

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

November 16, 1992

Judyann Medeiros, Trustee
P. O. Box 252
Alamogordo, New Mexico 88310

Re: Assignment of Operating Rights
T17S, R27E
Section 36: E/2SE/4 as to all
depths below the base of the
Abo formation
Eddy County, New Mexico

Dear Ms. Medeiros:

As discussed with Ken Wade of Kersey and Company regarding the captioned land, this letter shall evidence your agreement to assign Mewbourne Oil Company 100% of your operating rights under the captioned land and depths on the following terms:

- 1) The purchase price shall be \$200.00 per net mineral acre.
- 2) Such assignment shall be free of any burdens or encumbrances placed thereon by you as to the interest you represent under the captioned land.
- 3) The effective date of the assignment shall be November 1, 1992 with such assignment to Mewbourne being subject to approval of title.
- 4) The assignment shall be on a mutually acceptable form prepared by Mewbourne Oil Company.
- 5) For title curative purposes, you agree to furnish Mewbourne any title information you currently have in your files pertaining to the captioned land if requested by Mewbourne. Such title materials shall be furnished free of cost to Mewbourne.

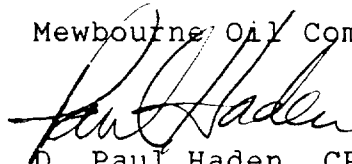
BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>3</u>
CASE NO. _____

Judyann Medeiros, Trustee
November 16, 1992
Page 2

If the above terms are agreeable to you, please indicate your acceptance of same by signing and returning the copy of this letter to the undersigned at your early convenience.

Sincerely,

Mewbourne Oil Company

A handwritten signature in dark ink, appearing to read "D. Paul Haden", is written over the printed name.

D. Paul Haden, CPL
Landman

AGREED and ACCEPTED this _____ day of
November, 1992.

Thelma Kersey Methvin Trust
Dated April 30, 1987

By: _____
Judyann Medeiros, Trustee

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 17, 1992

Alma D. Granberry
and Walter E. Granberry, Jr.
1923 33rd Street
Lubbock, Texas 79411

Re: T17S, R27E
Section 36: E/SE/4, below
the base of the Abo formation
Eddy County, New Mexico

Greetings:

Regarding your interest under the captioned land, Ken Wade of Kersey and Company in Artesia, New Mexico advised me November 10, 1992 you would be agreeable to selling your interest in the captioned land as described above on the same terms offered Kersey and Company. Accordingly, Mewbourne Oil Company hereby offers to purchase your interest under the captioned land on the basis of \$200.00 per net mineral acre. County records indicate each of you own an undivided 1/16 of 8/8 interest in the above 80 acre tract of land being five (5) mineral acres each.

Regarding the above, Mewbourne hereby proposes to purchase your interest described above on the following general terms:

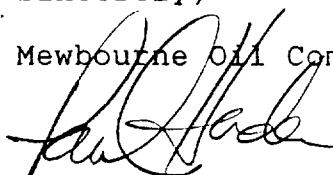
- 1) The purchase price shall be \$200.00 per net mineral acre.
- 2) Such assignment shall be free of any burdens or encumbrances placed thereon by you as to the interest you represent under the captioned land.
- 3) The effective date of the assignment shall be November 1, 1992 with such assignment to Mewbourne being subject to approval of title.
- 4) The assignment shall be on a mutually acceptable form prepared by Mewbourne Oil Company.
- 5) For title curative purposes, you agree to furnish Mewbourne any title information you currently have in your files pertaining to the captioned land if requested by Mewbourne. Such title materials shall be furnished free of cost to Mewbourne.

Alma D. Granberry
and Walter E. Granberry, Jr.
November 17, 1992
Page 2

If the above terms are agreeable to you, please indicate your acceptance of same by signing and returning the copy of this letter to the undersigned at your early convenience.

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

AGREED and ACCEPTED this _____ day of
November, 1992.

Estate of Walter E. Granberry, Sr.,
Deceased

By: _____
Walter E. Granberry, Jr.,
Executor

By: _____
Walter E. Granberry, Jr.,
Individually

By: _____
Alma DeShazo Granberry,
a widow

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 16, 1992

Kathryn Kersey Alexander
and Marie Kersey Wade,
Trustees
808 W. Grand
Artesia, New Mexico 88210

Re: Assignment of Operating Rights
T17S, R27E

Section 36: E/2SE/4 as to all
depths below the base of the
Abo formation
Eddy County, New Mexico

Dear Ladies:

As discussed with Ken Wade of Kersey and Company regarding the captioned land, this letter shall evidence your agreement to assign Mewbourne Oil Company 100% of your operating rights under the captioned land and depths on the following terms:

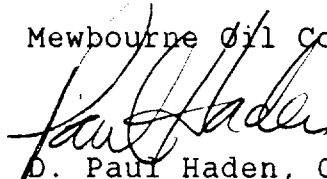
- 1) The purchase price shall be \$200.00 per net mineral acre.
- 2) Such assignment shall be free of any burdens or encumbrances placed thereon by you as to the interest you represent under the captioned land.
- 3) The effective date of the assignment shall be November 1, 1992 with such assignment to Mewbourne being subject to approval of title.
- 4) The assignment shall be on a mutually acceptable form prepared by Mewbourne Oil Company.
- 5) For title curative purposes, you agree to furnish Mewbourne any title information you currently have in your files pertaining to the captioned land if requested by Mewbourne. Such title materials shall be furnished free of cost to Mewbourne.

Kathryn Kersey Alexander
and Marie Kersey Wade,
Trustees
November 16, 1992
Page 2

If the above terms are agreeable to you, please indicate your acceptance of same by signing and returning the copy of this letter to the undersigned at your early convenience.

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

AGREED and ACCEPTED this _____ day of
November, 1992.

Revocable Living Trust of
Harold Kersey and
Mary Ellen Kersey

By: _____
Kathryn Kersey Alexander, Trustee

By: _____
Marie Kersey Wade, Trustee

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 16, 1992

Margaret Holcomb
1522 Michigan
Alamogordo, New Mexico 88310

Re: Assignment of Operating Rights
T17S, R27E
Section 36: E/2SE/4 as to all
depths below the base of the
Abo formation
Eddy County, New Mexico

Dear Ms. Holcomb:

As discussed with Ken Wade of Kersey and Company regarding the captioned land, this letter shall evidence your agreement to assign Mewbourne Oil Company 100% of your operating rights under the captioned land and depths on the following terms:

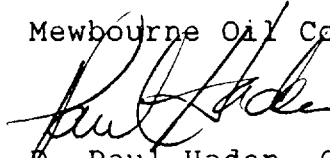
- 1) The purchase price shall be \$200.00 per net mineral acre.
- 2) Such assignment shall be free of any burdens or encumbrances placed thereon by you as to the interest you represent under the captioned land.
- 3) The effective date of the assignment shall be November 1, 1992 with such assignment to Mewbourne being subject to approval of title.
- 4) The assignment shall be on a mutually acceptable form prepared by Mewbourne Oil Company.
- 5) For title curative purposes, you agree to furnish Mewbourne any title information you currently have in your files pertaining to the captioned land if requested by Mewbourne. Such title materials shall be furnished free of cost to Mewbourne.

Margaret Holcomb
November 16, 1992
Page 2

If the above terms are agreeable to you, please indicate your acceptance of same by signing and returning the copy of this letter to the undersigned at your early convenience.

Sincerely,

Mewbourne Oil Company

A handwritten signature in dark ink, appearing to read "D. Paul Haden", is written over the printed name.

D. Paul Haden, CPL
Landman

AGREED and ACCEPTED this _____ day of
November, 1992.

By: _____
Margaret Holcomb

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 16, 1992

Gene Reischman, Personal
Representative of the Estate of
Lester J. Reischman, Deceased
1320 W. 4th Street
Roswell, New Mexico 88201

Re: Assignment of Operating Rights
T17S, R27E
Section 36: E/2SE/4 as to all
depths below the base of the
Abo formation
Eddy County, New Mexico

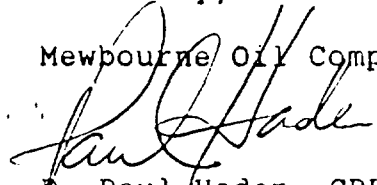
Dear Mr. Reischman:

Regarding the captioned land, this letter shall evidence your agreement to assign Mewbourne Oil Company 100% of your operating rights under the captioned land and depths on the following terms:

- 1) The purchase price shall be \$200.00 per net mineral acre.
- 2) Such assignment shall be free of any burdens or encumbrances placed thereon by you as to the interest you represent under the captioned land.
- 3) The effective date of the assignment shall be November 1, 1992 with such assignment to Mewbourne being subject to approval of title.
- 4) The assignment shall be on a mutually acceptable form prepared by Mewbourne Oil Company.
- 5) For title curative purposes, you agree to furnish Mewbourne any title information you currently have in your files pertaining to the captioned land if requested by Mewbourne. Such title materials shall be furnished free of cost to Mewbourne.

Gene Reischman
Personal Representative
November 16, 1992
Page 2

If the above terms are agreeable to you, please indicate your acceptance of same by signing and returning the copy of this letter to the undersigned at your early convenience.

Sincerely,
Mewbourne Oil Company

D. Paul Haden, CPL
Landman

AGREED and ACCEPTED this _____ day of
November, 1992.

Estate of Lester J. Reischman,
Deceased

By: _____
Gene Reischman
Personal Representative

INN ^{OF} THE GOVERNORS

Per Ken Wade -
The Reischman's
& the Dranberrys
will sell their interest
as I proposed. P.H.
11-10-92



234 Don Gaspar
Santa Fe, New Mexico 87501
505-982-4333 Reservations: 1-800-234-4534

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 5, 1992

Fina Oil and Chemical Company
P. O. Box 2990
Midland, Texas 79702

Attn: Kevin Pfister

Re: Fina FARMOUT AGREEMENT
T17S, R27E
Section 36: NW/4SW/4
Eddy County, New Mexico

Gentlemen:

Reference is made to that certain FARMOUT AGREEMENT dated October 13, 1992 between Fina Oil and Chemical Company as Farmor and Mewbourne Oil Company as Farmee covering certain depths under the captioned land as described therein. Mewbourne Oil Company hereby accepts the terms of such agreement subject to the following changes:

- 1) In Article I TEST WELL, line 1, delete "December 31, 1992" and insert "February 1, 1993"; line 3 and 4, delete "legal" and "on the Contract Acreage" and insert "approved by the New Mexico Oil Conservation Division in the SW/4 of Section 36, T17S, R27E, Eddy County, New Mexico," after the word "location"; line 9, delete "ninety (90)" and insert "one hundred twenty (120)"; line 13 delete "thirty (30)" and insert "sixty (60)".
- 2) Article II. SUBSTITUTE WELL, lines 12 and 13, delete "mutually acceptable legal location." and insert "at a location approved by the New Mexico Oil Conservation Division".; line 15, delete "ninety (90)" and insert "one hundred twenty (120)".
- 3) Article VII. ABANDONMENT OF WELLS, paragraph 1, line 6, delete "exclusive" and insert "inclusive"; line 16, insert "in the event such well take over by Farmor results in production in commercial quantities." after the word "hereof."
- 4) Article VII. ABANDONMENT OF WELLS, paragraph 2, lines 6 and 7, delete "and the spacing for the proration unit for such well";

line 9, delete "the said unit"; line 10 immediately after the words "to Farmor" and prior to the words "In the event" insert ",including the Contract Acreage previously assigned to Farmee by Farmor. In the event such well take over results in production in commercial quantities by Farmor, Farmee shall assign to Farmor all of Farmee's right, title and interest in Farmee's leases attributable to the productive formation in the proration unit allocated to the take over well."

- 5) Article XII. NOTICES AND REPORTS, paragraph 2, line 3, delete "Farmor" and insert "Farmee" in lieu of.
- 6) Article XIV. OPTION TO PURCHASE PRODUCTION, paragraph 2, modify lines 10 through 13 to read as follows:
... offered to Farmee (or if said sale is for a term of less than six (6) months, Farmee shall submit an outline of Farmee's proposed sales arrangement). This option as to gas (including casinghead gas) must be exercised by Farmor by written notice to Farmee as follows: 1) Contracts which are for a term of less than six (6) months, Farmor shall provide a response within ten (10) days of receipt of Farmee's Contract Proposal, 2) Contracts which are for a term of six (6) months or greater, Farmor shall provide a response within sixty (60) days of receipt of Farmee's Contract Proposal. This option . . .
- 7) XVIII. GAS CONTRACTS, paragraph 2, delete in its entirety as the provisions of FERC Order No. 500 et al are no longer applicable.
- 8) Article XVIII. GAS CONTRACTS, paragraph 3, delete in its entirety and substitute the following:
"Federal Energy Regulatory Commission Order No. 451 as amended provides for a good faith negotiation process ("GFNP") to amend certain gas sales contracts, which may affect the contractual rights of parties other than the party who initiates the GFNP. Accordingly, if on the effective date of this agreement all or any part of the lands covered by this agreement are covered by a gas sales contract to which Farmor is a party ("Subject Gas Contract"), Farmor reserves the exclusive right to initiate the GFNP with respect to the Subject Gas Contract, and any effort by Farmee to initiate the GFNP in a manner that affects the Subject Gas Contract shall be null and void. In the event Farmor does initiate the GFNP with respect to the Subject Gas Contract or any other gas sales contract with the same gas purchaser, the gas purchaser's renegotiation rights under the GFNP shall apply to gas covered by the Subject Gas Contract and attributable to

Fina Oil and Chemical Company
November 5, 1992
Page 3

the interest assigned to Farmee hereunder, to the same extent as such renegotiation rights would have applied to the Subject Gas Contract had there been no assignment."

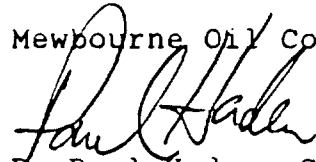
- 9) Add Article XXI. SUBSEQUENT WELL(S) to provide for the following:

"In the event the Test Well or substitute well is completed as a dry hole, or if it is completed as a producer but such well's proration unit does not include Farmor's acreage, Farmee will have the option, but not the obligation to conduct a continuous drilling program allowing not more than one hundred twenty (120) days to lapse between the completion of the last well and the commencement of drilling operations for the next well until all of Farmor's acreage described in Exhibit "A" is earned by Farmee".

If the above changes are acceptable to Fina, please indicate such acceptance by signing and returning the copy of this letter to the undersigned.

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc

AGREED and ACCEPTED this _____ day of November, 1992.
Fina Oil and Chemical Company

By: _____

Per Jerry Reischman —

He'll sell @ 200⁰⁰/ac.

Include his stepmother

Margaret. C.J. Reischman

Estate isn't closed.

P.H.

11-2-92

KERSEY & COMPANY

OIL PRODUCTION

Phone 746-3671 • 808 W. Grand

ARTESIA, NEW MEXICO 88210

Paul Hayden
Mewbourne Oil Company
500 Texas, Suite 1020
Midland, Texas 79701

RECEIVED
NOV - 21 - 2

Dear Mr. Hayden:

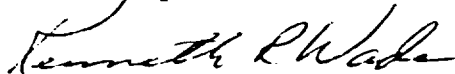
As per our phone conversation, we would agree to sell our share of the mineral rights on the E/2 SE/4 Sec 36 T17S R27E.

We would accept \$200.00 per net acre for the rights from the base of the Abo Formation to 100 feet below the base of the Morrow Formation.

The .3334 Working interest is presently owned by Kathryn Kersey Alexander and Marie Kersey Wade, Trustees of the Revocable Living Trust of Harold Kersey and Mary Ellen Kersey.

If this is agreeable, you may prepare an assignment to be sent to the address above.

Sincerely,



Kenneth R. Wade

.3334 = 26.67 net acres

KRW/mg

Re: CHALK BLUFF "36"
ST. #1

PER KEN WADE —

THE KERSEY BUNCH WILL SELL
(PROBABLY) AS TO THEIR
INTEREST IN E/2SE/4.
THIS REPRESENTS 60 NET
ACRES. HE'S TO SEND LETTER.

P.H.

10-30-92 —

KEN WADE — 505-746-3671

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

October 6, 1992

Kersey and Company
808 W. Grand Ave.
Artesia, N. M. 88210-1937
Attn: Mr. Harold Kersey

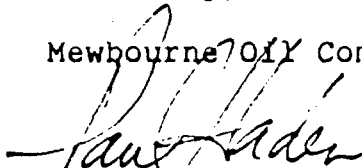
Re: Chalk Bluff "36" State #1
T17S, R27E
Section 36: E/2SE/4
below the base
of the Abo formation
Eddy County, New Mexico

Dear Mr. Kersey:

As referenced in my previous letter to you dated September 4, 1992 regarding the captioned well, enclosed for your consideration is a copy of Mewbourne's AFE. Please respond to our well proposal at your earliest opportunity.

Sincerely,

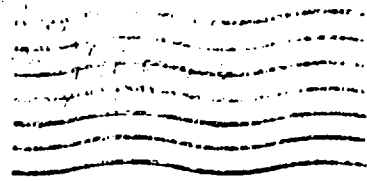
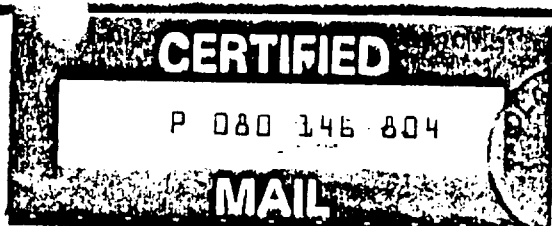
Mewbourne Oil Company


D. Paul Haden, CPL
Landman

PH/klc
Enclosure

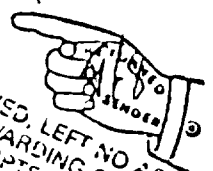
MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701



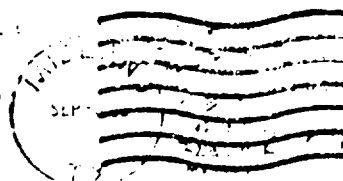
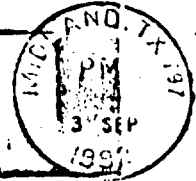
— Thomas William Flynn
P. O. Box 1065
Riverview, Florida 33569

MOVED, LEFT NO ADDRESS
ATTEMPTING ORDER EXPIRED
UNCLAIMED NOT KNOWN
NO SUCH STREET
NO SUCH NUMBER
INSUFFICIENT ADDRESS



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701



Return Address

Do not forward

Shirley Nell McShearty
1 Lavington Road
Charleston, South Carolina 29401

PO 7-5 45-9

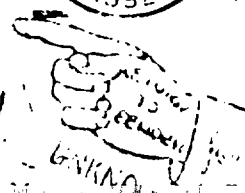
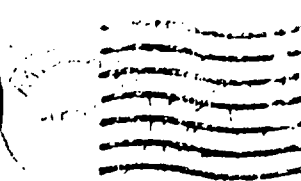
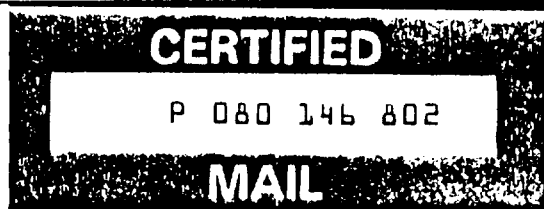
FORWARDING
TIME EXPIRED
RETURN TO SENDER



FOR
TIV
RET

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170

September 21, 1992

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico

Attn: Robert Bullock

Re: Chalk Bluff "36" State #1
T17S, R27E
Section 36: S/2
Eddy County, New Mexico

Dear Rob:

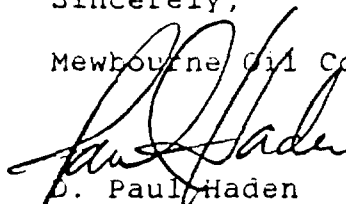
Regarding the above well proposed by Mewbourne under the captioned land, enclosed for Yates Petroleum's consideration is a copy of Mewbourne's AFE. Such AFE is also being submitted to you for the following described interest owner's consideration as I assume Yates Petroleum represents them:

- 1) Lillie M. Yates, individually.
- 2) Lillie M. Yates and S. P. Yates, Personal Representative of the Estate of Martin Yates, III, Dec'd.
- 3) Yates Brothers.

Should you have any questions regarding the above, please call.

Sincerely,

Mewbourne Oil Company



D. Paul Haden

PH/klc
Enclosed

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170

September 18, 1992

Gene Reischman
1320 W. 4th Street
Roswell, New Mexico 88201

Re: Chalk Bluff "36" State No. 1
T17S, R27E
Section 36: S/2
Eddy County, New Mexico

Dear Mr. Reischman:

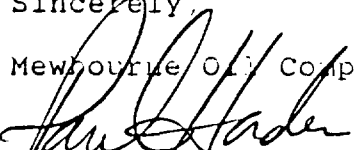
Enclosed for your information as requested is a copy of Mewbourne's AFE for the captioned well proposed by Mewbourne.

As discussed with you this date, our records show the Estate of L. J. Reischman owns 12.5% of the operating rights below the base of the Abo formation as to the E/2SE/4 of the captioned Section 36. If such information is correct, the Reischman interest in Mewbourne's well is 3.125%.

In the event you wish to farmout or sell your interest as previously proposed by Mewbourne, please advise and the appropriate agreement will be forwarded to you for execution.

Sincerely,

Mewbourne Oil Company


D. Paul Raden, CPL
Landman

PH/klc
Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

September 4, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Thomas William Flynn
P. O. Box 1065
Riverview, Florida 33569

Re: Chalk Bluff "36" State #
T17S, R27E
Section 36:
E/2SW/4 and the NW/4SE/4
below the base of the
Abo formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate you own an interest in the operating rights under the captioned land. Mewbourne Oil Company, hereby, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 180 days from the execution date of your farmout agreement an initial test well at a location of Mewbourne's choice in the SW/4 of the captioned Section 36 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,300'. The S/2 of the above described Section 36 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of your acreage, Mewbourne would have the option to commence a 180 day continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from the base of the Abo formation to 100 feet below the total depth drilled in each well.

Thomas William Flynn
September 4, 1992
Page 2

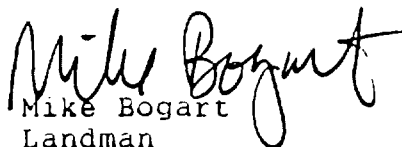
- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and rights 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

In the event you prefer not to farmout your interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$150.00 per net mineral acre.

Should you not be interested in farming or selling your interest as proposed, Mewbourne invites you to join in drilling of the initial test well to the extent of your interest in the spacing unit. Regarding this option, Mewbourne's AFE for the above proposed well will be forwarded to you in the very near future.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,
Mewbourne Oil Company


Mike Bogart
Landman

MB/klc
cc: Ken Waits

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

September 4, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Kersey and Company
808 W. Grand Ave.
Artesia, New Mexico 88210-1937
Attn: Mr. Harold Kersey

Re: Chalk Bluff "36" State #1
T17S, R27E
Section 36:
E/2SE/4
below the base of the
Abo formation
Eddy County, New Mexico

Gentlemen:

Records available to us indicate you own an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 180 days from the execution date of your farmout agreement an initial test well at a location of Mewbourne's choice in the SW/4 of the captioned Section 36 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,300'. The S/2 of the above described Section 36 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of your acreage; Mewbourne would have the option to commence a 180 day continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from the base of the Abo formation to 100 feet below the total depth drilled in each well.

Kersey and Company
September 4, 1992
Page 2

- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

In the event you prefer not to farmout your interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$200.00 per net mineral acre.

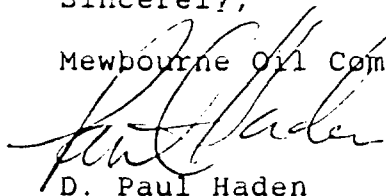
Should you not be interested in farming or selling your interest as proposed, Mewbourne invites you to join Mewbourne in drilling the initial test well to the extent of your interest in the spacing unit. Regarding this option, Mewbourne's AFE for the above proposed well will be forwarded to you in the very near future.

If the above farmout terms are acceptable to you, please indicate your acceptance by signing and returning the copy of this letter to the undersigned.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

PH/klc
cc: Ken Waits

AGREED and ACCEPTED this _____ day of
_____, 1992.

KERSEY AND COMPANY

By: _____
Harold Kersey

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

September 4, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Yates Brothers
207 South Fourth
Artesia, New Mexico 88210

Re: Chalk Bluff "36" State #1
T17S, R27E
Section 36:
NW/4SE/4 and E/2SW/4
below the base of the
Abo formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate you own an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 180 days from the execution date of your farmout agreement an initial test well at a location of Mewbourne's choice in the SW/4 of the captioned Section 36 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,300'. The S/2 of the above described Section 36 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of your acreage; Mewbourne would have the option to commence a 180 day continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from the base of the Abo formation to 100 feet below the total depth drilled in each well.

Yates Brothers
September 4, 1992
Page 2

- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

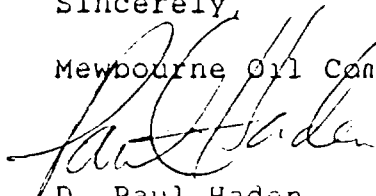
In the event you prefer not to farmout your interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$200.00 per net mineral acre.

Should you not be interested in farming or selling your interest as proposed, Mewbourne invites you to join Mewbourne in drilling the initial test well to the extent of your interest in the spacing unit. Regarding this option, Mewbourne's AFE for the above proposed well will be forwarded to you in the very near future.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

PH/klc
cc: Ken Waits

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

September 4, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Estate of Lester J.
Reischman, Deceased
1320 W. 4th Street
Roswell, New Mexico 88201
Attn: Mr. Gene Reischman

Re: Chalk Bluff "3C" State #1
T17S, R27E
Section 36:
E/2 SE/4
below the base of the
Abo formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate you own an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 180 days from the execution date of your farmout agreement an initial test well at a location of Mewbourne's choice in the SW/4 of the captioned Section 36 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,300'. The S/2 of the above described Section 36 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of your acreage; Mewbourne would have the option to commence a 180 day continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from the base of the Abo formation to 100 feet below the total depth drilled in each well.

Estate of Lester J. Reischman, Deceased
September 4, 1992
Page 2

- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

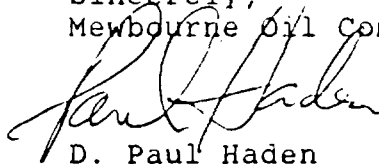
In the event you prefer not to farmout your interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$200.00 per net mineral acre.

Should you not be interested in farming or selling your interest as proposed, Mewbourne invites you to join Mewbourne in drilling the initial test well to the extent of your interest in the spacing unit. Regarding this option, Mewbourne's AFE for the above proposed well will be forwarded to you in the very near future.

If the above farmout terms are acceptable to you, please indicate your acceptance by signing and returning the copy of this letter to the undersigned.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,
Mewbourne Oil Company



D. Paul Haden
Landman

PH/klc
cc: Ken Waits

AGREED and ACCEPTED this ____ day of
_____, 1992.

Estate of Lester J. Reischman, Deceased

By: _____
Gene Reischman, Personal Representative
of the Estate of Lester J. Reischman, Deceased

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

September 3, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Robert Bullock

Re: Chalk Bluff "36" State #1
T17S, R27E
Section 36: NW/4SE/4,
E/2SE/4 and E/2SW/4
below the base of the
Abo formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate you own an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 180 days from the execution date of your farmout agreement an initial test well at a location of Mewbourne's choice in the SW/4 or the captioned Section 36 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,300'. The S/2 of the above described Section 36 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of your acreage; Mewbourne would have the option to commence a 180 day continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from the base of the Abo formation to 100 feet below the total depth drilled in each well.

Yates Petroleum Corporation
September 3, 1992
Page 2

- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

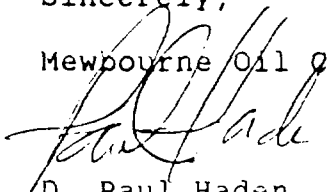
In the event you prefer not to farmout your interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$200.00 per net mineral acre.

Should you not be interested in farming or selling your interest as proposed, Mewbourne invites you to join Mewbourne in drilling the initial test well to the extent of your interest in the spacing unit. Regarding this option, Mewbourne's AFE for the above proposed well will be forwarded to you in the very near future.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

PH/klc
cc: Ken Waits

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

September 3, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Lillie M. Yates
207 South Fourth Street
Artesia, New Mexico 88210

Re: Chalk Bluff "36" State #1
T17S, R27E
Section 36: NW/4SE/4,
E/2SE/4 and E/2SW/4
below the base of the
Abo formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate you own an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 180 days from the execution date of your farmout agreement an initial test well at a location of Mewbourne's choice in the SW/4 of the captioned Section 36 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,300'. The S/2 of the above described Section 36 will be dedicated to the well.
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- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from the base of the Abo formation to 100 feet below the total depth drilled in each well.

Lillie M. Yates
September 3, 1992
Page 2

- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
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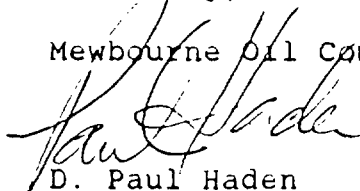
In the event you prefer not to farmout your interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$200.00 per net mineral acre.

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Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

PH/klc
cc: Ken Waits

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 662-3715

September 3, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Lillie M. Yates and S. P. Yates
Personal Representative of the
Estate of Martin Yates III, Deceased
207 South Fourth Street
Artesia, New Mexico 88210

Re: Chalk Bluff "36" State #1
T17S, R27E
Section 36: NW/4SE/4,
E/2SE/4 and E/2SW/4
below the base of the
Abo formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate you own an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 180 days from the execution date of your farmout agreement an initial test well at a location of Mewbourne's choice in the SW/4 of the captioned Section 36 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,300'. The S/2 of the above described Section 36 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of your acreage; Mewbourne would have the option to commence a 180 day continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from the base of the Abo formation to 100 feet below the total depth drilled in each well.

Lillie M. Yates and S. P. Yates
September 3, 1992
Page 2

- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

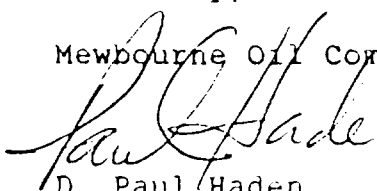
In the event you prefer not to farmout your interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$200.00 per net mineral acre.

Should you not be interested in farming or selling your interest as proposed, Mewbourne invites you to join Mewbourne in drilling the initial test well to the extent of your interest in the spacing unit. Regarding this option, Mewbourne's AFE for the above proposed well will be forwarded to you in the very near future.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

PH/klc
cc: Ken Waits

Per Kevin with Fina -
They will grant us a
FO of their interest.
as to their $1/2$ interest in
the NW $1/4$ SW $1/4$ delivering
MOC a 75% NRI,
no Back-in. They are
retaining their interest
in the NW $1/4$ NE $1/4$ & NE $1/4$ NE $1/4$
Sec. 36. DONE DEAL - HE'S
TO SEND LETTER. P.H. 8.26.92

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

August 26, 1992

Fina Oil & Chemical Company
P. O. Box 2990
Midland, Texas 79702

Attn: Kevin Pfister

Re: Farmin Offer

T17S, R27E

Section 36: NW/4SW/4,
NE/4NW/4 and NE/4NE/4,
below the Abo formation;

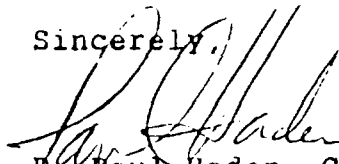
T17S, R28E

Section 31: SE/4SW/4
and W/2SE/4, below the
base of the Abo formation
Eddy County, New Mexico

Kevin:

As discussed this date, Mewbourne Oil Company would appreciate a firm commitment in writing from Fina at the earliest possible date regarding Mewbourne's offer to purchase or farmin Fina's interest under the captioned land. Mewbourne would appreciate such commitment so we can finalize our drilling schedule for Mewbourne's Morrow wells to be drilled under the S/2 of the captioned Section 36 and S/2 of the captioned Section 31.

Sincerely,


p. Paul Haden, CPL
Landman

PH/klc

Per Kitty w/ Fina

Her recommendation is nearly
ready to go to management

Re: Sec. 36 $\frac{1}{2}$ 31 acreage
in Chalk Bluff Mars.

DD
K.H.

6-19-92

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170
May 29, 1992

Fina Oil and Chemical Company
P. O. Box 2990
Midland, Texas 79702

Attention: Katherine S. Lawson

RE: Purchase Offer
T17S, R27E
Section 36: NW/4SW/4, below 5950'
and NE/4NW/4, below 2000'; and
T17S, R28E
Section 31: SE/4SW/4 and W/2SE/4,
below 7000';
Section 32: SW/4SE/4, below 7000'
Eddy County, New Mexico

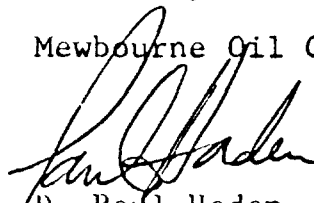
Dear Kitty:

In reference to my previous letter of May 11, 1992 wherein Mewbourne offered to purchase Fina's interest under said land, please exclude the above described land in Section 32 in regard to Mewbourne's offer. We are no longer interested in Section 32.

Please call should you have any questions regarding the above.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
CC: Gary L. Winter
Ken Waits

Re: Elseley ^{PH.}
for Harold ^{Sec. 36} Kersey of 6-4-92
Kersey and Company
He is not interested in
selling. He said he's
had this lease for 50
years, isn't interested in
getting rid of it now or
50 years ago. He's in
with the Yates bunch, considers
them as his partners. He
would be interested in joining us
in a deep test.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 21, 1992

Kersey & Company
808 West Grand Avenue
Artesia, New Mexico 88210-1937

RE: T17S, R27E
Section 36: E/2SE/4,
Below the base of the
San Andres Formation
Eddy County, New Mexico

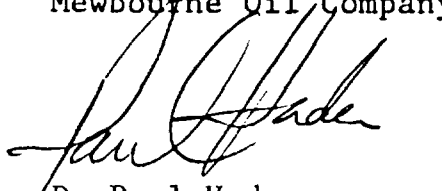
Gentlemen:

County records indicate you own 65% of the operating rights under the captioned land. Accordingly, Mewbourne Oil Company hereby offers you \$7,800.00 being \$150.00 per net mineral acre for all of your right, title and interest in the operating rights under the captioned land below the base of the San Andres Formation.

The above offer is subject to immediate acceptance and approval of title.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
CC: Gary L. Winter
Ken Waits

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 11, 1992

Fina Oil and Chemical Company
P. O. Box 2990
Midland, Texas 79702

Attention: Katherine S. Lawson

RE: Purchase Offer
T17S, R27E
Section 36: NW/4SW/4, below 5950'
and NE/4NW/4, below 2000'; and
T17S, R28E
Section 31: SE/4SW/4 and W/2SE/4,
below 7000';
Section 32: SW/4SE/4, below 7000'
Eddy County, New Mexico

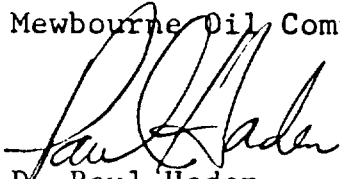
Ladies and Gentlemen:

Records available indicate Fina owns an interest in the operating rights under the captioned land. Accordingly, Mewbourne Oil Company hereby offers to purchase an assignment from Fina on the basis of \$200.00 per net mineral acre for all of Fina's right, title and interest under the above land and depths.

The above offer is subject to immediate acceptance and approval of title.

Sincerely,

Mewbourne Oil Company


D. Paul Haden
Landman

DPH/nb

CC: Gary L. Winter
Ken Waits

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

April 8, 1992

Fina Oil and Chemical Company
P. O. Box 2990
Midland, Texas 79702

Attention: Kevin Pfister

RE: T17S, R27E
Section 36: NW/4SW/4,
Below a depth of 5950'
Eddy County, New Mexico
State lease B-11538-14

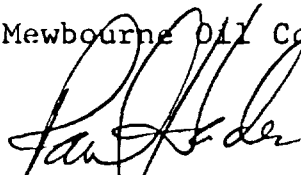
Gentlemen:

State and county records indicate Fina owns $\frac{1}{2}$ of the operating rights under the captioned land. Accordingly, Mewbourne Oil Company hereby offers Fina \$200.00 per net mineral acre for all of Fina's right, title and interest in the captioned land below a depth of 5950'.

The above offer is subject to immediate acceptance and approval of title.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb

CC: Gary L. Winter
Ken Waits