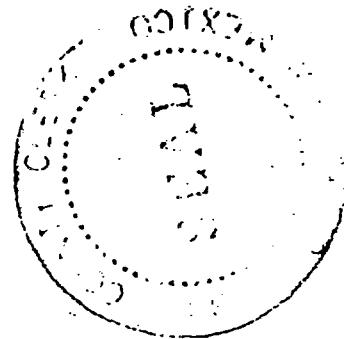
TRANSFEREES

<u>Name/Address</u>	<u>Percentage Overriding Royalty Interest</u>
Steve Mitchell 200 West First Street, Suite 648 Roswell, New Mexico 88201	.5%
George L. Scott, III 200 West First Street, Suite 648 Roswell, New Mexico 88201	.5%
Scott Exploration, Inc., 200 West First Street, Suite 648 Roswell, New Mexico 88201	<u>.5%</u>
Total	1.5%

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

NOV 8 1995

at 11:07 o'clock PM
and recorded in Book 611
Page 653
Pat Chappelle, Lea County Clerk
By Ruth Mamed Deputy



82390

EXHIBIT C

Form 3000-3a
(October 1992)

MISC 611 PAGE 656

84331
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995

After filing return to:
Strata Production Company
200 West 1st Street, Suite 700
Roswell, NM 88201
Attn: Jo McInerney, Landman

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM-82987
2

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

Transferee (Sublessee)*
Street

City, State, ZIP Code See Exhibit A Which is Attached Hereto For a List of the
Transferees and Their Percentage Interest.

If more than one transferee, check here ☒ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a
separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other
similar interests or payments

This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
The following lands in Lea County, New Mexico: <u>Township 20 South, Range 33 East, N.M.P.M.</u> <u>Section 28: S/2SW/4, SW/4SE/4</u>	100%	81.5%	18.5%	0	1.5%
This Transfer of Operating Rights shall be effective as of the effective date of Lease NM-82987, November 1, 1989.					

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable
interest in this lease.

Transfer approved effective _____

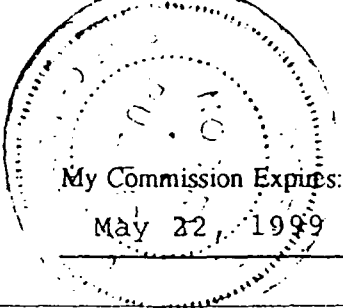
Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed

STATE OF NEW MEXICO)

) ss.

COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 7th day of November, 1995, by Mark B. Murphy, President of Strata Production Company.



Jo McInerney
Notary Public

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the law of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 7th day of November, 19 95

Executed this _____ day of _____, 19 _____

Name of Transferor Strata Production Company

Please type or print

Transferor By: Mark B. Murphy (Signature)

or Mark B. Murphy, President

Attorney-in-fact _____ (Signature)

200 West 1st Street, Suite 700

(Transferor's Address)

Roswell, New Mexico 88201

(City)

(State)

(Zip Code)

Transferee _____ (Signature)

or _____ (Signature)

Attorney-in-fact _____ (Signature)

**See Separate Transferee
Signature Pages Attached Hereto**

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT A
TRANSFEREES

<u>Name/Address</u>	<u>Percentage Leasehold Ownership</u>
Arrowhead Oil Corporation P.O. Box 548 Artesia, NM 88211-0548	6.25000%
Branko, Inc. 45 Beaverbrook Crescent St. Albert, Alberta, Canada, T8N2L-4	1.56250%
Duane Brown 1315 Marquette Place NE Albuquerque, NM 87106	5.00000%
S. H. Cavin P. O. Box 1125 Roswell, NM 88202	2.00000%
Robert W. Eaton 2505 Don Juan NW Albuquerque, NM 87104	1.56250%
Terry & Barb Kramer 5108 Irving Blvd. NW Albuquerque, NM 87114	30.00000%
Landwest, a Utah General Partnership 215 West 100 South Salt Lake City, UT 84101	1.00000%
Candace McClelland 4 Country Hill Road Roswell, NM 88201	2.12500%
Permian Hunter Corporation 215 West 100 South Salt Lake City, UT 84101	4.00000%
Scott Exploration, Inc. 200 West 1st Street, Suite 648 Roswell, NM 88201	9.00000%
Warren, Inc. P.O. Box 7250 Albuquerque, NM 87194-7250	5.00000%

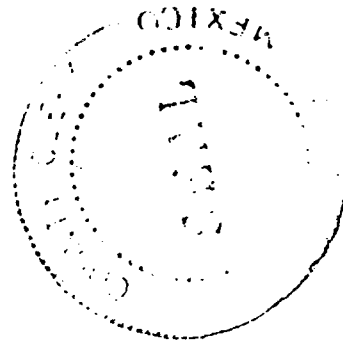
✓ Charles J. Wellborn P.O. Box 2168 Albuquerque, NM 87103-2168	2.00000%
✓ Winn Investments, Inc. 706 W. Brazos Roswell, NM 88201	1.00000%
✓ Lori Scott Worrall 200 West 1st Street, Suite 648 Roswell, NM 88201	1.00000%
✓ Xion Investments 215 West 100 South Salt Lake City, Ut 84101	<u>10.00000%</u>
TOTAL	81.50000%

**STATE OF NEW MEXICO
COUNTY OF LEA
FILED**

NOV 8 1995

at 11:07 o'clock A M
and recorded in Book 611
Page 656
Pat Chappelle, Lea County Clerk
By Ruth Manno Deputy

82391



~~November 20, 1992~~

CERTIFIED RETURN RECEIPT MAIL

Strata Production Company
648 Petroleum Building
Roswell, New Mexico 88201

Attention: Mr. Mark Murphy

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 18

Case No. 11510



RE: Well Proposal and Farmout Request
Tomahawk "28" Fed COM #1
1,980' FWL & 1,650' FNL Section 28
Township 20 South, Range 33 East, NMPM
Lea County, New Mexico
TOP HAT MESA AREA

Dear Mr. Murphy:

As previously discussed in our telephone conversations on October 29th and November 18th, Mitchell Energy Corporation is preparing to drill a 14,300 foot Morrow test at a location 1,980' FWL and 1,650' FNL of Section 28, T-20-S, R-33-E, Lea County, New Mexico. We anticipate a 320 acre proration unit for this well covering the W/2 of said Section 28 should the well be successfully completed in the Morrow which would include 80.00 acres of your 120.00 acre lease which covers the S/2 SW/4 and SW/4 SE/4 of said Section 28.

Please be advised that we have reviewed your proposal to sell the deep rights only under your lease (below the base of the Wolfcamp at approximately 11,700 feet) for \$300.00 per net acre delivering a 78% net revenue and have determined it to be unacceptable. As a counterproposal, Mitchell respectfully requests a farmout of Strata Production Company's interest in Federal Oil and Gas Lease NM-82927 covering the S/2 SW/4 and SW/4 SE/4 of Section 28, T-20-S, R-33-E, Lea County, New Mexico, based upon the following general terms which are subject to final Mitchell Management approval:

1. Within 120 days of execution of a formal Farmout Contract, Mitchell would agree to commence drilling operations at the above described location with the intent to drill said well to a depth of 14,300' or a depth sufficient to adequately test the Morrow Formation, whichever is the lesser depth.

2. Upon completion of the test well as a commercial producer, Mitchell would earn 100% of Strata's interest within the proration unit assigned to the well subject to Strata's reservation of a proportionately reducible overriding royalty interest equal to the difference by which 22% exceeds existing lease burdens. At payout of the test well, Strata would have the option, but not the obligation, to convert all of its retained overriding royalty interest to a proportionately reducible 25% working interest.
3. Mitchell would also have the right to earn the balance of the Farmout Acreage not committed to the proration unit for the test well under the same terms described in item 2 above through continuous development with no more than 120 days between completion of one well and commencement of the next.
4. If the test well is completed and assigned a proration unit which does not include Strata's lease, Mitchell would have the option, but not the obligation, to drill an option test well on Strata's lease, or lands pooled therewith, within 90 days of completion of the initial test well. Upon completion of the option test well as a commercial producer, Mitchell would earn Strata's interest in the same manner as provided in items 2 and 3 above.
5. All rights earned would be limited to 100 feet below total depth drilled in each earning well.

In the alternative, should Strata elect not to farmout to Mitchell based upon the aforementioned terms, Mitchell would propose that Strata participate in the captioned well for a 25% working interest. In connection therewith, enclosed for your review and execution are two (2) copies each of the AFE Cost Estimates for Dry Hole Costs and Completed Well Costs for this well.

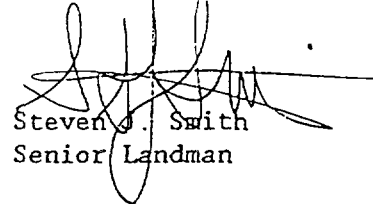
Strata Production Company
November 19, 1992
Page 3

Upon your review and consideration of this proposal, please indicate your election to either farmout or participate by executing and returning to the undersigned one (1) copy of this letter. Should you elect to participate, please also execute and return one (1) copy each of the AFE Cost Estimates along with your geological information requirements and the names of personnel to receive reports. Should you elect to farmout, upon receipt of your election, we will prepare and send you a more formal Farmout Contract for your execution.

Thank you for your consideration and cooperation.

Sincerely,

MITCHELL ENERGY CORPORATION



Steven G. Smith
Senior Landman

SJS/jm

Enclosures

☐ We elect to farmout based upon the aforementioned terms.

☐ We elect to participate in the Tomahawk "28" Fed COM #1

STRATA PRODUCTION COMPANY

BY: _____

TITLE: _____

DATE: _____

Type Project (check 1 only)		
<input checked="" type="checkbox"/> Exploratory <input type="checkbox"/> Development	<input type="checkbox"/> Injection <input type="checkbox"/> Disposal	<input type="checkbox"/> Water Supply <input type="checkbox"/> Depth <u>14,300'</u>

Form B-1	<input type="checkbox"/> Add	<input type="checkbox"/> Change	<input type="checkbox"/> Delete
AFE Number _____			
Property/Well Name <u>Tomahawk "28" Fed. #1</u>			
Project Description <u>Drill</u>			
Net Working Interest <u>0.</u>			

Group Code _____
Location Code _____
Department Number <u>712</u>
County <u>Lea</u> St. <u>NM</u>
Operator <u>MEC</u>

Estimated Date Project Will Be Completed _____ (Mo./Yr.)
--

DRILLING COSTS	Amount
<u>INTANGIBLE</u>	
10 Dry Hole Abandonment	
11 Rig Mobilization and Demobilization	
12 Power and Fuel	
13 Water	\$ 35,000
14 Solids Control Equipment Rental	5,000
*15 Directional Equipment and Services	
16 Fishing Tools and Services	
17 Subsurface Casing Equipment	7,000
18 Contract Labor and Services (welding, inspect, csg crews, BOP tsts)	25,000
19 Supervision - Company and/or Contract (40 days @ \$500/day)	20,000
50 Road and Site Preparation	30,000
51 Footage Contract Fee (14,300' @ \$21.50/ft)	310,000
52 Daywork Contract Fee (5 days @ \$5000/day)	25,000
53 Mud and Chemicals (mud-up @ 9400')	75,000
54 Bits and Reamers	
55 Drilling Tool and Equipment Rental (PYT, tank, WB, trailer, chk, trash)	25,000
56 Cement and Cement Services	50,000
*57 Open Hole Logging-Testing (incl 35 days ML, 2 log runs)	80,000
*58 Drill Stem Testing (1 DST)	3,000
59 Coring and Analysis (SW)	5,000
60 Transportation	14,000
61 Air/Marine Transportation	
63 Overhead	10,000
64 Insurance	
65 Company Labor and Services	
*66 Prospect Generation	20,000
67 Miscellaneous Services and Contingency	50,000
 TOTAL INTANGIBLE COSTS	 \$789,000
 <u>TANGIBLE</u>	
21 Casing-Drive Pipe & Conductor 40' - 30" cond	\$ 4,000
40 Casing - Surface 500'-20" 940 K-S @ \$51.50/ft	25,800
41 Casing - Intermediate 4250'-23" 578 K-S @ \$23.37/ft	110,000
42 Casinghead Equipment (Including Valves) (3000 psi)	4,500
43 Casing Spool (Including Valves) (5000 psi)	18,000
44 Miscellaneous Equipment	
 TOTAL TANGIBLE COSTS	 \$162,300
 TOTAL DRILLING (DRY HOLE) COSTS	 \$951,300

* Invalid for disposal and water supply wells.

MEDC 252-02

Prepared By:

G. W. Tullos

Rev. 4/29/85

Date Prepared:

8/27/92

STRATA PRODUCTION COMPANY

BY: _____

TITLE: _____

DATE: _____

Type Project (check 1 only)

☐ Exploratory ☐ Recompletion (Zone Change Only) ☐ Disposal
☒ Development ☐ Plug and Abandon (Previously Producing Well) Depth 13,800'
☐ Injection ☐ Water Supply

Form 8-2 ☐ Add ☐ Change ☐ Delete Group Code _____
 AFE Number _____ Location Code _____
 Property/Well Name Anasazi "9" Fed Com #2 Department Number 730
 Project Description Complete County Lea St. NM
 Net Working Interest _____ Operator MEC

Estimated Date Project Will Be Completed _____ (Mo./Yr.)

COMPLETION COSTS		Amount
<u>INTANGIBLE</u>		
22	Overhead	\$ 2,000
23	Company Labor and Services	
24	Contract Labor and Services	40,000
25	Air/Marine Transportation	
26	Other Transportation	15,000
27	Plugging and Abandonment	
28	Rig Mobilization and Demobilization	
29	Supervision - Company and/ or Contract	3,000
30	Site Preparation and Clean-up	1,000
31	Subsurface Casing Equipment	5,000
32	Squeeze Cement and Service	
33	Completion Fluids	4,000
34	Pump Truck Services	1,000
35	Rental Tools	10,000
36	Bits and Reamers	
37	Insurance	
38	Wireline Services	4,000
39	Fishing Tools and Services	
*53	Tertiary Injectants	
68	Fencing	
83	Daywork Contract Fee	10,000
84	Cement and Cement Services - Primary	30,000
85	Acidizing and Fracturing	20,000
*86	Cased Hole Logging and Perforating	32,000
94	Miscellaneous Services and Contingency	5,000
TOTAL INTANGIBLE COSTS		\$182,000
<u>TANGIBLE</u>		
69	Tubinghead Equipment (Including Valves)	14,000
70	Casing-Production and/or Liner <u>13,800' 5 1/2" 17# S-95 & N-80</u>	92,000
71	Tubing <u>13,600' 2 3/8" 4.7# N-80</u>	39,500
72	Packers and Subsurface Equipment	5,000
73	Production Tree (Including Valves)	22,000
74	Storage Tanks <u>2-210 Bbl STL + 1-210 Bbl F.G.</u>	10,000
75	Separating Equipment <u>250 MBTU 16"x8' Stack Pak & 30"x10' 3P Sep.</u>	15,000
76	Treating Equipment	
77	Artificial Lift Equipment	
78	Line Pipe	5,000
79	Valves and Fittings Beyond Wellhead	6,000
80	Miscellaneous Equipment	4,500
81	Platform and Structures	
82	Metering Equipment	2,000
87	Pumps	
90	Electrical Equipment	
91	Instrumentation Equipment	
96	Dehydrators and Dryers	
TOTAL TANGIBLE COSTS		\$215,000
TOTAL COMPLETION COSTS		\$397,000

* Invalid for disposal and water supply wells.

NEUC 252-03
Rev. 4/29/85

Prepared By: James Blount
Date Prepared: 9-18-92

STRATA PRODUCTION COMPANY
BY: _____
TITLE: _____
DATE: _____

PS Form 3800, June 1985

Sender's Name: Sirata Prod.

Address: 648 Petrol. Bldg.

City, State and ZIP Code: Roswell, N.M. 88201

Postage: 5

Insured Fee:

Special Delivery Fee:

Restricted Delivery Fee:

Return Receipt Showing to whom and Date Forwarded:

Return Receipt Showing to whom Date and Address of Delivery:

TOTAL Postage and Fees \$

Postmark or Date: 11/20/92

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery for additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1 ☒ Show to whom delivered date and addressee's address 2 ☐ Restricted Delivery 3 ☐ Signature Addressed to addressee (Extra charge)

3 Article Addressed to: Sirata Production Company

485 Petroleum Building

Roswell, New Mexico 88201

ATTN: MR. MARK MURPHY

4 Article Number: P3554201973

Type of Service: ☐ Registered ☐ Insured ☒ Certified ☐ COD ☐ Return Receipt for Merchandise ☐ Express Mail

5 Signature of Addressee: Mark Murphy

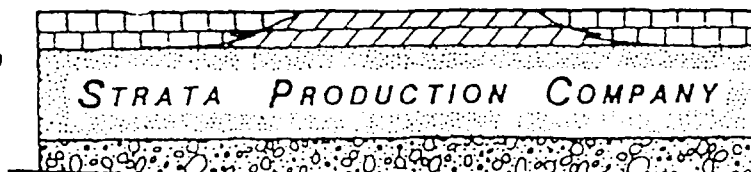
6 Addressee's Address: 700 Pet. Bldg

Roswell, NM 88201

7 Date of Delivery: 11/23/92

DEC 11 1992

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

BEFORE EXAMINER STOGNER

December 9, 1992 Oil Conservation Division

Branko Exhibit No. 19

Case No. 11510

VIA TELEFAX (915-682-6439) HARD COPY BY CERTIFIED MAIL

Mitchell Energy Corporation
1000 Independence Plaza
400 W. Illinois
Midland, Texas 79701

Attention: Steven J. Smith, Senior Landman

Re: Well Proposal and Farmout Request per
Mitchell correspondence dated
November 20, 1992

Dear Mr. Smith:

We have reviewed Mitchell's proposal contained in the above-referenced correspondence and have determined it to be unacceptable. As a point of clarification, I proposed to you that Strata would favorably consider selling the deep rights under the S/2 SW/4 and SW/4 SE/4 of Section 28, T-20-S, R-33-E, Lea County, New Mexico subject to the terms set forth in the above referenced correspondence with the exception that the deep rights would include from the top (not the base) of the Wolfcamp to 100' below depth drilled. In the alternative, we would propose the following:

1. The purchase price is Thirty-six thousand dollars (120 acres x \$300/acre).
2. Strata will deliver a 75% Net Revenue Interest with the retained overriding royalty "pooled" under the W/2 of Section 28. In other words, Strata would, regardless of the proration unit, retain a 3.125% ORRI (12.5% x 25%).
3. The rights to be delivered would be from surface to the base of the Pennsylvania Formation.

In an effort to accommodate Mitchell, I offer as an alternative to the proposal set forth above the following general farmout terms which are subject to final approval by Strata and

it's partners:

1. The acreage to be included in the farmout by Strata et al is the S/2 SW/4 and SW/4 SE/4 of Section 28 limited in depth from the surface to the base of the Pennsylvania Formation.
2. Within 120 days of execution of a formal Farmout Contract, Mitchell would agree to commence drilling operations at a legal location in the SW/4 NW/4 (Unit F) of Section 28, T-20-S, R-33-E, NMPM Lea County, New Mexico with the intent to drill said well to a depth of 14,300' or a depth sufficient to adequately test the Morrow Formation, whichever is the lesser depth.
3. Upon completion of the test well as a commercial producer, Mitchell would earn 100% of Strata's interest within the proration unit assigned to the well subject to Strata's reservation of a proportionately reducible overriding royalty interest equal to the difference between existing lease burdens and 25%. In other words, Strata et al would deliver prior to payout of the test well a 75% Net Revenue Interest. At payout of the test well, Strata would have the option, but not the obligation, to convert all of its retained overriding royalty interest to a proportionately reducible 25% working interest.
4. Mitchell would also have the right to earn the balance of the Farmout Acreage not committed to the proration unit for the test well under the same terms described in item 3 above through continuous development with no more than 120 days between the release of the drilling rig from one well and commencement of the next.
5. If the test well is completed and assigned a proration unit which does not include Strata's lease, Mitchell would have the option, but not the obligation, to drill an option test well on Strata's lease, or lands pooled therewith, within 90 days of release of the drilling rig from the initial test well. Upon completion of the option test well as a commercial producer, Mitchell would earn Strata's interest in the same manner as provided in items 3 and 4 above.
6. The rights earned would be from the surface to the base of the Pennsylvania Formation or 100 feet below total depth drilled in each earning well.

I would appreciate your response no later than Friday, December 18, 1992. Thank you for your consideration and cooperation.

Very truly yours,

STRATA PRODUCTION COMPANY

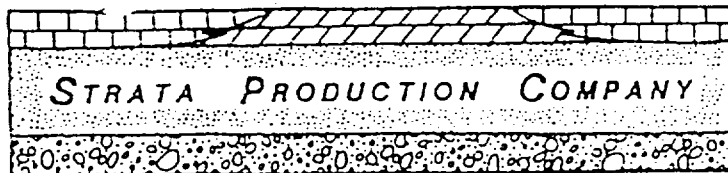
A handwritten signature in dark ink, appearing to read 'Mark B. Murphy', with a large, sweeping flourish extending to the right.

Mark B. Murphy
President

MBM/clk

JAN 12 1993

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

December 30, 1992

*sent by
received
1/4/93*

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 20

Case No. 11510

Via Telefax (915) 682-6439

Mitchell Energy Corporation
1000 Independence Plaza
400 W. Illinois
Midland, Texas 79701

Attention: Steven J. Smith, Senior Landman

Re: Letter Agreement Concerning Purchase and Sale of United States
Oil and Gas Lease NM 82927 which covers the following lands in
Lea County, New Mexico

Township 20 South, Range 33 East, N.M.P.M.
Section 28: S 1/2 SW 1/4, SW 1/4 SE 1/4,
being 120 acres more or less

North Gavilon Prospect

Dear Gentlemen:

This Letter Agreement ("Agreement") sets forth our Agreement regarding Mitchell Energy Corporation ("Mitchell") obligation to purchase and Strata Production Company's ("Strata") obligation to sell the above-described lease and lands ("Subject Lease") on the following terms and conditions:

1. Assignment: Strata shall at Closing execute and deliver an assignment of 100% of the record title in the Subject Lease by execution and delivery of quadruplicate originals of the Assignment of Record Title Interest ("Strata Assignment") attached hereto as Exhibit A. The Strata Assignment includes by an exhibit thereto with various provisions (including specifically a reassignment provision) which Mitchell hereby approves and acknowledges.
2. Reserved Overriding Royalty Interest: The Strata Assignment reserves unto Strata an overriding royalty interest ("ORRI") equal to (1) 1.875% 8/8ths of the oil

and/or gas produced, saved and marketed from the Subject Lease insofar as it covers the S 1/2 SW 1/4, and (2) .9375% of 8/8ths of the oil and/or gas produced, saved and marketed from the Subject Lease insofar as it covers the SE 1/4 SE 1/4.

3. Payment of Purchase Price: Mitchell hereby agrees unconditionally to pay unto Strata at Closing \$15,000.00 in consideration of the execution and delivery of the above-described assignment. In the event Mitchell fails to pay this amount when due, Strata shall be entitled to bring a suit for collection and shall be entitled to recover all reasonable costs including specifically attorney's fees, plus 15% interest on the unpaid amount until paid.
4. Additional Consideration: As additional consideration for the Strata Assignment, Mitchell hereby agrees to assign unto Strata (1) an overriding royalty interest equal to 1.875% of 8/8ths of the oil and/or gas produced, saved and marketed from the lease or leases covering the N 1/2 SW 1/4 and NW 1/4 of Section 28, and (2) an overriding royalty interest equal to .9375% of 8/8ths of the oil and/or gas produced, saved and marketed from the lease or leases covering the SE 1/4 SE 1/4, N 1/2 SE 1/4 and NE 1/4 of Section 28. This Assignment ("Mitchell Assignment") shall be on an appropriate form or forms for filing with the BLM and recording in the Lea County Records. The Mitchell Assignment shall be made without warranty, express or implied, except by, through or under Mitchell. The Mitchell Assignment shall contain the following language concerning the calculation and payment of overriding royalty interest:

The overriding royalty interest hereby assigned shall be computed and paid at the same time and in the same manner as royalties payable to the lessor under the terms of the lease are computed and paid, and Strata shall be responsible only for its proportionate part of all taxes and assessments levied upon or against or measured by the production of oil and/or gas therefrom. It is expressly agreed and understood that Strata and its successors-in-interest and assigns shall have the right to receive overriding royalty payments directly from the oil and/or gas purchasers.

Mitchell represents and warrants unto Strata that it owns or controls a sufficient interest in the above-described lands to make the Mitchell Assignment.

5. Title: By execution and delivery of this Agreement in a timely manner, Mitchell is deemed to have approved title

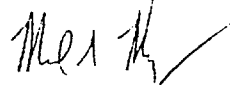
as it now stands. Mitchell agrees and acknowledges that it is prepared to close on the basis of such title. Mitchell shall be excused from paying the purchase price at Closing only if Strata takes some affirmative action which adversely affects title to the Subject Lease.

6. Closing: The closing shall take place at 10:00 a.m. on January 8, 1990 at the offices of Strata at 100 North Pennsylvania Avenue, New Mexico. The time and place of closing may be changed only by the mutual agreement of the parties hereto.
7. Undisclosed Owners: There are certain undisclosed owners of undivided interest in the Subject Lease whose interest are not reflected in the county or Bureau of Land Management records. Strata hereby represents and warrants unto Mitchell that it has the right, power and authority to sell 100% of the Subject Lease for the benefit of such undisclosed owners.
8. Authority: The undersigned signatories hereby represent and warrant unto each other that they have actual, express authority to execute this Agreement and bind their respective companies to perform under the terms hereof. At the same time Mitchell delivers to Strata an executed original of this Agreement, it will provide Strata with a copy of the Power of Attorney of the undersigned signatory.
9. Execution in Counterparts: This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute for all purposes one Agreement.
10. Geologic and Technical Information: Mitchell agrees to provide to Strata, in a timely manner, all drilling and geologic information for any wells drilled on the Subject Lease, or drilled on a proration unit which contains all or any portion of the Subject lease including well logs, mudlogs, core data, drilling time and related drilling, completion and production information.
11. Binding Effect: The terms, limitations and conditions of this Agreement shall be covenants running with the ownership of the Subject Lease and, as such, shall be binding upon and shall insure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

If the terms of this Agreement correctly set forth Mitchell's understanding, please execute both originals of this Agreement and return one executed original to Strata.

Very truly yours,

STRATA PRODUCTION COMPANY



Mark B. Murphy
President

MBM/clk

Agreed to and accepted by _____
of Mitchell Energy Corporation, on behalf of said company.

Date

By: _____

Title: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1989ASSIGNMENT OF RECORD TITLE INTEREST IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCESMineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 1603)

Lease Serial No.

NM-82927

Lease Effective Date
(Anniversary Date)

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Mitchell Energy Corporation
Street 1000 Independence Plaza
City, State, ZIP Code 400 W. Illinois
Midland, Texas 79701*If more than one assignee, check here ☐ and list the name(s) and address(es) of all additional assignees on the reverse of this form or on a separate attached sheet of paper.This record title assignment is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal LeaseInterest conveyed: (Check one or both, as appropriate) ☒ Record Title, ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
The following lands in Lea County, NM: Township 20 South, Range 33 East, N.M.P.M. Section 28: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Containing 120 acres, more or less.	100%	100%	0	1.875%*	0
				.9375%**	
The lease and lands covered thereby are hereinafter referred to as the "Subject Lease."					
This Assignment of Record Title Interest is subject to the terms, conditions and limitations contained in Exhibit "A" hereto, and a Letter Agreement dated December 30, 1992 between the parties hereto.					
*An overriding royalty interest equal to 1.875% of 8/8ths is reserved under the S $\frac{1}{2}$ SW $\frac{1}{4}$.					
**An overriding royalty interest equal to .9375% of 8/8ths is reserved under the SW $\frac{1}{4}$ SE $\frac{1}{4}$.					

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

UNITED STATES OF AMERICA

This assignment is approved solely for administrative purposes. Approval does not warrant that either party to this assignment holds legal or equitable title to this lease.

☐ Assignment approved for above described lands;☐ Assignment approved for attached land description

Assignment approved effective _____

☐ Assignment approved for land description indicated on reverse of this form.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this ____ day of _____, 1993, by Mark B. Murphy, President of Strata Production Company, a New Mexico corporation, on behalf of said corporation.

Notary Public

My Commission Expires:

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.
2. Assignee certifies as follows: (a) Assignee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or an association of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Assignee is not considered a minor under the laws of the State in which the lands covered by this assignment are located; (c) Assignee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the assignment are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Assignee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Assignee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal assignments, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this _____ day of _____, 19____

Executed this _____ day of _____, 19____

Name of Assignor as shown on current lease Strata Production
Please type or print Company

Mitchell Energy Corporation

Assignor _____
or By: Mark B. Murphy (Signature) President
Attorney-in-fact _____
(Signature)

Assignee _____
or _____ (Signature)
Attorney-in-fact _____
(Signature)

P.O. Box 1030
(Assignor's Address)
Poswell, NM 88202-1030
(City) (State) (Zip Code)

1000 Independence Plaza
400 W. Illinois
Midland, Texas 79701

EXHIBIT A

ADDITIONAL TERMS AND PROVISIONS

1. Reassignment:

- a. If Assignee ("Mitchell") fails to commence actual drilling operations on the Subject Lease or on lands communitized or unitized therewith on or before 120 days before the end of its primary term then Mitchell shall reassign to Assignor ("Strata") all of Mitchell's right, title and interest in the Subject Lease, without further encumbrance or limitation. The reassignment shall be on a form appropriate for filing in the county and with the BLM; it shall be on a form which is to the reasonable satisfaction of both parties.
- b. If Mitchell fails or refuses to make the reassignment in a timely manner, then it shall be obligated to pay to Strata liquidated damages equal to \$18,000.00 upon demand by Strata.
- c. If Strata is required to bring legal action to enforce this reassignment provision of payment of liquidated damages, then it shall be entitled to recover all reasonable costs including its attorneys' fees.

2. Rentals:

Mitchell will use its best efforts to pay all rentals and/or minimum royalties that may be necessary to maintain the subject lease in force and effect in the absence of production. Mitchell has a current inter-company system set up to pay its rental and/or minimum royalty obligations. If due to a failure in our system, or human error without malicious intent, a rental and/or minimum royalty payment required to maintain the subject lease in force and effect is not properly paid, Mitchell shall not be liable to Strata for this non-payment. In the event a rental and/or minimum royalty payment is not paid by Mitchell due to malicious intent, Mitchell will be liable to Strata for the liquidated damage amount described in 1.b.

3. Overriding Royalty Interest:

Strata hereby excepts and reserves an overriding royalty interest equal to (1) 1.825% of 8/8ths of the oil and/or gas produced, saved and marketed from the Subject Lease insofar as it covers the S 1/2 SW 1/4, and (2) .9375% of 8/8ths of the oil and/or gas produced, saved and marketed from the Subject Lease insofar as it covers the SW 1/4 SE 1/4. This overriding royalty interest shall be computed and paid at the same time and in the same manner as royalties payable to the lessor under the terms of the Subject Lease are computed

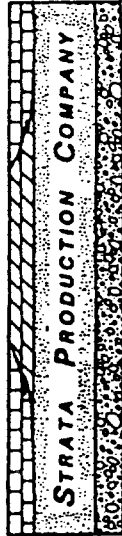
and paid, and Strata shall be responsible for its proportionate part of all taxes and assessments levied upon or against or measured by the production of oil and/or gas therefrom. The overriding royalty interest shall be the total obligation and shall include all existing overriding obligations payable out of production from the Subject Lease over and above the royalty payable to lessor, and shall be proportionately reduced if this assignment grants to Mitchell less than the entire leasehold estate in the Subject Lease. It is expressly agreed and understood that Strata and its successors in interest and assigns shall have the right to receive overriding royalty payments directly from the oil and/or gas purchasers.

4. Binding Effect:

The terms, limitations and conditions for this Assignment shall be covenants running with the ownership of the Subject Lease covered by this Assignment and, as such, shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors, and assigns.

5. Warranty:

This Assignment is made without warranty, express or implied, except by, through or under Strata.

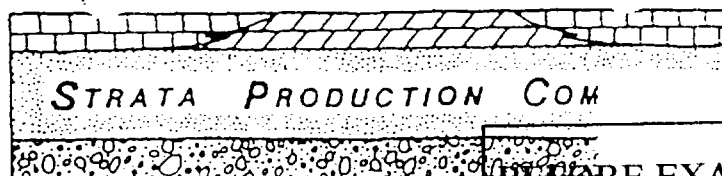


POST OFFICE DRAWER 1030
ROSWELL, NEW MEXICO 88202-1030

TO: Mitchell Energy
1000 Independence Plaza
400 West Illinois
Midland, Texas 79701
Attn: Mr. Steven J. Smith

FIRST CLASS MAIL

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING
ROSWELL, NEW MEXICO 88201

JAN 27 1993
TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

January 6, 1993

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 21

Case No. 11510

Via Telefax (915) 682-6439/Hard Copy by Certified Mail.

Mitchell Energy Corporation
1000 Independence Plaza
400 West Illinois
Midland, Texas 79701

Re: Strata's North Gavilon Prospect
Mitchell's Top Hat Mesa Prospect
Lea County, New Mexico

Dear Steve:

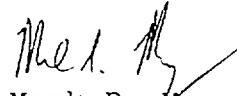
I have informed my partners that Mitchell has refused to execute Strata's Letter Agreement dated December 30, 1992. We have also reviewed and discussed Mitchell's counter proposal dated January 5, 1993. Unfortunately, it appears that we will be unable to resolve the sale, farmout or participation by Strata prior to the OCD hearing scheduled for Thursday January 7, 1993. In accordance with our discussion yesterday, you advised me that Mitchell will request that the OCD force pooling hearing be rescheduled for the next hearing date which you stated that you believed will be on or about January 21, 1993. Please ask your counsel (Tom Kellahin) to forward a copy of said request to me by facsimile (505) 623-3533.

It is our desire to continue discussions with Mitchell in order to facilitate the drilling of the Tomahawk "28" Federal Com #1. As we have discussed, Strata may wish to join in the drilling of said well. You have provided an Authority for Expenditure Cost Estimate. However, it is my understanding that the proposed location that Mitchell now intends to drill has been changed from your original proposal. It is also my understanding that there is or may be a challenge by offset operators and owners to your currently proposed location. We wish to be apprised of any opposition to Mitchell's proposed location as this is pertinent to our decision. Please advise me of the location that Mitchell now intends to drill.

In addition, in order for Strata to determine if we wish to participate we will need to review and possibly discuss Mitchell's proposed Joint Operating Agreement. Please provide me a copy of said JOA at your earliest convenience.

Very truly yours,

STRATA PRODUCTION COMPANY


Mark B. Murphy
President

MBM/mo

cc: Sealy Cavin, Jr., Esq.
Stratton and Cavin
320 Gold Avenue S.W., Suite 918
Albuquerque, New Mexico

STRATA PRODUCTION COMPANY

POST OFFICE DRAWER 1030
OSWELL, NEW MEXICO 88202-1030

Fold at line over top of envelope to the
right of the return address

CERTIFIED

P 144 799 138

MAIL

Steven J. Smith
Mitchell Energy Corporation
1000 Independence Plaza
400 West Illinois
Midland, Texas 79701

**RETURN RECEIPT
REQUESTED**



456

January 7, 1993

COPY VIA FAX
ORIGINAL VIA CERTIFIED MAIL

BEFORE EXAMINER STOGNER
Oil Conservation Division
Branko Exhibit No. 22
Case No. 11510

Strata Production Company
200 West First Street
Suite 200
Roswell, New Mexico 88101

Attention: Mr. Mark B. Murphy
President



RE: Tomahawk "28" Fed. COM #1 Well
1,980' FWL & 1,650' FNL Section 28
Township 20 South, Range 33 East, NMPM
Lea County, New Mexico
TOP HAT MESA PROSPECT

Dear Mr. Murphy:

In response to your letter dated January 6, 1993, please be advised that the location for the captioned well remains as proposed to Strata by letter dated November 20, 1992. While said location is unorthodox, it is so only because of archeological and topographical reasons. In fact, if compulsory pooling were not an issue, this location would likely be approved administratively by the NMOCD. To this date, we are unaware of any protests and expect none. If you become aware of any opposition to Mitchell's location, we wish to be apprised of such opposition.

Pursuant to your request, enclosed is a copy of the Joint Operating Agreement Mitchell proposes to govern Strata's participation in the captioned well. The enclosed Joint Operating Agreement is identical to the Joint Operating Agreement in place between the parties who have already agreed to participate in this well with the exception of the following:

- 1) The enclosed Joint Operating Agreement is dated January 1, 1993;
- 2) The contract area covers only the W/2 of said Section 23 being the proposed proration unit for the captioned well;
- 3) Article VI.A. has been revised to reflect the drilling of the captioned well;

- 4) The overhead rates in the COPAS have been revised to reflect the rates currently in use under the existing Joint Operating Agreement.

As a matter of clarification, the following is a summary of the discussions and correspondence between Strata and Mitchell to date regarding the captioned well:

- 1) On October 28, 1992, you returned my telephone call of October 26, 1992. I advised you of Mitchell's desire to drill the captioned well. You advised that Strata had no interest in participating in a deep well but would consider selling its interest in Federal Lease NM-82927 covering the S/2 SW/4 and SW/4 SE/4 of Section 28, T-20-S, R-33-E, for \$300.00 per net acre delivering a 78% net revenue and retaining all rights above approximately 11,707 feet.
- 2) On November 18, 1992, you returned my telephone call of November 17, 1992. I advised you that Mitchell Management had considered Strata's proposal to sell its lease and found it unacceptable. You advised that you felt your offer to be reasonable and advised again that Strata had no interest in participating in the proposed well.
- 3) By letter dated November 20, 1992, Mitchell officially advised Strata that its offer to sell its lease was unacceptable. As a counterproposal, Mitchell requested a farmout of Strata's lease, or in the alternative, that Strata participate for a 25% interest in the captioned well.
- 4) By letter dated December 9, 1992, Strata advised that Mitchell's counterproposal of November 20, 1992, was unacceptable. As an alternative, Strata proposed to either a) sell its lease from the surface to the base of the Pennsylvania formation for \$300.00 per net acre delivering a 75% net revenue with the provision that Strata's retained ORRI be pooled under the W/2 of said Section 28 or b) farmout its interest under substantially the same terms proposed in Mitchell's letter of November 20, 1992.
- 5) On or about December 16, 1992, I contacted you by telephone and advised you that Mitchell would accept Strata's proposal to Farmout as outlined in Strata's letter dated December 9, 1992. You advised that you preferred to sell rather than

farmout and asked that Mitchell consider making Strata its best offer to purchase Strata's lease.

- 6) On or about December 18, 1992, you contacted me by telephone and I advised you that Mitchell would consider purchasing all of Strata's right, title and interest in Federal Lease NM-82927 for \$150.00 per net acre with Strata reserving an overriding royalty equal to the difference by which 20% exceeds existing lease burdens thereby delivering to Mitchell an 80% net revenue assignment. You advised that you would recommend to your partners accepting Mitchell's offer and would call me back with an answer.
- 7) On or about December 23, 1992, you contacted me by telephone and advised that Strata had accepted Mitchell's proposal to purchase its interest in the subject lease. We discussed the need for a confirmation letter and you advised that you would draw one up and try to have it to me the next day.
- 8) On December 30, 1992, via telefax, Strata submitted to Mitchell a Letter Agreement dated December 30, 1992, intended to govern the sale by Strata of Federal Lease NM-82927 to Mitchell. While the Letter Agreement correctly described the lease and the agreed to purchase price, it also contained numerous other terms and conditions which were not discussed in our two preceding telephone conversations including, but not limited to, a provision to pool Strata's retained overriding royalty under All of said Section 28.
- 9) On January 5, 1993, via telefax and by U.S. Mail, Mitchell submitted to Strata a Letter Agreement dated January 5, 1993, intended to confirm the terms discussed and agreed to in our two preceding telephone conversations regarding the sale by Strata of Federal Lease NM-82927 to Mitchell.
- 10) On January 5, 1993, you contacted me by telephone and we discussed each other's letter agreements. I advised that pooling Strata's ORRI was not part of Mitchell's offer to purchase Strata's lease and was not something Mitchell would consider. You advised that, while we had not discussed pooling the ORRI, you felt it was implicitly part of the agreement because you had made it part of your December 9, 1992, letter. I advised that I disagreed.

- 11) On January 6, 1993, via telefax and by U.S. Mail, Strata sent to Mitchell a letter dated January 6, 1993, indicating that, while an impasse apparently had been reached in our negotiations, Strata wanted to continue discussions in an effort to facilitate the drilling of the captioned well. Additionally, you indicated that Strata might now consider participating in the proposed well and you necessarily requested a copy of a proposed Joint Operating Agreement, a copy of which is attached.

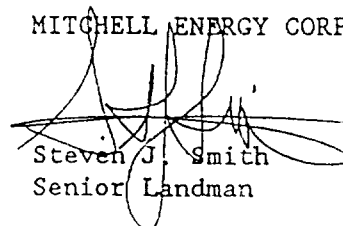
It is also Mitchell's desire to continue discussions with Strata that might result in a cooperative agreement facilitating the drilling of the Tomahawk "28" Fed COM #1 Well. In order to make clear Mitchell's position on this matter, we offer to you, in order of preference, solutions to the apparent impasse that Mitchell is willing to accept.

- 1) Strata agrees to participate in the drilling of the captioned well as proposed in Mitchell's letter to Strata dated November 20, 1992.
- 2) Strata agrees to sell all of its right, title and interest in Federal Lease NM-82927 to Mitchell pursuant to the terms outlined in Mitchell's letter to Strata dated January 5, 1993.
- 3) Strata agrees to farmout its interest in Federal Lease NM-82927 to Mitchell pursuant to the terms outlined in Strata's letter to Mitchell dated December 9, 1992, subject to the following changes:
 - a) On line 3 of item 2 on page 2, the word "legal" be deleted.
 - b) On line 3 of item 2 on page 2, the legal description "SW/4 NW/4" be revised to read "SE/4 NW/4".

We look forward to hearing from you regarding this matter in the near future.

Sincerely,

MITCHELL ENERGY CORPORATION


Steven J. Smith
Senior Landman

SJS/jm
Enclosures

P-355 202 000
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to <i>Strata Production</i>	
Street and No. <i>200 W. 1st St.</i>	
P.O. State and ZIP Code <i>Roswell, N.M. 88201</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date <i>mailed 1/6/93</i>	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this from being returned to you. The return receipt fee will provide you the name of the person delivered, the date of delivery. For additional fees the following services are available. Consult postmaster for and check box(es) for additional service(s) requested.
☐ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery.
 (Extra charge) (Extra charge)

Article Addressed to
Strata Production Company
200 West First Street
Roswell, New Mexico 88201

4: Article Number
 P-355-202-000

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☒ Express Mail ☒ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

Signature - Addressee
Don Starnes

Signature - Agent
[Signature]

Date of Delivery
1/6/93

8: Address of Addressee (ONLY if requested and fee paid)

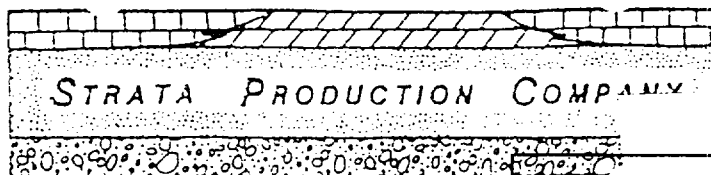
irm 38-11 Apr 1989

U.S.G.P.O. 1989-234-555

DOMESTIC RETURN RECEIPT

JAN 13 1993

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM
ROSWELL, NEW MEXICO 88203

BEFORE EXAMINER STOGNER

January 12, 1993

Oil Conservation Division

Branko Exhibit No. 23

Case No. 11510

Via Telefax (915) 682-6439/Hard Copy by Certified Mail

Mitchell Energy Corporation
1000 Independence Plaza
400 West Illinois
Midland, Texas 79701

Attn: Steve Smith

RE: Response to Mitchell
correspondence dated
January 7, 1993.

Dear Mr Smith:

I appreciate you clarifying that it is Mitchell's intent to drill the above referenced well at the following location: 1980' FWL & 1650' FNL Section 28 T-20-S, R-33-E NMPM. We continue to be in opposition to a West Half spacing unit and would note that Mitchell's proposed location is orthodoxed for a North Half spacing unit. While we understand that you wish to hold the NW/4 SW/4 of Section 28, as previously discussed, we do not believe that this justifies an unorthodoxed location.

I have not had the opportunity to review your proposed Joint Operating Agreement ("JOA"). However, I do have the following question in regards to item numbered 4) concerning the COPAS overhead rates. What are the COPAS overhead rates in the JOA between Mitchell and "the parties who have already agreed to participate"? If you propose to charge Strata higher overhead rates than you do the other parties, what is your justification for doing so? I note that the Ernest and Young 1991 overhead rate is \$513.00 for producing wells and \$5000.00 for drilling wells.

In addition, I have found numerous omissions, mischaracterizations and misstatements in your "summary of the discussions and correspondence between Strata and Mitchell". It is my practice to keep detailed and accurate notes of my discussions and the following reflects my review of said notes, correspondence and other materials.

1). October 26, 1992 0755-0802 hrs. - Telephone conversation
I returned your telephone call and you informed me that Mitchell intended to drill a Morrow well in the W/2 of Section 28, T-20-S, R-33-E. You stated that said well would probably be located somewhere in the NW 1/4 of Section 28. You stated that public records indicated that Strata owns Lease #NM-82927 and that the S/2 SW/4 of Section 28 would be included in Mitchell's proposed proration unit. You stated that currently your partners are Santa Fe and Maralo and that you intended to commence operations in early 1993. I advised you that Strata and its partners would probably not wish to participate but would prefer to either sell or farmout. You requested proposed terms. I told you that I would need to discuss your proposal with my geologic staff and partners and then get back to you.

2). October 29, 1992 approximately 0900 hrs.- Telephone conversation.

I called you and informed you that Strata would recommend to its partners that we sell the S/2 SW/4 of Section 28 for \$300 per acre delivering a 78% Net Revenue Interest ("NRI") and rights from the base of the Bone Springs (top of the Wolfcamp) to basement. You informed me that you "will consider our proposal and call back when closer to doing something".

3). November 18, 1992 0850-0900 hrs. - Telephone conversation.

I returned your telephone call and you informed me that Mitchell would not accept Strata's proposal as discussed during our 10-29-92 telephone conversation. You said that you believed our proposal to be excessive with regards to the acreage price of \$300 per acre. I responded that the acreage price was consistent with acreage prices being paid in the area during recent state & federal lease sales. You informed me that Mitchell would make a formal farmout request which would include all rights from the surface to basement. I responded that Strata would prefer to keep its rights down through and including the Delaware and Bone Springs formations. I stated the reason we bought the lease was because of the existence of Strata operated wells producing from these intervals located one to one-half miles south. I informed you that we could not see any technical basis for a West Half proration unit. I requested that you reconsider the West Half proration unit and in the alternative form a North Half proration unit thereby eliminating the need to include Strata's lease.

You stated that the reason Mitchell intended to form a West Half proration unit was based upon "lease

expiration considerations" specifically the expiration of the NW/4 SW/4 in October, 1993. You went on to say that it was your intent to make a formal farmout request in writing based upon what you considered to be "reasonable terms" and if Strata did not accept then you would "force pool" us. I informed you that due to the lack of technical basis, a point you admitted, Strata would defend itself and it's partners rights during any proceeding including a force pooling hearing.

I recall this conversation vividly because it escalated into a rather contentious conversation as a result of your arrogant attitude.

- 4). Mitchell correspondence dated November 20, 1992
Correspondence speaks for itself.
- 5). Kellahin and Kellahin correspondence dated December 7, 1992
Notice of Compulsory Pooling and Unorthodox Gas well Location.
- 6). Strata correspondence dated December 9, 1992.
Correspondence speaks for itself however please note that Strata's proposal was an effort to accommodate Mitchell and was subject to Strata's partners approval. I also note that in paragraph numbered 4) of your correspondence dated January 7, 1993 you characterize Strata's farmout terms as being "substantially the same terms proposed in Mitchell's letter of November 20, 1992". You may wish to review said correspondence again as one of the most glaring differences is that you proposed that Strata deliver a 78% NRI, Strata proposed a 75% NRI, not a meager difference to a small family owned independent company like Strata.
- 7). December 16, 1992 1206-1216 hrs. - Telephone conversation
You called my office and I returned your call from my home. I informed you that my wife recently had surgery and I would be working from my home through her recovery and the holidays. You informed me that Mitchell would accept Strata's proposed Farmout terms as contained in Strata's correspondence dated December 9, 1992, with the condition (insisted upon by Mitchell's legal dept) that at payout assuming Strata elected to convert its retained ORRI to the working interest then all of the ORRI must be converted. I reminded you that Strata had numerous partners and that this condition would be difficult because some parties may wish to convert and others may not. You responded that Mitchell's legal department would probably accept a provision which requires each individual to convert

all of their ORRI to WI. I suggested that in order for Mitchell to avoid the administrative burden of approximately fifteen (15) individuals with options to convert to very small working interest, (in some cases less than .5% WI) that Mitchell considering making it's best cash offer. I asked what your experience was in the area and you said that you had recently purchased an interest from Mobil for \$100 per acre and a 75% NRI%. You said you would discuss it with management and call me back.

During our previous conversations of November 18, 1992 you took issue with Strata's proposal of \$300.00 per acre. The retained ORRI, the ORRI pooling provision and the depth limitation were not terms to which you stated any objection.

- 8). December 18, 1992 approximately 1400 hrs. - Telephone conversation.

I returned your call from my home and you informed me that Mitchell would pay Strata \$150 per acre with Strata retaining a 7.5% ORRI proportionately reduced. You said that Mitchell considered the \$150 per acre to be reasonable but with the condition that Strata agree to the retention of a lesser ORRI. I responded that I would recommend your terms to Strata's partners.

- 9). December 23, 1992 - approximately 1115 hrs - Telephone conversation.

I returned your call from my home and informed you that due to the holidays, I had been unable to contact all of Strata's partners. However, I had contacted the majority of them and they were agreeable to the terms proposed by Mitchell and Strata. You requested that I provide a Letter Agreement and I agreed to provide Strata's form.

- 10). January 4, 1993 1405-1415 hrs - Telephone conversation.

I called and informed you that I had completed the Letter Agreement and requested your fax number (915-682-6439). I specifically reviewed with you the ORRI pooling provision and you responded that you had failed to remind Mitchell's management of this provision when you presented your recommendation to purchase the Lease. I stated that this was a very important part of the consideration and that absent this condition we did not have a deal. You stated that I should finalize the Letter Agreement and forward same to you. In addition, you requested that you intended for the interval to be delivered to be from the surface to basement. You stated that you believed that you had previously said that you wanted from the surface to the base of the Morrow formation. I responded that I did not recall

your request for surface to the base of the Morrow and had assumed that Strata would deliver all rights. I informed you that the Letter Agreement had been drafted accordingly, thereby delivering all rights. You responded that you appreciated this and would await receipt of Strata's Letter Agreement.

- 11). Strata correspondence dated December 30, 1992 faxed to Mitchell Energy 1650 hrs 1-4-93.
Correspondence speaks for itself.
Note that the terms were identical to those proposed in Strata's correspondence dated December 9, 1992 and discussed by telephone as set forth in 8) and 10) above. The additional terms are consistent with industry practice and primarily address title, rental payment responsibility, reassignment and other reasonable requests including the sharing of geologic data.
- 12). Mitchell correspondence dated January 5, 1993.
Correspondence speaks for itself.
- 13). January 5, 1993 approximately 0900 hrs - Telephone conversations.
I called you and asked why you had sent a Letter Agreement when I had already forwarded one per your request. You said that when you went back to management they informed you that they would not accept the ORRI pooling provision. You went on to say that they felt "blindsided". I responded that it was not my intent to blindside anybody and reminded you that we had discussed the ORRI pooling provision prior to me sending the Letter Agreement. You also stated that Mitchell did not intend to share the geologic information due to the lease expiration of the SW/4 NE/4 of Section 28. I responded that we would be most willing to sign a Confidentiality/Non Compete Agreement in order to alleviate any concern. However, the geologic data was important to us because of our lease position in the area specifically Section 33, T-20-S, R-33-E. You stated that you were instructed to draft the letter as presented and forward same to Strata. I responded that it did not contain the provisions we had previously agreed to. You said that it was Mitchell's position that it accurately reflected our agreement. I advised that I disagreed. You further stated that all previous terms and proposals including those in my 12-9-92 were now null and void. I said I did not know what Strata's partners would want to do. You advised that absent an agreement by the next day (Wednesday January 6, 1993) you would instruct your counsel to reschedule the force pooling hearing until the next

hearing date which you believed would be on or about January 21, 1993.

14). Strata correspondence dated January 6, 1993.

Correspondence speaks for itself, but note that due to the failure of Mitchell to honor our verbal agreement Strata must reconsider all of it's options including participation in the well.

15). Mitchell correspondence dated January 7, 1993.

Correspondence speaks for itself.

In order to clarify Strata's position and in an effort to accommodate Mitchell's desire to drill the Tomahawk "28" Fed Com Well #1 Strata offers, and subject to our partners approval the following:


- 1). Mitchell agrees to purchase all of Strata's right, title, and interest in Federal lease NM-82927 pursuant to the terms and conditions as set forth in Strata's Letter Agreement dated December 30, 1992. In addition, Strata will agree to execute either by amendment or separate agreement a mutually acceptable Confidentiality/Non Compete agreement as it pertains to the SW/4 NE/4 of Section 28.

I am unable to give any indication as to our desire to farmout or participate until I have the opportunity to review the JOA, evaluate your response to my questions concerning the COPAS overhead rates and receive a response from Mitchell to alternative 1. above.

~~Our proposal to sell expires at 5:00 p.m. Friday, January 15, 1993 and is subject to partner approval. If we are unable to resolve this then I will provide you with a list of the leasehold partners and overriding royalty owners and you may contact these individuals direct. Since you have had notice that these undisclosed owners exist we would ask that you grant another two (2) week continuance and notify these parties of your application. I look forward to receiving your reply.~~

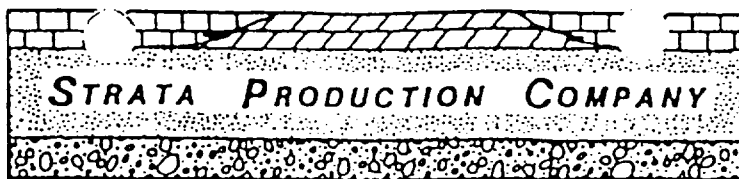
Yours very truly,

STRATA PRODUCTION COMPANY


Mark B. Murphy
President

cc: Sealy H. Cavin Jr., Esq.
MBM/mo

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

January 13, 1993

BEFORE EXAMINER STOGNER

Oil Conservation Division

Blanko Exhibit No. 24

Case No. 11510

Via Telefax (915 682-6439) / Hard Copy by Certified Mail

Mitchell Energy Corporation
1000 Independence Plaza
400 West Illinois
Midland, Texas 79701
Attn: Steve Smith

Re: Leasehold Ownership Information
North Gaviion Prospect
NM #92957, S/2 SW/4, SW/4 SE/4
Section 28, T-20-S, R-33-E
Lea County, New Mexico

Dear Mr Smith:

During our telephone conversation this morning you expressed some concern that you had not been provided a list of leasehold partners and ownership in the above referenced lease. As Mitchell has set a compulsory pooling and unorthodox gas well location hearing (Case #10656) for Thursday January 21, 1993, I provide this information to facilitate your notification of said owners. Strata has or is in the process of making a direct assignment of each partners proportionate ownership. The names, addresses and ownership is as follows:

Name/Address

Leasehold Ownership

Arrowhead Oil Corporation
P.O. Box 548
Artesia, New Mexico 88211-0548

6.25%

Branko, Inc.
45 Beaverbrook Crescent
St. Albert, Alberta,
Canada, T8N2L-4

1.56250%

Duane Brown
1315 Marquette PL, NE
Albuquerque, New Mexico 87106

5.0%

S.H. Cavin
P.O. Box 1125
Roswell, New Mexico 88202

2.0%

Name/AddressLeasehold Ownership

Robert W. Eaton
2505 Don Juan NW
Albuquerque, New Mexico 87104

1.56250%

Terry & Barb Kramer
5108 Irving BLVD., N.W.
Albuquerque, New Mexico 87114

30.0%

Landwest
215 West 100 South
Salt Lake City, UT 84101

1.0%

Candance McClelland
4 Country Hill Road
Roswell, New Mexico 88201

2.1250%

Permian Hunter Corporation
215 West 100 South
Salt Lake City, UT 84101

4.0%

Scott Exploration, Inc.
200 W. First
Suite 648
Roswell, New Mexico 88201

9.0%

Strata Production Company
200 W. First, Suite 700
P.O. Box 1030
Roswell, New Mexico 88202

18.50%

Warren, Inc.
P.O. Box 7250
Albuquerque, New Mexico 87194-7250

5.0%

Charles J. Wellborn
P.O. Box 2168
Albuquerque, New Mexico 87103-2168

2.0%

Winn Investments, Inc.
706 W. Brazos
Roswell, New Mexico 88201

1.0%

Lori Scott Worrall
200 W. First, Suite 648
Roswell, New Mexico 88201

1.0%

Xion Investments
215 West 100 South
Salt Lake City, UT 84101

10.0%

Total 100%

In addition the following own a overriding royalty interest (ORRI) as set forth below:

<u>Name/Address</u>	<u>ORRI</u>
Steve Mitchell 200 W. First, Suite 648 Roswell, New Mexico 88201	.5
George L. Scott III 200 W. First, Suite 648 Roswell, New Mexico 88201	.5
Scott Exploration Inc. 200 W. First, Suite 648 Roswell, New Mexico 88201	.5

Total 1.5%

If I may be of further assistance please call.

Very truly yours,

STRATA PRODUCTION COMPANY



Mark B. Murphy
President

cc: Sealy H. Cavin, Jr., Esq.

MBM/mo

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

HAROLD D. STRATTON, JR.
SEALY H. CAVIN, JR.*
DEBORAH R. JENKIN

320 GOLD AVENUE, S.W.

SUITE 1200

P. O. BOX 1216

ALBUQUERQUE, NEW MEXICO 87103-1216

TELEPHONE (505) 243-5400
FACSIMILE (505) 243-1700

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES - OIL AND GAS LAW

April 28, 1993

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 25

Case No. 11510

W. Thomas Kellahin, Esq.
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265

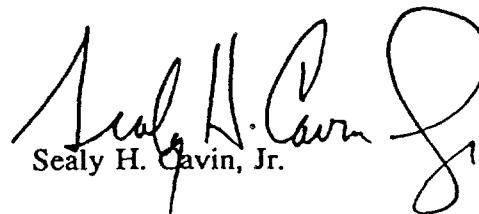
Re: OCD Case 10656 -- In the Matter of the Application of Mitchell Energy Corporation for Compulsory Pooling and Unorthodox Gas Well Location, Lea County, New Mexico

Dear Tom:

As you know, Strata has withdrawn its application for a hearing De Novo and is prepared to accept the force pooling order as to its interest under the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 28, Township 20 South, Range 33 East, N.M.P.M. As to the other interest owners under the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 28 which were identified in the letter from Mark Murphy to Steve Smith dated January 13, 1993 (a copy of which is attached hereto), we believe that there is some question as to whether their interests have been effectively pooled. Moreover, we believe that these parties (and Strata for that matter) should each be offered the opportunity to participate in the proposed well as to their respective interest. We see no justification for the "all or none" approach taken by Mitchell and we are not entirely sure that this was contemplated by the Order. As we have maintained from the start, Strata does not have the unfettered authority to act on behalf of the other interest owners.

If you have any questions or if I can be of further assistance, please call.

Very truly yours,

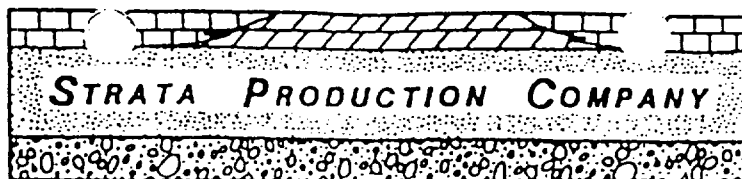

Sealy H. Cavin, Jr.

SHC/jas

Enclosure

cc: Mark B. Murphy, President -- Strata Production Company, w/Enclosure
Robert G. Stovall, Esq., General Counsel -- Oil Conservation Division, w/Enclosure

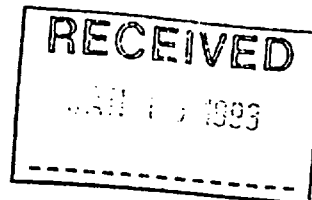
POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

January 13, 1993

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533



Via Telefax (915 682-6439)/Hard Copy by Certified Mail

Mitchell Energy Corporation
1000 Independence Plaza
400 West Illinois
Midland, Texas 79701
Attn: Steve Smith

Re: Leasehold Ownership Information
North Gavilon Prospect
NM #92957, S/2 SW/4, SW/4 SE/4
Section 28, T-20-S, R-33-E
Lea County, New Mexico

Dear Mr Smith:

During our telephone conversation this morning you expressed some concern that you had not been provided a list of leasehold partners and ownership in the above referenced lease. As Mitchell has set a compulsory pooling and unorthodox gas well location hearing (Case #10656) for Thursday January 21, 1993, I provide this information to facilitate your notification of said owners. Strata has or is in the process of making a direct assignment of each partners proportionate ownership. The names, addresses and ownership is as follows:

Name/Address

Leasehold Ownership

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P.O. Box 548
Artesia, New Mexico 88211-0548

6.25%

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Roswell, New Mexico 88201

1.0%

Lori Scott Worrall
200 W. First, Suite 648
Roswell, New Mexico 88201

1.0%

Xion Investments
215 West 100 South
Salt Lake City, UT 84101

10.0%

Total 100%

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<u>Name/Address</u>	<u>ORRI</u>
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George L. Scott III 200 W. First, Suite 648 Roswell, New Mexico 88201	.5
Scott Exploration Inc. 200 W. First, Suite 648 Roswell, New Mexico 88201	.5

Total 1.5%

If I may be of further assistance please call.

Very truly yours,

STRATA PRODUCTION COMPANY


Mark B. Murphy
President

cc: Sealy H. Cavin, Jr., Esq.

MBM/mo

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

HAROLD D. STRATTON, JR.
SEALY H. CAVIN, JR.*
DEBORAH R. JENKIN

320 GOLD AVENUE, S.W.

SUITE 1200

P. O. BOX 1216

ALBUQUERQUE, NEW MEXICO 87103-1216

TELEPHONE (505) 243-5400
FACSIMILE (505) 243-1700

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES - OIL AND GAS LAW

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 26

Case No. 11510

May 11, 1993

W. Thomas Kellahin, Esq.
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265

Re: OCD Case 10656 -- In the Matter of the Application of Mitchell Energy Corporation
for Compulsory Pooling and Unorthodox Gas Well Location, Lea County, New
Mexico

Dear Tom:

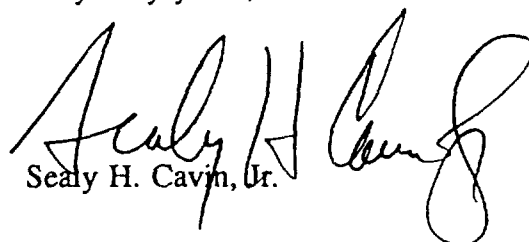
The following is in response to your letter dated May 6, 1993:

1. We continue to believe that only the parties that have received proper notice are bound by the above-described OCD Order. This is, of course, a matter you will have to advise your client on. If you are comfortable with your position that all working interest owners under the S $\frac{1}{2}$ SW $\frac{1}{4}$ are bound by the Order, then that is certainly your decision. Of course, if you are wrong and Mitchell makes a good well, there may be a considerable amount of money to fight about (by my calculations, 25% x 81.5% x \$1,400,000.00 x 200% = \$570,000.00). We, of course, acknowledge that Strata's 18.5% interest is subject to the Order.
2. Section 70-2-18 NMSA 1978 clearly places the "obligation" to force pool on the operator. Based on this statutory provision, we fail to see how it is that Strata is "responsible to the Division and to Mitchell" for all interest under the S $\frac{1}{2}$ SW $\frac{1}{4}$. Indeed, we fail to understand what exactly Strata's responsibility is in this matter vis-a-vis Mitchell and the other working interest owners under the S $\frac{1}{2}$ SW $\frac{1}{4}$. In any case, in light of Mitchell's "all or none" approach, we cannot understand what, if anything, Strata can do.

W. Thomas Kellahin, Esq.
May 11, 1993
Page 2

3. Finally, we believe that due process requires that Mitchell provide notice to all affected interest owners. This is particularly true where the operator has actual notice of such interest owners. In our view, when in doubt, notice and a chance to be heard should be provided by the operator. If Mitchell proceeds without providing such notice, then it does so at its peril. Strata certainly has no responsibility to provide such notice. In this case, Strata is merely a working interest owner owning an undivided 18.5% of the working interest.

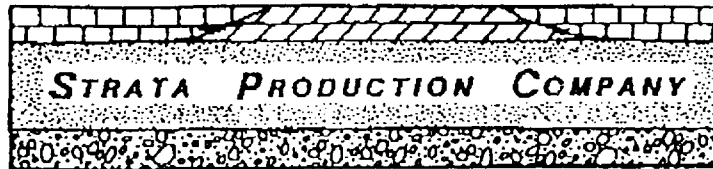
Very truly yours,


Sealy H. Cavin, Jr.

SHC/jas

cc: Mark B. Murphy, President -- Strata Production Company
Robert G. Stovall, Esq., General Counsel -- Oil Conservation Division

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

BEFORE EXAMINER STOGNER

November 6, 1995
Oil Conservation Division
Branko Exhibit No. 27
Case No. 11510



To: North Gavilon Prospect Leasehold Owners

RE: Under United States Oil and Gas Lease No. NM82957
Covering the Following Lands in Lea County, New Mexico
Township 20 South, Range 33 East, N.M.P.M.
Section 28: S/2SW/4, SW/4SE/4 (120 acres more or less)
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed herewith are quadruplicate originals of a Transfer of Operating Rights assigning out the leasehold operating rights under the above-described lease. Please sign on the transferee signature pages in the places indicated and return the signature pages to Stratton and Cavin, P.A., P.O. Box 1216, Albuquerque, New Mexico 87103-1216 for further action. You will be provided with a copy of the recorded/filed instrument once we receive it back from the County/Bureau of Land Management.


The W/2 of Section 28 has been dedicated to a Morrow well (the Tomahawk "28" Federal No. 1 Well) drilled by Mitchell Energy Corporation. Strata's interest in the W/2 has been force pooled by New Mexico OCD Order R-9845. The Mitchell well appears to be a very good well according to the payout statement from Mitchell which indicates that the well, as of March 31, 1995, has produced almost \$3,000,000.00 worth of natural gas and liquid hydrocarbons.

 Prior to and after the force pool hearing, Strata encouraged Mitchell to contact each of you, as the beneficial owners of the leasehold operating rights. Mitchell apparently ignored our requests. Because of this, Strata, on the advice of counsel, believes that you may have a good claim against Mitchell. In general, counsel advises that each of you can make a good argument that you should be allowed to join in the well without the 200% risk penalty. By our rough calculation, the 200% penalty will equal approximately \$7,500.00 per 1% interest in the leasehold operating rights under the S/2SW/4. For example, if you own 5% of the leasehold operating rights, a 200% risk penalty would, by our calculations, equal approximately \$37,500.00. 

In any case, we wanted to assign your leasehold rights to you and advise you that you may have the right to join in the Mitchell well without application of the 200% risk penalty. If you have any questions, please feel free to call.

Sincerely,,

Strata Production Company


Mark B. Murphy
President

MBM/cdr

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 28

Case No. 11510

CASE NO. 10656

CERTIFICATE OF MAILING

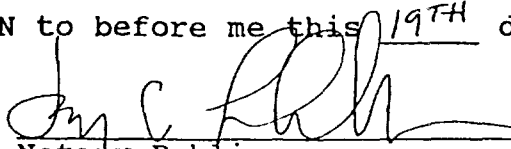
AND

COMPLIANCE WITH ORDER R-8054

W. THOMAS KELLAHIN, attorney in fact and authorized representative of MITCHELL ENERGY CORPORATION, states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on DECEMBER 7, 1992, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for JANUARY 21, 1993 to the parties shown in the application as evidenced by the attached copies of return receipt cards, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 19TH day of
JANUARY, 1993.


Notary Public

My Commission Expires:

JAY C. LAUBSCER

10/7/95

cert118.031

BEFORE EXAMINER STOGNER

Oil Conservation Division

Mitchell Exhibit No. 19

Case No. 10656

3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:

Mark B. Murphy
Strata Production Company
648 Petroleum Building
Roswell, NM 88201

4. Article Number
P676 666 381

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X *Jan Starnes*

7. Date of Delivery
12-9-92

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT
MTC, FP Tom 28#1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:

Southwestern Resources
111 W. Country Club Road
Roswell, NM 88201

4. Article Number
P676 666 382

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X *Mary Beth Leonard*

6. Signature — Agent
X

7. Date of Delivery
12/9/92

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

SENDER:
• Complete items 1 and/or 2 for additional services.
• Complete items 3, and 4a & b.
• Print your name and address on the reverse of this form so that we can return this card to you.
• Attach this form to the front of the mailpiece, or on the back if space does not permit.
• Write "Return Receipt Requested" on the mailpiece below the article number.
• The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

Enerlock Resources, Inc.
616 Mechem Drive
Ruidoso, NM 88345-6903

4a. Article Number
P676 666 383

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
12.9.92

5. Signature (Addressee)
J. M. B. B.

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 *U.S.G.P.O. 1991-287-066 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:

Santa Fe Energy Operating Partners, L.P.
550 W. Texas, Suite 1330
Midland, TX 79701

4. Article Number
P676 666 384

Type of Service:

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X *Mit FP Tom 28*

6. Signature - Agent
X *Betty Parks*

7. Date of Delivery
12-14-92

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

Maralo, Inc.
P.O. Box 832
Midland, TX 79702

4a. Article Number
P676 666 385

4b. Service Type

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
DEC 10 1992

5. Signature (Addressee)
D. Guzman

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S.G.P.O. 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

Phillips Petroleum Co.
4001 Penbrook, Ste 401
Odessa, TX 79762

4a. Article Number
P676 666 386

4b. Service Type

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
12-10-92

5. Signature (Addressee)
B. Bu

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S.G.P.O. 1992-323-402 DOMESTIC RETURN RECEIPT

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <ul style="list-style-type: none">• Complete items 1 and/or 2 for additional services.• Complete items 3, and 4a & b.• Print your name and address on the reverse of this form so that we can return this card to you.• Attach this form to the front of the mailpiece, or on the back if space does not permit.• Write "Return Receipt Requested" on the mailpiece below the article number.• The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Oryx Energy Corporation (Formerly Sun Exploration) P.O. Box 2880 Dallas, TX 75221-2880		4a. Article Number P676 666 387	
5. Signature (Addressee) MIT FP TOM 28		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise 7. Date of Delivery DEC 09 1992	
6. Signature (Agent) Nayon		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <ul style="list-style-type: none">• Complete items 1 and/or 2 for additional services.• Complete items 3, and 4a & b.• Print your name and address on the reverse of this form so that we can return this card to you.• Attach this form to the front of the mailpiece, or on the back if space does not permit.• Write "Return Receipt Requested" on the mailpiece below the article number.• The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Grace Petroleum Corp. 6501 North Broadway Oklahoma City, OK 73116		4a. Article Number P676 666 388	
5. Signature (Addressee) MIT FP TOM 28		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise 7. Date of Delivery 12/11 92	
6. Signature (Agent) M. J. Payne		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

BEFORE EXAMINER STOGNER

Oil Conservation Division

Branko Exhibit No. 29

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF DUANE BROWN IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Duane Brown, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about November 15, 1995.
3. I first became generally aware of Oil Conservation Division Case No. 10656 on or about November 15, 1995 Prior to this time, I was not aware of the application, hearing or order in such case.

4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

Duane E. Brown

Duane Brown

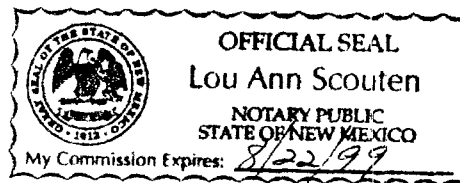
Subscribed and sworn to before me this 17th day of May, 1996.

Lou Ann Scouten

Notary Public

My Commission Expires:

August 22, 1999



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 30

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF S. H. CAVIN IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

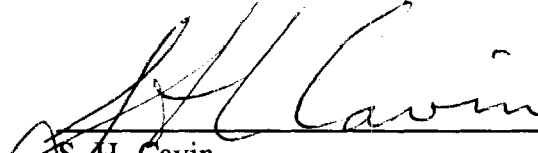
STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, S. H. Cavin, of lawful age, being first duly sworn upon oath, depose and state as follows:

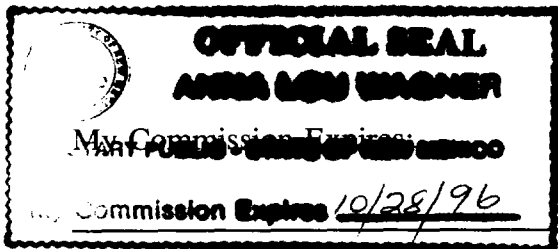
1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about NOVEMBER 7, 1995.
3. I first became generally aware of Oil Conservation Division Case No. 10656 on or about NOVEMBER 7, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.


S. H. Cavin

Subscribed and sworn to before me this 16th day of May, 1996.




Notary Public

JANE JARVIS
PERSONAL USE ONLY
CONFIDENTIAL - GROUP 1
Expiry Date _____

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 31

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF ROBERT W. EATON IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Robert W. Eaton, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about November 6, 1995.
3. I first became generally aware of Oil Conservation Division Case No. 10656 on or about November 6, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

Robert W. Eaton

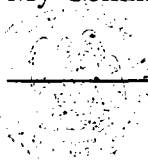
Robert W. Eaton

Subscribed and sworn to before me this 15th day of May, 1996.

Sharon A. Castillo

Notary Public

My Commission Expires:

 OFFICIAL SEAL
SHARON A. CASTILLO
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond File # with Secretary of State
My Commission Expires 10-26-96

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 32

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF LARRY V. LUNT IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

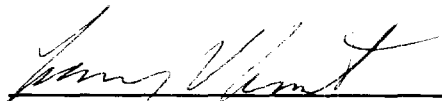
STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

I, Larry V. Lunt, of lawful age, being first duly sworn upon oath, depose and state as follows:

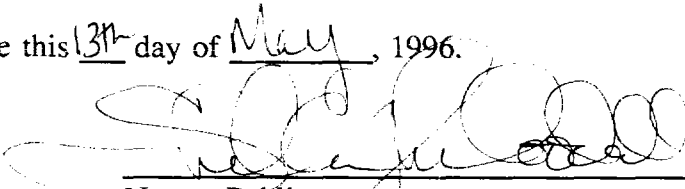
1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am General Partner of Landwest, a Utah General Partnership ("Landwest"), and I am familiar with its affairs.
3. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about Nov. 6, 1995
4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about Nov. 6, 1995 Prior to this time, I was not aware of the application, hearing or order in such case.

5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

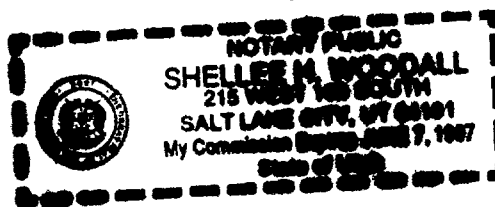

Larry V. Lunt

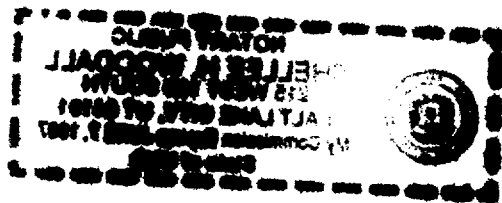
Subscribed and sworn to before me this 13th day of May, 1996.


Notary Public

My Commission Expires:

6/7/97





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 33

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF LARRY V. LUNT IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

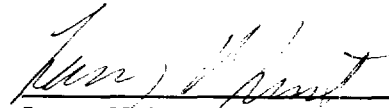
STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

I, Larry V. Lunt, of lawful age, being first duly sworn upon oath, depose and state as follows:

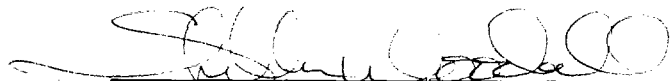
1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am Vice President of Permian Hunter Corporation, a New Mexico Corporation ("Permian"), and I am familiar with its affairs.
3. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about Nov. 6, 1995
4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about Nov. 6, 1995 Prior to this time, I was not aware of the application, hearing or order in such case.

5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

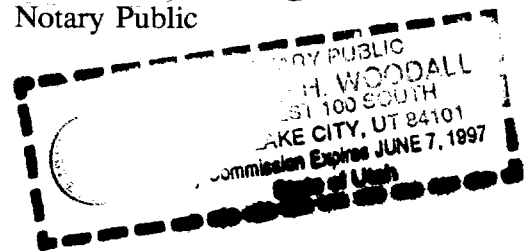

Larry V. Lunt

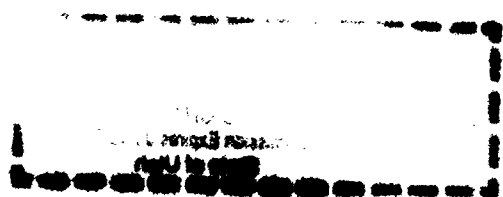
Subscribed and sworn to before me this 13th day of May, 1996.


Notary Public

My Commission Expires:

6/7/97





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 34

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF CHARLES I. WELLBORN IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

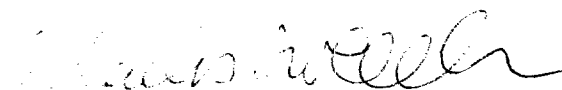
STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Charles I. Wellborn, of lawful age, being first duly sworn upon oath, depose and state
as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal
Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range
33 East, NMPM, Lea County, New Mexico, on or about Nov. 6, 1995
3. I first became generally aware of Oil Conservation Division Case No. 10656 on
or about Nov. 6, 1995. Prior to this time, I was not aware of the application, hearing
or order in such case.

4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.




Charles I. Wellborn

Subscribed and sworn to before me this 27th day of May, 1996.



OFFICIAL SEAL
G. L. MAROUSEK
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: _____



Notary Public

My Commission Expires:

11-6-99

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 35

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF LARRY V. LUNT IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

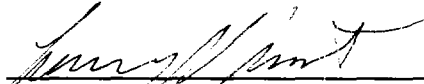
STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

I, Larry V. Lunt, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am General Partner of Xion Investments, a Utah General Partnership ("Xion"), and I am familiar with its affairs.
3. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about Nov. 6, 1995
4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about Nov 6, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

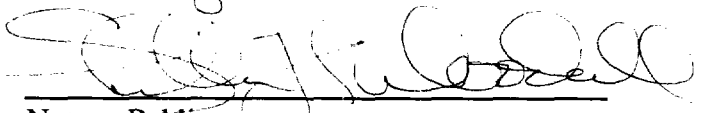
5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.



Larry V. Lunt

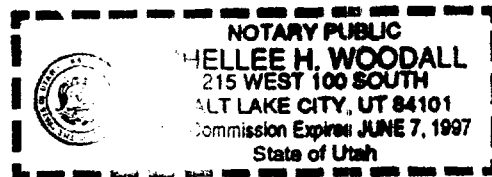
Subscribed and sworn to before me this 13th day of May, 1996.



Notary Public

My Commission Expires:

6/7/97



NOTARY PUBLIC
JAMES H. WOODALL
1001 100 SOUTH
ST. LOUIS, MO 63101
JAMES H. WOODALL
1001 100 SOUTH
ST. LOUIS, MO 63101

OIL CONSERVATION DIVISION

Case No. 11510

4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about November 6, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

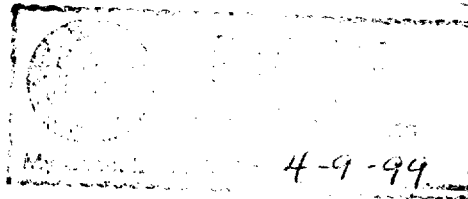
John M. Warren
John M. Warren

Subscribed and sworn to before me this 22 day of May, 1996.

Dita M. Macgregor
Notary Public

My Commission Expires:

April 9, 1999



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 37

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF BRANKO JANKOVIC IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

PROVINCE OF ALBERTA)
) ss.
COUNTRY OF CANADA)

I, Branko Jankovic, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.

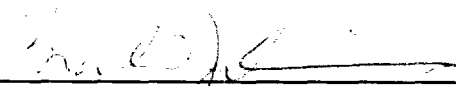
2. I am President of Branko, Inc., a New Mexico Corporation, and I am familiar with its affairs.

3. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about March 13, 1995 *By JC*

4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about November 13, 1995 Prior to this time, I was not aware of the application, hearing or order in such case. *By JC*

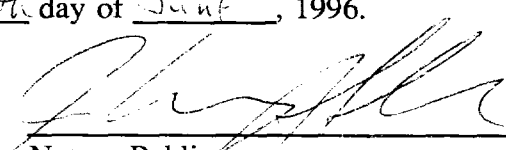
5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.



Branko Jankovic

Subscribed and sworn to before me this 6th day of June, 1996.



Notary Public

My Commission Expires:

Not applicable

JOHN K.J. CAMPBELL
BARRISTER & SOLICITOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 38

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF TERRY S. KRAMER IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**


STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Terry S. Kramer, of lawful age, being first duly sworn upon oath, depose and state as follows:

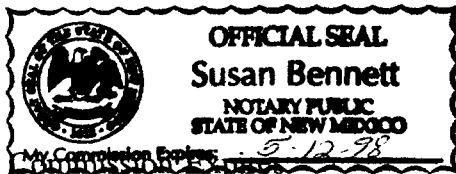
1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am currently married to Barb Kramer, and I have been married to Barb Kramer for all times relative to this Affidavit.
3. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about October 8, 1995.
4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about October 8, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.


FURTHER AFFIANT SAYETH NOT.


Terry S. Kramer

Subscribed and sworn to before me this 31st day of May, 1996.



My


Notary Public

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 39

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF CANDACE MCCLELLAND
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

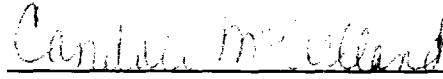
STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Candace McClelland, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about Nov 1, 1995.
3. I first became generally aware of Oil Conservation Division Case No. 10656 on or about Nov 1, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

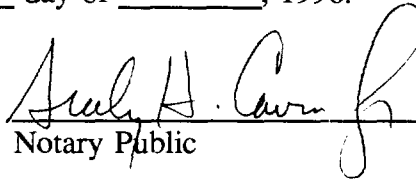
4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.



Candace McClelland

Subscribed and sworn to before me this 6th day of June, 1996.


Notary Public

My Commission Expires:

4/6/2000

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 40

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF STEPHEN T. MITCHELL IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Stephen T. Mitchell, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about MAY, 1993
3. I first became generally aware of Oil Conservation Division Case No. 10656 on or about JANUARY, 1993. Prior to this time, I was not aware of the application, hearing or order in such case.

4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

Stephen T. Mitchell
Stephen T. Mitchell

Subscribed and sworn to before me this 21 day of May, 1996.



Diana Huntington
Notary Public

My Commission Expires:

7/17/99

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 41

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF CHARLES WARREN SCOTT
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Charles Warren Scott, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am President of Scott Exploration, Inc., a New Mexico Corporation ("Scott"), and I am familiar with its affairs.
3. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about November 6, 1975.

4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about November 6, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

Charles Warren Scott
Charles Warren Scott

Subscribed and sworn to before me this 12th day of June, 1996.

Karen J. Herman
Notary Public

My Commission Expires:

4-16-98

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 42

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF GEORGE L. SCOTT, III IN SUPPORT OF MOTION TO REOPEN
CASE OR, IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**


STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, George L. Scott, III, of lawful age, being first duly sworn upon oath, depose and state
as follows:

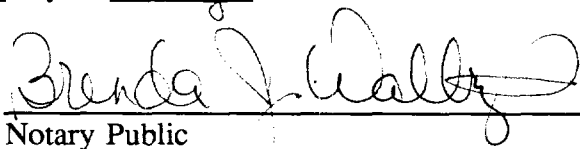
1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal
Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range
33 East, NMPM, Lea County, New Mexico, on or about Nov. 7, 1995.
3. I first became generally aware of Oil Conservation Division Case No. 10656 on
or about Nov. 7, 1995. Prior to this time, I was not aware of the application, hearing
or order in such case.

4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.


George L. Scott, III

Subscribed and sworn to before me this 31st day of May, 1996.


Brenda J. Walby
Notary Public

My Commission Expires:

3-9-2000

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 43

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF SUSAN SCOTT MURPHY
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)


I, Susan Scott Murphy, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I am President of Winn Investments, Inc., a New Mexico Corporation ("Winn"), and I am familiar with its affairs.
3. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about Nov. 6, 1995

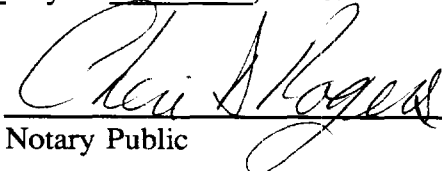
4. I first became generally aware of Oil Conservation Division Case No. 10656 on or about Nov. 6, 1995 Prior to this time, I was not aware of the application, hearing or order in such case.

5. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.


Susan Scott Murphy

Subscribed and sworn to before me this 13 day of June, 1996.


Notary Public

My Commission Expires:

February 10, 1999

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BEFORE EXAMINER STOGNER

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Oil Conservation Division

Branko Exhibit No. 44

Case No. 11510

Case No. 10656
Order No. R-9845

APPLICATION OF MITCHELL ENERGY
CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

**AFFIDAVIT OF LORI SCOTT WORRALL
IN SUPPORT OF MOTION TO REOPEN CASE OR,
IN THE ALTERNATIVE, APPLICATION FOR HEARING DE NOVO**

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

I, Lori Scott Worrall, of lawful age, being first duly sworn upon oath, depose and state as follows:

1. I am over the age of eighteen years and competent to give this Affidavit.
2. I first became aware of Mitchell Energy Corporation's Tomahawk "28" Federal Com No. 1 Well located 1980 FWL and 1650 FNL of Section 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about Nov. 6, 1995
3. I first became generally aware of Oil Conservation Division Case No. 10656 on or about Nov 6, 1995. Prior to this time, I was not aware of the application, hearing or order in such case.

4. This Affidavit is given in support of the Motion to Reopen Case No. 10656 and for no other purpose; it is provided pursuant to the request of Mitchell Energy Corporation and the New Mexico Oil Conservation Division.

FURTHER AFFIANT SAYETH NOT.

Lori Scott Worrall
Lori Scott Worrall

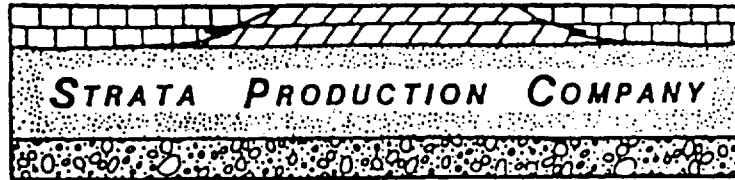
Subscribed and sworn to before me this 22 day of May, 1996.

Sharon L. Scott
Notary Public

My Commission Expires:

1/30/99

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

March 16, 1993

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

16000
EX. 45

Via Telefax (915-682-6439) / Original Via Certified Mail

Mitchell Energy Corporation
1000 Independence Plaza
400 W. Illinois
Midland, Texas 79701
Attention: Steven J. Smith, Sr. Landman

Re: North Gavilon Prospect
NM #82927
Lea County, New Mexico

Dear Mr. Smith:

In response to your correspondence dated March 3, 1993, Strata hereby rejects Mitchell's counterproposal to purchase Strata's interest in the above referenced lease. As you have been aware since the inception of our discussions on October 26, 1992, Strata does not own 100% of said lease. As I have informed you on countless occasions, Strata has been most willing to assist Mitchell by circulating to the other owners any proposed purchase terms which Strata was willing to accept. The partners would then be free to either accept or reject the proposal. Since Strata is unwilling to accept and recommend Mitchell's counterproposal then we will not forward same to the other partners. However, you may contact them directly as each individual's ownership interest and address has been previously provided to you. Strata can only negotiate for it's own account and I encourage you to notify the other leasehold partners before taking any further action.


In response to Mitchell's correspondence dated February 17, 1993 be advised that Strata is unwilling to make an election to participate in the drilling of the Tomahawk "28" Federal COM No. 1 Well until we have exhausted the appeal procedures to NMOCD Order R-9845. In addition, I note Mitchell's requirement that should Strata elect to participate we must tender a cashier's check in the amount of \$344,325.00 to Mitchell. This requirement is in conflict with Mitchell's Model Form Operating Agreement specifically Article VII D.1. (Option 2) which provides that each participant is granted a "completion election" prior to initiating completion operations. In addition, please refer to Exhibit "C" - COPAS Provision I. 3, A. which provides that the Operator may only request an advance "of estimated cash outlay

for the succeeding months operations". As a well of this depth will require 3-4 weeks to drill it is difficult to imagine any circumstance that would require the expenditure of funds required to complete the well within 30 days of spudding the well.

Finally, as we have voted, Strata does not own 100% of the working interest in the S/2 SW/4 and, therefore, we can only elect to participate as to our interest. The other working interest owners will need to make their own election.

Sincerely,

STRATA PRODUCTION COMPANY


Mark B. Murphy
President

MBM/mo

cc: Sealy Cavin Jr, Esq.
Mark Stephenson