

P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

December 12, 1996

Attn: Janet Richardson, CPL YATES PETROLEUM CORPORATION 105 South 4th St. Artesia, NM 88210 CERTIFIED MAIL & RETURN
RECEIPT REQUESTED

Re:

Marathon Oil Company Travis Area William Barrett Travis "15" State Com #1 E/2 Section 15, T-18-S, R-28-E, N.M.P.M., Eddy County, New Mexico

Gentlemen:

Marathon Oil Company (Marathon), as Operator, hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 10,800'. Furthermore, Marathon shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The E/2 of the captioned Section 15 will be dedicated as the proration unit for the well.

The above well will be located approximately 1650' FNL & 1500' FEL of Section 15, T-18-S, R-28-E, Eddy County, New Mexico. An AFE is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

A Joint Operating Agreement will be provided for your review and execution upon receipt of the executed AFE, or by prior written request.

In the event you do not wish to participate, Marathon respectfully requests you elect one of the following options as to your interest:

- 1. Farmout all of your interest in the E/2 of Section 15 for a period of one hundred-eighty (180) days to Marathon under the following general terms:
 - (a) If any well drilled, deepened, completed or recompleted under the terms of our Farmout Agreement results in oil and/or gas production on a proration unit that includes your acreage, Marathon will earn an assignment of 100% of your rights and interest, free of any liens or encumbrances, in the proration unit assigned to each well from a depth of 500' below the top of the San Andres formation to a depth of 100' below the total depth drilled for each well, not to exceed the base of the Morrow formation.

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11775 Exhibit No.3
Submitted By:
Marathon Oil Company
Hearing Date: May 1 1997

- (b) Upon completion of the initial test well as a producer or dry hole, Marathon would have the recurring option, but not the obligation, to commence additional wells on New Mexico Oil Conservation approved proration units that include your acreage to establish oil and/or gas production under the captioned lands or land pooled therewith. If any such option is exercised, Marathon agrees to allow not more than 180 days to elapse between the completion of one well and the commencement of operations for any next well.
- (c) You will retain an overriding royalty interest equal to the difference, if any, between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burden or lawful claims upon production to which your leases may be currently subject, so that Marathon will be assigned a 75% net revenue interest in your lease(s) as to rights below a depth of 500' below the top of the San Andres formation to 100' below the total depth drilled, not to exceed the base of the Morrow formation. Such overriding royalty interest retained by you shall be subject to proportionate reduction.
- (d) Upon acceptance of our farmout proposal, you agree to furnish, at no cost to Marathon, title information such as copies of the leases covering the captioned lands, title opinions currently in your possession, title curative, letter agreements and any contracts currently in effect, etc.

Should the above general terms be acceptable to you, our formal Farmout Agreement will be provided under separate cover.

(2) Sell all of your right, title and interest in the E/2 of Section 15, subject to title approval, for \$250 per net acre delivering an 81.25% net revenue interest to Marathon.

Your earliest response to this proposal would be greatly appreciated. If there should happen to be any questions, please call the undersigned at (915) 687-8476.

Very truly yours,

Randal P. Wilson, CPL

Landman

RPW;mmc' Encl.

SENDER: Complete items 1 and/or 2 for additional services.		I also wish to receive the following services (for an extra	Ge
 Complete items 3, and 4a & b. Print your name and address on the reverse of this form so that 	t we can	fee):	Service
Print your name and address eturn this card to you. Attach this form to the front of the mailpiece, or on the back if		1, 2	
does not permit.	cle number.	2. Restricted Delivery	eceipt
Write "Heturn Receipt inequastes of the Return Receipt will show to whom the article was delivered and delivered.		Consult postituater for too	Rec
3. Article Addressed to:	4a. Art	ticle Number	٤
A John Kichardow CR	71	75 143 227	Return
YATES PETROLEUM CORPORATION 105 JOSTH 4TH STREET	Reg		
105 JOSTH YES STILLET	Cer		using
ALTERIA, NM 88210	1	ress Mail Return Receipt for Merchandise	for u
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$Cd \circ \circ \circ 1000$		DEC 7 1 1930	_ >
5. Gignature (Addressee)	8. Ada	dressee's Address (Only if requested d fee is paid)	nank
YEARARA NEE!	4		Ħ,
6. Signature (Agent)	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11/41 1 1 1 1 1 1 1 1	
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PS Form 3811, December 1991 aus. GPO: 1993-3	52-714	DOMESTIC RETORIA MEDELI	•
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Region Mid-Continent
Field Travis
Lease William Barrett Travis "15" State Com #1
Location 1,650' FNL & 1,500' FEL Sec. 15-185-28E,
Eddy County, New Mexico

Total Depth 10,800'
Drilling Days 35
Compl Days 10
AFE 665296

urce	Quantity		Feature	Cond	A
	DR	ILLING COSTS - TANOIBLE		1	
		Drive Pipe	81-7		
irchase		Conductor Pipe- 20*,PE	81-8		
irchase	575	Surface Pipe- 13-3/8*,48#,11-40,8rd,STC	81-9		\$9,000
irchase	27(X)	Casing, Int. String No. 1- 9-5/8*	81-11		\$30,000
		Casing, Intermediate String No. 2	81-12		
		Drilling Liner	81-19		
		Drilling Liner Hanger and Tieback Equipment	81-22		
irchase		Drilling Wellhead Equipment	81.80		\$4,500
in hase		Miscellaneous Materials	81-217		\$1,(xx)
	TO	OTAL DRILLING - TANGIBLE			\$44,50
	Di	RLLING COSTS - INTANGIBLE			
ontract		Surveying, Location & Access	81-2		\$5CC
ontract		Well Location & Access	81-5		\$ 15,000
ontract		Daywork Drlg \$5650/24 hour day incl. Fuel	81-36		\$27,500
ontract	11500	Footage Basis Drlg Dry Hole Drilling	81-37		\$230,000
		Turnkey Drilling	81-38		
		Drilling Rig Mob/Demob	81-39		
ontract		Blowout Prevention Equipment	81-41		
		Drill Pipe & Collars	81-44		
	····	Drilling & Service Tools	81-45		
		Drilling Services	81-50		
		Snubbing Units, Company	81-62		
		Snubbing Units, Contract	81-68		
ontract		Mud System/Solids Control	81-40		\$4,(X)
ontract		Mud and Mud Services	81-71		\$25,(%)
		Bits	81-69		
		Stabilizers, Hole Openers, Underreamers	81-70		
		Oil			
			81-72		
		Grease	81-72		
		Fuel, Diesel (Not furnished by Contractor)	81-74		
Contract		Water	81-336		\$12,00
ontract		Casing Tools and Services	81-90		\$9,00
Contract		Cement and Cementing Service	81-91		\$25,(¥)
Contract		Logging Services, Open Hole	81-93		\$30,0
		Logging Services, Cased Hole	81-94		
Contract	_,	Mud Logging	81-95		\$10,0
Contract		Inspection, Pipe & Casing	81-97		\$3,50
		Directional Services	81-101		
	·	Coring	81-102		
Contract		Formation Testing, Open Hole	81-104		\$4,50
		Formation Testing, Cased Hole	81-105		
		Well Control Services	81-120		
Contract		Trucking/Transportation, Other	81-126		\$5,50
Contract		Well Test Equipment	81-127		\$2,50
	·	Fishing Tools and Services	81-133		
		Abandoning Tools and Services	81-136		
		Sidetracking, Milling Sections, Whipstocks	81-185		
Contract		Miscellaneous Materials	81-217		\$3,5
Contract		Contract Labor, Welding	81-233		\$1,0
Contract		Contract Labor, Other- \$400/24 hour day	81-237		\$15,0
Contract		Contract Services, Living Qtrs \$100/day	81-243		\$3,5
COMPACE		Contract Services, Other	81-266		
Cantract			81-320	~ ~	\$4,0
Contract		Hydrogen Sulfide Testing- \$150/day			34,0
Construction		Spill Control Equipment	81-454 81-568		
Contract		Computer Hardware- \$25/day	81-568		\$8
Contract		Commo, Field-\$50/day	81-658		\$1,8
		Regulatory Compliance	81-685		
MOC		Company Labor & Burden- \$375/day	81-750		\$13,0
 		Overhead	81-770		- -
}		Indirect Expense TOTAL DRILLING - INTANGIBLE	81-779		\$446,6
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Mid-Continent Travis William Barrett Travis "15" State Com #1 1,650' FNL & 1,500' FEL Sec. 15-18S-28E, Eddy County, New Mexico Total Depth Drilling Days Compl Days AFE

urce Q	uantity		Feature	Cond	A
	C	DMPLETION COST - TANGIBLE			
irchase	10600	Production Casing	82-15		\$75,000
		Production Liner	82-18		373,000
		Production Liner Hanger & Tieback Equipment	82-21		
irchase	10600	Tubing - 2 3/8" O.D., 4.7#, 180	82-23		\$36,000
		Wellhead Equipment (Drilling)	82-80		\$4,500
ırchase		Christmas Tree	82-87		\$9,000
ircliase		Packers	82-137		\$6,000
		Rod Pump	82-143		40,000
		Electric Submersible Pump	82-149		
		Completion Wellhead Equipment	82-167		
 	T	OTAL COMPLETION - TANGIBLE			\$130,500
	C	OMPLETION COST - INTANGIBLE		ĺ	
ontract		Location and Access	82-1		\$1,50
		Drilling Rig During Completion	82-34		\$11,00
ontract		Blowout Preventer	82-41		\$1,50
		Tools - Drilling & Service	82-45		
		Rig, Completion	82-48		
		Workover Units, Company	82-55		
ontract		Workover Units, Contract	82-56		\$7,50
		Snubbing Units, Company	82-62		
		Coiled Tubing Service Units, Contract	82-67		
		Snubbing Units, Contract	82-68		
		Underreamers, Stabilizers, Hole Openers	82-70		
		Lubricants	82-72		
		Fuel, Diesel	82-74		
		Casing Tools & Services- Longstring	82-90		
		Cement & Cementing Services- Longstring	82-91		\$15,00
		Logging Services, Open Hole Wells	82-93		
Contract	·	Logging Services, Cased Hole Wells	82-94		\$3,50
Contract		Tubular Inspection, Testing & Cleaning	82-96		\$7,00
Contract		Formation Testing	82-103		\$3,00
Contract		Formation Treating	82-113		\$4,00
Contract		Transportation, Other	82-126		\$3,50
Contract		Test Equipment - Well Testing	82-127		\$7,50
		Fishing Tools and Services	82-133		
Contract		Completion and Packer Fluids	82-180		\$1,0
Contract		Perforating	82-182		\$16,0
Contract		Wireline Services	82-183		\$1,5
		Sidetracking, Milling Sections, Whipstocks	82-185		ļ <u>.</u>
Contract		Miscellaneous Materials	82-217		\$3,5
Contract		Miscellaneous Services	82-218		\$7,0
Contract		Contract Labor, Laborer	82-234		\$3,0
Contract		Contract Services, Other	82-240		\$7.4
Contract		Treating Chemicals, Other	82-291		\$1,0
Contract		Salt Water Disposall & Trans Fees	82-371		\$1,0
Contract		Rental Tools & Equip.	82-585		\$4,3
		Communications - Field	82-658		
		Regulatory Compliance	82-685		
MOC		Company Labor & Burden	82-750	·····	\$3,8
		Overhead	82-770		
		Indirect Expense TOTAL COMPLETION - INTANGIBLE	82-779	 	\$117,5
		TOTAL COMPLETION COSTS			\$248,1

Mid-Continent

Travis
William Barrett Travis "15" State Com #1
1,650' FNL & 1,500' FEL Sec. 15-18S-28E,
Eddy County, New Mexico

Total Depth Driffing Days Compl Days AFE

ource	Quantity	Feature	Cond	A
	FACILITY COSTS			
urchase	Line Pipe	83-27		\$1,500
urchase	Transportation, Other	83-126		\$2,500
ulciiasc ———				\$2,500
	Pumping Unit	83-141		
··	Puniping Equipment - Rod Pump	83-143		
	Flowing/Plunger Lift Equipment	83-146		
	Submersible Pump - Electric Panel	83-149		
	Submersible Pump - Hydraulic	83-152		
	Gas Lift Equipment	83-155		
	Pumps	83-158		
urchase	Tanks	83-170		\$10,00
urchase	Metering Equipment	83-190		\$4,00
	Instrumentation	83-194	<u></u> .	
 	Electrical Equipment, Other	83-201		
urchase	Valves	83-205		\$2,50
urchase	Miscellaneous Materials	83-217		\$10,00
	Contract Labor, Electrical	83-229		
ontract	Contract Labor, Welding	83-233		\$1,00
Contract	Contract Labor, Other	83-237		\$4,00
Contract	Contract Services, Other	83-240		\$2,00
	Compressor Installation	83-365		
urchase	Dehydration	83-376		\$10,00
	Crude Oil Treaters	83-378		
Purchase	Separator	83-380		\$10,00
	Vapor Recovery Units	83-386		4,0,0
	Free Water Knockouts	83-388		
	Regulatory Compliance (Includes Permitting)	83-685		
MOC	Company Labor & Burden	83-750		\$2,00
	TOTAL FACILITY COSTS			\$59,50
	SUMMARY OF GROSS COSTS			
	Total Drilling		1	\$491,10
	Total Completion		1	
	·		Ì	\$248,0
	Total Surface Equipment			\$59,5
	GRAND TOTAL GROSS COSTS			\$ 798,6
	SUMMARY OF NET COSTS		İ	
	Total Drilling			
	Total Completion			
	Total Surface Equipment			
	GRAND TOTAL NET COSTS			
i	TOTAL TANGIBLE COSTS			\$234,
1	TOTAL INTANGIBLE COSTS			\$564,
	TANGIBLE PERCENT OF TOTAL			29



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

December 12, 1996

Attn: Rusty Waters LOUIS DREYFUS NATURAL GAS CORP. 14000 Quail Springs Prkwy., Ste. 600 Oklahoma City, OK 73134 CERTIFIED MAIL & RETURN
RECEIPT REQUESTED

Re:

Marathon Oil Company Travis Area William Barrett Travis "15" State Com #1 E/2 Section 15, T-18-S, R-28-E, N.M.P.M., Eddy County, New Mexico

Gentlemen:

.....

Marathon Oil Company (Marathon), as Operator, hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 10,800'. Furthermore, Marathon shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The E/2 of the captioned Section 15 will be dedicated as the proration unit for the well.

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BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11775 Exhibit No. 4
Submitted By:
Marathon Oil Company
Hearing Date: May 1 1997

of the San Andres formation to a depth of 100' below the total depth drilled for each well, not to exceed the base of the Morrow formation.

- (b) Upon completion of the initial test well as a producer or dry hole, Marathon would have the recurring option, but not the obligation, to commence additional wells on New Mexico Oil Conservation approved proration units that include your acreage to establish oil and/or gas production under the captioned lands or land pooled therewith. If any such option is exercised, Marathon agrees to allow not more than 180 days to elapse between the completion of one well and the commencement of operations for any next well.
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RPW;mmc'

Landman			-
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 aturn this card to you. Attach this form to the front of the mailpiece, or on the back if ides not permit. Write "Return Receipt Requested" on the mailpiece below the article. The Return Receipt will show to whom the article was delivered an	space le number d the date	2. Restricted Delivery Consult postmaster for fee.	Receipt Service.
Jelivered. 3. Article Addressed to: Arra: Rusry Waters Louis Dreyfus Matural bas Gags 14000 Quail Springs Parkway, Site 600, Oklahoma City, Ok 73134	P / 4b. Se ☐ Reg ☐ Cer ☐ Exp	ticle Number 75 /43 228 crvice Type pistered Insured	for using Return
5. Signature (Addressee) 6. Signature (Agent) PS Form 3811, December 1991 xU.S. GPO: 1993—35	8. Ada	dressee's Address (Only if requested d fee)is paid) DOMESTIC RETURN RECEIP	ı Thar

Randal P. Wilson, CPL

Region Mid-Continent
Field Travis
Flease William Barrett Travis "15" State Com #1
Location L,650' FNL, & 1,500' FEL Sec. 15-18S-28E,
Eddy County, New Mexico

 Total Depth
 10,800°

 Drilling Days
 35

 Compl Days
 10

 AFE
 665296

irchase 57 irchase 270 irchase	Casing, Int. String No. 1-9-5/8* Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials TOTAL DRILLING - TANGIBLE DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-7 81-8 81-9 81-11 81-12 81-19 81-22 \$1-80 \$1-217 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-74	\$9,000 \$30,000 \$1,500 \$1,000 \$44,50 \$27,50 \$27,50 \$230,000
ontract Contract	Conductor Pipe- 20*,PE Surface Pipe- 13-3/8*,48#,H-40,8rd,STC Casing, Int. String No. 1- 9-5/8* Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Dulling Wellhead Equipment Miscellaneous Materials TOTAL DRILLING - TANGIBLE DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drig \$5650/24 hour day incl. Fuel Footage Basis Drig Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-8 81-9 81-11 81-12 81-19 81-22 \$1-80 \$1-217 81-27 81-27 81-36 81-37 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$4,500 \$1,000 \$44,500 \$15,000 \$27,500 \$230,000 \$4,000 \$25,000
ontract Contract	Surface Pipe- 13-3/8",48#,H-40,8rd,STC Casing, Int. String No. 1-9-5/8" Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials TOTAL DRILLING - TANGIBLE DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-9 81-11 81-12 81-19 81-19 81-22 \$1-80 \$1-217 81-22 \$1-80 \$1-217 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-62 81-69 81-70 81-72 81-72	\$4,500 \$1,000 \$44,500 \$15,000 \$27,500 \$230,000 \$4,000 \$25,000
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ontract contract	Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials TOTAL DRILLING - TANGIBLE DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Coltars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-19 81-22 \$1-80 \$1-217 81-27 81-27 81-36 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$1,000 \$44,500 \$15,000 \$27,500 \$230,000 \$4,000 \$25,000
ontract contract	Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials TOTAL DRILLING - TANGIBLE DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-22 \$1.80 \$1.217 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-70 81-70 81-72 81-72	\$1,000 \$44,500 \$15,000 \$27,500 \$230,000 \$4,000 \$25,000
ontract contract	Drilling Wellhead Equipment Miscellaneous Materials TOTAL DRILLING - TANGIBLE DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$1,000 \$44,500 \$15,000 \$27,500 \$230,000 \$4,000 \$25,000
ontract contract	Miscellaneous Materials TOTAL DRILLING - TANGIBLE DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel O Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Coltars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$1,000 \$44,500 \$15,000 \$27,500 \$230,000 \$4,000 \$25,000
ontract ontract ontract Ontract Contract	DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Coltars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-2 81-36 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$44,50 \$50 \$15,00 \$27,50 \$230,00 \$4,00 \$25,00
ontract ontract ontract Ontract Contract	DRILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$5(x) \$15,(x) \$27,50 \$230,(x) \$4,(x) \$25,(x)
ontract ontract ontract Ontract Contract	Surveying, Location & Access Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$15,(Xx) \$27,50 \$230,(Xx) \$230,(XX) \$4,(X \$25,(XX)
ontract ontract ontract ontract ontract contract	Well Location & Access Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Coltars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$15,(Xx) \$27,50 \$230,(Xx) \$230,(XX) \$4,(X \$25,(XX)
ontract Ontract Contract	Daywork Drlg \$5650/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$27,50 \$230,00 \$4,00 \$25,00
ontract ontract ontract contract	O Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-40 81-71 81-69 81-70 81-72	\$230,(x) \$4,(x) \$25,(x)
Ontract Contract	Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Coltars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-40 81-71 81-69 81-70 81-72	\$4,(X \$25,(X
Contract	Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-40 81-71 81-69 81-70 81-72 81-72	\$25,(X
Contract	Blowout Prevention Equipment Drift Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-41 81-44 81-45 81-50 81-62 81-68 81-71 81-69 81-70 81-72 81-72	\$25,(X
Contract	Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-44 81-45 81-50 81-62 81-68 81-40 81-71 81-69 81-70 81-72	\$25,(X
Contract Contract Contract Contract Contract Contract Contract Contract Contract	Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-45 81-50 81-62 81-68 81-40 81-71 81-69 81-70 81-72	\$25,(X
Contract Contract Contract Contract Contract Contract Contract Contract Contract	Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-50 81-62 81-68 81-40 81-71 81-69 81-70 81-72	\$25,(X
Contract Contract Contract Contract Contract Contract Contract Contract Contract	Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-62 81-68 81-40 81-71 81-69 81-70 81-72	\$25,(X
Contract Contract Contract Contract Contract Contract Contract Contract Contract	Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-68 81-40 81-71 81-69 81-70 81-72	\$25,(X
Contract Contract Contract Contract Contract Contract Contract Contract Contract	Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-40 81-71 81-69 81-70 81-72	\$25,(X
Contract Contract Contract Contract Contract Contract Contract Contract Contract	Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-71 81-69 81-70 81-72 81-72	\$25,(X
Contract Contract Contract Contract Contract Contract Contract	Bits Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-69 81-70 81-72 81-72	
Contract Contract Contract Contract Contract Contract Contract	Stabilizers, Hole Openers, Underreamers Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-70 81-72 81-72	
Contract Contract Contract Contract Contract Contract Contract	Oil Grease Fuel, Diesel (Not furnished by Contractor)	81-72 81-72	
Contract Contract Contract Contract Contract Contract Contract	Grease Fuel, Diesel (Not furnished by Contractor)	81-72	
Contract Contract Contract Contract Contract Contract Contract	Fuel, Diesel (Not furnished by Contractor)		
Contract Contract Contract Contract Contract Contract Contract		81-74	
Contract Contract Contract Contract Contract Contract Contract	11/		l
Contract Contract Contract Contract Contract	Water	81-336	\$12,0x
Contract Contract Contract	Casing Tools and Services	81-9X)	\$9,00
Contract Contract	Cement and Cementing Service	81-91	\$25,1X
Contract	Logging Services, Open Hole	81-93	\$30,0
Contract	Logging Services, Cased Hole	81-94	
Contract	Mud Logging	81-95	\$10,0
	Inspection, Pipe & Casing	81-97	\$3,5
	Directional Services	81-101	
	Coring	81-102	
Contract	Formation Testing, Open Hole	81-104	\$4,5
Contract	Formation Testing, Cased Hole	81-105	
Contract	Well Control Services	81-120	
	Trucking/Transportation, Other	81-126	\$5,5
Contract	Well Test Equipment	81-127	\$2,5
	Pishing Tools and Services	81-133	·
	Abandoning Tools and Services	81-136	
	Sidetracking, Milling Sections, Whipstocks	81-185	
Contract	Miscellaneous Materials	81-217	\$3,5
Contract	Contract Labor, Welding	81-233	\$1,0
Contract	Contract Labor, Other- \$400/24 hour day	81-237	\$15,0
Contract	Contract Services, Living Qtrs \$100/day	81-243	\$3,5
	Contract Services, Other	81-266	
Contract	Hydrogen Sulfide Testing- \$150/day	81-320	\$4,0
	Spill Control Equipment	81-454	
Contract	Computer Hardware- \$25/day	81-568	\$1
Contract	Commo, Field- \$50/day	81-658	\$1,5
	Regulatory Compliance	81-685	
MOC	Company Labor & Burden- \$375/day	81-750	\$13,
	Overhead	81-770	
	Indirect Expense	81-779	
1	TOTAL DRILLING - INTANGIBLE		\$446,

Mid-Continent Travis William Barrett Travis "15" State Com #1 1,650' FNL & 1,500' FEL Sec. 15-18S-28E, Eddy County, New Mexico Total Depth 10,800° Drilling Days 35 Compl Days 10 AFE 665296

urce	Quantity		Feature	Cond	A
	CO	MADECTION COCT. TANGED C			
1		MPLETION COST - TANGIBLE	02.45		
irchase	10600	Production Casing	82-15		\$75,000
 		Production Liner	82-18		
		Production Liner Hanger & Tieback Equipment	82-21		
irchase	10600	Tubing - 2 3/8" O.D., 4.7#, L-80	82-23		\$36,000
		Wellhead Equipment (Drilling)	82-80		\$4,500
irchase		Christmas Tree	82-87		\$9,000
irchase		Packers	82-137		\$6,000
	·	Rod Pump	82-143		
		Electric Submersible Pump	82-149		
		Completion Wellhead Equipment	82-167		
	10	OTAL COMPLETION - TANGIBLE			\$130,500
	CC	OMPLETION COST - INTANGIBLE			
ontract		Location and Access	82-1		\$1,50
		Drilling Rig During Completion	82-34		\$11,00
ontract		Blowout Preventer	82-41		\$1,50
		Tools - Drilling & Service	82-45		
		Rig, Completion	82-48		
		Workover Units, Company	82-55		
ontract		Workover Units, Contract	82-56		\$7,50
		Snubbing Units, Company	82-62		
		Coiled Tubing Service Units, Contract	82-67		
		Snubbing Units, Contract	82-68		
		Underreamers, Stabilizers, Hole Openers	82-70		
		Lubricants	82-72		
	- 	Fuel, Diesel	82-74		
		Casing Tools & Services- Longstring	82-90		
		Cement & Cementing Services- Longstring	82-91		\$15,00
		Logging Services, Open Hole Wells	82-93		
Contract		Logging Services, Cased Hole Wells	82-94		\$3,50
Contract		Tubular Inspection, Testing & Cleaning	82-96		\$7,0
Contract		Formation Testing	82-103		\$3,0
Contract		Formation Treating	82-113		\$4,0
Contract		Transportation, Other	82-126		\$3,5
Contract		Test Equipment - Well Testing	82-127		\$7,5
Juliaci		Fishing Tools and Services	82-133		47,3
Contract					51 ()
Contract		Completion and Packer Fluids	82-180		\$1,0
Contract		Perforating Windling Services	82-182		\$16,0
Contract		Wireline Services	82-183		\$1,5
		Sidetracking, Milling Sections, Whipstocks	82-185		
Contract	 	Miscellaneous Materials	82-217		\$3,5
Contract		Miscellaneous Services	82-218		\$7,0
Contract		Contract Labor, Laborer	82-234		\$3,0
Contract		Contract Services, Other	82-240		\$7,4
Contract		Treating Chemicals, Other	82-291		\$1,0
Contract		Salt Water Disposall & Trans Fees	82-371		\$1,0
Contract		Rental Tools & Equip.	82-585		\$4,3
		Communications - Field	82-658		
		Regulatory Compliance	82-685		
MOC		Company Labor & Burden	82-750		\$3,1
		Overhead	82-770		
		Indirect Expense	82-779		\$3,0
		TOTAL COMPLETION - INTANGIBLE			\$117,
1		TOTAL COMPLETION COSTS			\$248,

Mid-Continent Travis

William Barrett Travis "15" State Com #1 1,650' FNL & 1,500' FEL Sec. 15-18S-28E, Eddy County, New Mexico Total Depth Drilling Days Compl Days AFE

Cource	Quantity	Feature	Cond	A
	FACILITY COSTS			
urchase	Line Pipe	83-27		\$1,500
urchase	Transportation, Other	83-126		
Ulchase				\$2,500
	Pumping Unit	83-141		
	Pumping Equipment - Rod Pump	83-143		
	Flowing/Plunger Lift Equipment	83-146		
	Submersible Pump - Electric Panel	83-149		
	Submersible Pump - Hydraulic	83-152		
	Gas Lift Equipment	83-155		
	Pumps	83-158		
Purchase	Tanks	83-170		\$10,000
Purchase	Metering Equipment	83-190		\$4,000
	Instrumentation	83-194		
	Electrical Equipment, Other	83-201		
Purchase	Valves	83-205		\$2,500
Purchase	Miscellaneous Materials	83-217		\$10,000
	Contract Labor, Electrical	83-229		
Contract	Contract Labor, Welding	83-233		\$1,00
Contract	Contract Labor, Other	83-237		\$4,00
Contract	Contract Services, Other	83-240		\$2,00
	Compressor Installation	83-365		
Purchase	Dehydration	83-376		\$10,00
	Crude Oil Treaters	83-378		
Purchase	Separator	83-380		\$10,00
	Vapor Recovery Units	83-386		
·	Free Water Knockouts	83-388		
	Regulatory Compliance (Includes Permitting)	83-685		
MOC	Company Labor & Burden	83-750		\$2,00
	TOTAL FACILITY COSTS			\$59,50
	SUMMARY OF GROSS COSTS			
İ	Total Drilling			\$491,10
	Total Completion			\$248,0
	Total Surface Equipment			\$59,5
	GRAND TOTAL GROSS COSTS			\$798,60
	SUMMARY OF NET COSTS			
	Total Drilling			
	Total Completion			
}	Total Surface Equipment			
]	GRAND TOTAL NET COSTS			
				İ
				•
	TOTAL TANGIBLE COSTS			\$234,5
	TOTAL INTANGIBLE COSTS			\$564,
j	TANGIBLE PERCENT OF TOTAL			29



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

December 12, 1996

Attn: Ken Gray, CPL DEVON ENERGY CORPORATION 20 N. Broadway, Ste. 1500 Oklahoma City, OK 73102 CERTIFIED MAIL & RETURN RECEIPT REQUESTED

Re:

Marathon Oil Company Travis Area William Barrett Travis "15" State Com #1 E/2 Section 15, T-18-S, R-28-E, N.M.P.M., Eddy County, New Mexico

Gentlemen:

Marathon Oil Company (Marathon), as Operator, hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 10,800'. Furthermore, Marathon shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The E/2 of the captioned Section 15 will be dedicated as the proration unit for the well.

The above well will be located approximately 1650' FNL & 1500' FEL of Section 15, T-18-S, R-28-E, Eddy County, New Mexico. An AFE is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

A Joint Operating Agreement will be provided for your review and execution upon receipt of the executed AFE, or by prior written request.

In the event you do not wish to participate, Marathon respectfully requests you elect one of the following options as to your interest:

- 1. Farmout all of your interest in the E/2 of Section 15 for a period of one hundred-eighty (180) days to Marathon under the following general terms:
 - (a) If any well drilled, deepened, completed or recompleted under the terms of our Farmout Agreement results in oil and/or gas production on a proration unit that includes your acreage, Marathon will earn an assignment of 100% of your rights and interest, free of any liens or encumbrances, in the proration unit assigned to each well from a depth of 500' below the top of the San Andres formation to a depth of 100' below the total depth drilled for each well, not to exceed the base of the Morrow formation.

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11775 Exhibit No. 5
Submitted By:
Marathon Oil Company

- (b) Upon completion of the initial test well as a producer or dry hole, Marathon would have the recurring option, but not the obligation, to commence additional wells on New Mexico Oil Conservation approved proration units that include your acreage to establish oil and/or gas production under the captioned lands or land pooled therewith. If any such option is exercised, Marathon agrees to allow not more than 180 days to elapse between the completion of one well and the commencement of operations for any next well.
- (c) You will retain an overriding royalty interest equal to the difference, if any, between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burden or lawful claims upon production to which your leases may be currently subject, so that Marathon will be assigned a 75% net revenue interest in your lease(s) as to rights below a depth of 500' below the top of the San Andres formation to 100' below the total depth drilled, not to exceed the base of the Morrow formation. Such overriding royalty interest retained by you shall be subject to proportionate reduction.
- (d) Upon acceptance of our farmout proposal, you agree to furnish, at no cost to Marathon, title information such as copies of the leases covering the captioned lands, title opinions currently in your possession, title curative, letter agreements and any contracts currently in effect, etc.

Should the above general terms be acceptable to you, our formal Farmout Agreement will be provided under separate cover.

(2) Sell all of your right, title and interest in the E/2 of Section 15, subject to title approval, for \$250 per net acre delivering an 81.25% net revenue interest to Marathon.

Your earliest response to this proposal would be greatly appreciated. If there should happen to be any questions, please call the undersigned at (915) 687-8476.

RPW;mmc' Encl.

Landman			
GENDER: 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 the sturn this card to you. Attach this form to the front of the mailpiece, or on the back ions not permit. Write "Revent Receipt Requested" on the mailpiece helps the sail	f space	I also wish to receive the following services (for an extra fee): 1. Addressee's Address	t Service.
Write "Return Receipt Requested" on the mailpiece below the arti The Return Receipt will show to whom the article was delivered a elivered.		2. Restricted Delivery Consult postmaster for fee.	eceipt
3. Article Addressed to: Arth: Ken blay, CPL Devol Erelgy Golpolation 20 N. Bloadway, Suite 1500 OKIALOMA CITY, OK 73102	4b. Ser Regis	cle Number 75 / 43 275 vice Type stered	ou for using Return R
. Signature (Addressee)	8. Addı and	essee's Address (Only if requested fee is paid)	ink y

December 1991: (au.s. GPO; 1993-352-714 | DOMESTIC RETURN RECEIPT

Very truly yours,

Randal P. Wilson, CPL

Region Mid-Continent Fotal Depth Field Travis Travis "15" State Com #1 Compl Days Location 1,650' FNL & 1,500' FEL Sec. 15-185-28E, Eddy County, New Mexico

uice	Quantity		Feature	Cond	A
	DH	RILLING COSTS - TANGIBLE		}	
		Drive Pipe	81-7	}	
irchase		Conductor Pipe 20" PE	81-8	1	
ırchase	575	Surface Pipe- 13-3/8*,48#,H-40,8rd,STC	81.9		\$9,000
irchase	27(0)	Casing, Int. String No. 1- 9-5/8"	81-11		\$30,000
· · · · · · · · · · · · · · · · · · ·		Casing, Intermediate String No. 2	81-12		
	····	Drilling Liner	81-19		
		Drilling Liner Hanger and Tieback Equipment	81-22		
irchase		Drilling Wellhead Equipment	81-80		\$4,500
in hase		Miscellaneous Materials	81-217		\$1,(XX)
	Т	OTAL DRILLING - TANGIBLE			\$44,500
	D	RILLING COSTS - INTANGIBLE		1	
ontract		Surveying, Location & Access	81-2		\$500
ontract		Well Location & Access	81-5		\$15,000
ontract		Daywork Drlg \$5650/24 hour day incl. Fuel	81-36		\$27,500
ontract	115(X)	Footage Basis Orlg Dry Hole Drilling	81-37		\$230,(KS)
		Turnkey Drilling	81-38		
		Drilling Rig Mob/Demob	81-39		
ontract		Blowout Prevention Equipment	81-41		
		Drill Pipe & Collars	81-44		
		Drilling & Service Tools	81-45		
		Drilling Services	81-50		
		Snubbing Units, Company	81-62		
		Snubbing Units, Contract	81-68		
Contract		Mud System/Solids Control	81-40		\$4,(XX
Contract		Mud and Mud Services	81-71		\$25,088
		Bits	81-69		
		Stabilizers, Hole Openers, Underreamers	81-70		
		Oil	81-72		
	·	Grease	81-72		
	- 	Fuel, Diesel (Not furnished by Contractor)	81-74		·
Contract		Water	81-336		\$12,0XX
Contract	· · · · · · · · · · · · · · · · · · ·	Casing Tools and Services	81-90		\$9,000
Contract		Cement and Cementing Service	81-91		\$25,000
`ontract		Logging Services, Open Hole Logging Services, Cased Hole	81-93 81-94		\$30,00
Contract		Mud Logging	81-94		\$10,00
Contract	· · · · · · · · · · · · · · · · · · ·	Inspection, Pipe & Casing	81-97		\$3,50
		Directional Services	81-101		φ2,./(<i>γ</i>
		Coring	81-102		
Contract		Formation Testing, Open Hole	81-104		\$4,50
		Formation Testing, Cased Hole	81-105		¥1,15
		Well Control Services	81-120		
Contract		Trucking/Transportation, Other	81-126		\$5,50
Contract		Well Test Equipment	81-127		\$2,50
		Fishing Tools and Services	81-133		
	·	Abandoning Tools and Services	81-136		
·		Sidetracking, Milling Sections, Whipstocks	81-185		
Contract	- 	Miscellaneous Materials	81-217		\$3,50
Contract		Contract Labor, Welding	81-233		\$1,00
Contract		Contract Labor, Other- \$400/24 hour day	81-237		\$15,00
Contract		Contract Services, Living Qtrs \$100/day	81-243		\$3,50
		Contract Services, Other	81-266		
Contract		Hydrogen Sulfide Testing- \$150/day	81-320		\$4,00
		Spill Control Equipment	81-454		
Contract		Computer Hardware- \$25/day	81-568		\$84
Contract		Commo, Field- \$50/day	81-658		\$1,84
		Regulatory Compliance	81-685		
MOC		Company Labor & Burden- \$375/day	81-750		\$13,0
		Overhead failt	81-770		-\
		Indirect Expense	81-779		<u> </u>
		TOTAL DRILLING - INTANGIBLE			\$446,6

Mid-Continent Travis William Barrett Travis "15" State Com #1 1,650' FNL & 1,500' FEL Sec. 15-18S-28E, Eddy County, New Mexico

Total Depth Driffing Days Compl Days AFE

urce	Quantity		Feature	Cond	A
	01	NAME OF THE OWNER OF THE OWNER OF THE OWNER OF THE OWNER OF THE OWNER OF THE OWNER OF THE OWNER OF THE OWNER OWNER OF THE OWNER OWNE			
		DMPLETION COST - TANGIBLE		}	
irchase	10600	Production Casing	82-15		\$75,000
		Production Liner	82-18		
		Production Liner Hanger & Tieback Equipment	82-21		
irchase	10600	Tubing - 2 3/8" O.D., 4.7#, L-80	82-23		\$36,000
		Wellhead Equipment (Drilling)	82-80		\$4,500
irchase		Christmas Tree	82-87		\$9,000
urchase		Packers	82-137		\$6,000
		Rod Pump	82-143		
		Electric Submersible Pump	82-149		
		Completion Wellhead Equipment	82-167		
	To	OTAL COMPLETION - TANGIBLE			\$130,500
	C	OMPLETION COST - INTANGIBLE			
ontract		Location and Access	82-1		\$1,500
		Drilling Rig During Completion	82-34		\$11,000
ontract		Blowout Preventer	82-41		\$1,500
		Tools - Drilling & Service	82-45		47,300
		Rig, Completion	82-48		
		Workover Units, Company	82-55		
Contract		Workover Units, Contract	82-56		\$7,500
		Snubbing Units, Company	82-62		47,300
		Coiled Tubing Service Units, Contract	82-67		
		Snubbing Units, Contract	82-68		
		Underreamers, Stabilizers, Hole Openers	82-70		
		Lubricants			
			82-72		
		Fuel, Diesel	82-74		
		Casing Tools & Services- Longstring	82-90		***
		Cement & Cementing Services- Longstring	82-91		\$15,000
		Logging Services, Open Hole Wells	82-93		***
Contract		Logging Services, Cased Hole Wells	82-94		\$3,50
Contract		Tubular Inspection, Testing & Cleaning	82-96		\$7,00
Contract		Formation Testing	82-103		\$3,00
Contract		Formation Treating	82-113		\$4,00
Contract		Transportation, Other	82-126		\$3,50
Contract		Test Equipment - Well Testing	82-127		\$7,50
		Fishing Tools and Services	82-133		
Contract		Completion and Packer Fluids	82-180		\$1,00
Contract		Perforating	82-182		\$16,00
Contract		Wireline Services	82-183		\$1,50
		Sidetracking, Milling Sections, Whipstocks	82-185		
Contract		Miscellaneous Materials	82-217		\$3,50
Contract		Miscellaneous Services	82-218		\$7,00
Contract		Contract Labor, Laborer	82-234		\$3,00
Contract		Contract Services, Other	82-240		\$7,40
Contract		Treating Chemicals, Other	82-291		\$1,00
Contract		Salt Water Disposall & Trans Fees	82-371		\$1,0X
Contract		Rental Tools & Equip.	82-585		\$4,30
		Communications - Field	82-658		1
		Regulatory Compliance	82-685		
мос		Company Labor & Burden	82-750		\$3,80
		Overhead	82-770		1
l		Indirect Expense	82-779		\$3,0
		TOTAL COMPLETION - INTANGIBLE			\$117,5
}		TOTAL COMPLETION COSTS			\$248,0

Region Field 1.case Location Mid-Continent

Travis

William Barrett Travis "15" State Com #1
1,650' FNL & 1,500' FEL Sec. 15-18S-28E,
Eddy County, New Mexico

Total Depth Drilling Days Compl Days AFE

ource	Quantity	Feature	Cond	A
	FACILITY COSTS			
urchase	Line Pipe	83-27		\$1,500
urchase	Transportation, Other			
		83-126		\$2,500
	Pumping Unit	83-141		
	Pumping Equipment - Rod Pump	83-143		
 	Flowing/Plunger Lift Equipment	83-146		
	Submersible Pump - Electric Panel	83-149		
	Submersible Pump - Hydraulic	83-152		
	Gas Lift Equipment	83-155		
	Pumps	83-158		
urchase	Tanks	83-170		\$10,00
urchase	Metering Equipment	83-190		\$4,00
	Instrumentation	83-194		
	Electrical Equipment, Other	83-201		·
urchase	Valves	83-205		\$2,50
urchase	Miscellaneous Materials	83-217		\$10,00
	Contract Labor, Electrical	83-229		
Contract	Contract Labor, Welding	83-233		\$1,00
Contract	Contract Labor, Other	83-237	1	\$4,00
Contract	Contract Services, Other	83-240		\$2,00
	Compressor Installation	83-365		
urchase	Dehydration	83-376	·	\$10,00
	Crude Oil Treaters	83-378		
Purchase	Separator	83-380		\$10,00
1 11 11 11 11 11 11 11 11 11 11 11 11 1	Vapor Recovery Units	83-386		
	Free Water Knockouts	83-388		
	Regulatory Compliance (Includes Permitting)	83-685		
MOC	Company Labor & Burden	83-750		\$2,0
	TOTAL FACILITY COSTS			\$59,5
	SUMMARY OF GROSS COSTS			-,
	Total Drilling			\$491,1
	Total Completion			\$248,0
	Total Surface Equipment			\$59,5
	GRAND TOTAL GROSS COSTS			\$798,6
1	SUMMARY OF NET COSTS			
! 	Total Drilling			
	Total Completion			
	Total Surface Equipment			
	GRAND TOTAL NET COSTS			
	TOTAL TANGIBLE COSTS			\$234,
	TOTAL INTANGIBLE COSTS			\$564,
	TANGIBLE PERCENT OF TOTAL			29