



PA

Mike J. Johnson
Staff Landman
Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500
(915) 686-5547

RECEIVED
DEC 17 1992

December 9, 1992

Mr. Paul Haden
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701

**Re: Farmout Request
Diamond A "27" State No. 1
T17S, R28E
Section 17: N/2 NE/4,
Below the base of the ABO formation
Eddy County, New Mexico**

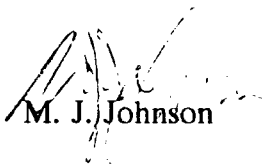
Dear Paul:

Reference is made to your previous letters regarding the captioned request. Please be advised that Conoco is agreeable to farming out our interest to Mewbourne on the captioned acreage subject to determination of the status of the production payments mentioned in your letter of December 1, 1992.

I have requested some information from our Ponca City office concerning these payments.

I will let you know what I find out.

Very truly yours,


M. J. Johnson

BEFORE EARL ALLEN STROGNER
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>5</u>
CASE NO. <u>10636</u>

Re: Diamond A-27977,
Offered Samdan a 73%
MRI deal for their
interest before and after
payout. He's to get back
with me next week as
they are doing budget
forecasts for their meeting
this week.

P.H.

12-7-92

Re: E/2 Sec. 27

Diamond A 27" #1

Per Jack Anderson w/ Braden.

They would farmout their
interest on the basis of
delivering us a 70% NRI
no back-in APO. I told
him those terms were unacceptable.
They would go under the
pooling if we were not
agreeable to their deal.

F.H.

12-4-92

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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

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

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Peyton Yates, Frank Yates
and S. P. Yates Personal
Representatives of the
Estate of Martin Yates, III,
Deceased
c/o 105 So. 4th Street
Artesia, New Mexico 88210

5. Signature (Addressee)

6. Signature (Agent)

M. Burch

4a. Article Number

P 080 146 841

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

12-4-92

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

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 3, 1992

Certified Mail - Return Receipt Requested

Peyton Yates, Frank Yates, Jr.
and S. P. Yates, Personal
Representatives of the Estate
of Martin Yates, III, Deceased
c/o 105 So. 4th Street
Artesia, New Mexico 88210

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
below the base of the Abo
formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate the Estate of Martin Yates, III, hereinafter referred to as "Yates" owns an undivided 1/6 of 13/288 interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 Yate's acreage, Mewbourne would have the option to commence a 120 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

Estate of Martin Yates, III
December 3, 1992
Page 2

Abo formation to 100 feet below the total depth drilled in each well.

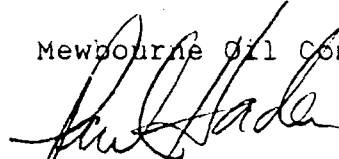
- 4) Yates would retain its interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty 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.

Should Yates not be interested in farming out its interest as proposed, Mewbourne invites Yates to join Mewbourne in drilling the initial test well to the extent of its interest in the spacing unit. Regarding this option, enclosed for your consideration is a copy of Mewbourne's AFE for the above wells.

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

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc
Enclosure

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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

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

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Harvey E. Yates
P. O. Box 1933
Roswell, N. M. 88202

4a. Article Number

P 080 146 840

4b. Service Type

☐ Registered

☐ Insured

☒ Certified

☐ COD

☐ Express Mail

☐ Return Receipt for Merchandise

7. Date of Delivery

12/4/92

5. Signature (Addressee)

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

6. Signature (Agent)

[Signature]

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 3, 1992

Certified Mail - Return Receipt Requested

Mr. Harvey E. Yates
P. O. Box 1933
Roswell, New Mexico 88202

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
below the base of the Abo
formation
Eddy County, New Mexico

Dear Mr. Yates:

Records available to us indicate you own an undivided 1/6 of 13/288 interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 120 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

Mr. Harvey E. Yates
December 3, 1992
Page 2

Abo formation to 100 feet below the total depth drilled in each well.

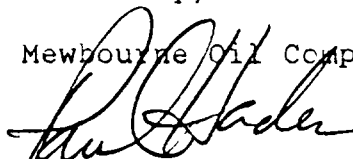
- 4) You would retain your interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 7.5% 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.

Should you not be interested in farming out your interest as proposed, Mewbourne invites Yates to join Mewbourne in drilling the initial test well to the extent of its interest in the spacing unit. Regarding this option, enclosed for your consideration is a copy of Mewbourne's AFE for the above wells.

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

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc
Enclosure

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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

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

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

S. P. Yates, B. W. Harper
Frank Yates, Jr. Personal
Representatives of the
Estate of Lillie M. Yates
Deceased
c/o 105 S. 4th Street
Artesia, N. M. 88210

4a. Article Number

P 080 146 839

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

12-4-92

5. Signature (Addressee)

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

6. Signature (Agent)

Mike Burch

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 3, 1992

Certified Mail - Return Receipt Requested

S. P. Yates, B. W. Harper, and
Frank Yates, Jr. Personal
Representatives of the Estate ..
of Lillie M. Yates, Deceased
c/o 105 So. 4th Street
Artesia, New Mexico 88210

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
below the base of the Abo
formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate the Estate of Lillie M. Yates, hereinafter referred to as "Yates" owns an undivided 1/6 of 13/288 interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 Yate's acreage, Mewbourne would have the option to commence a 120 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

Estate of Lillie M. Yates
December 3, 1992
Page 2

Abo formation to 100 feet below the total depth drilled in each well.

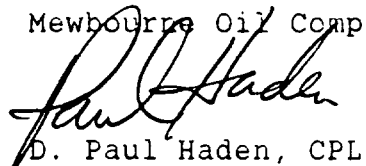
- 4) Yates would retain its interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty 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.

Should Yates not be interested in farming out its interest as proposed, Mewbourne invites Yates to join Mewbourne in drilling the initial test well to the extent of its interest in the spacing unit. Regarding this option, enclosed for your consideration is a copy of Mewbourne's AFE for the above wells.

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

Sincerely,

Mewbourne Oil Company


D. Paul Haden, CPL
Landman

PH/klc
Enclosure

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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

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

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. & Mrs. S. P. Yates
c/o 105 So. 4th Street
Artesia, N. M. 88210

4a. Article Number

P 080 146 838

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

12-4-92

5. Signature (Addressee)

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

6. Signature (Agent)

Mike Burt

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 3, 1992

Certified Mail - Return Receipt Requested

Mr. and Mrs. S. P. Yates
c/o 105 So. 4th Street
Artesia, New Mexico 88210

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
below the base of the Abo
formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate you own an undivided 1/3 of 13/288 interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 120 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

Mr. and Mrs. S. P Yates
December 3, 1992
Page 2

Abo formation to 100 feet below the total depth drilled in each well.


- 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.

Should you not be interested in farming out your interest as proposed, Mewbourne invites Yates to join Mewbourne in drilling the initial test well to the extent of its interest in the spacing unit. Regarding this option, enclosed for your consideration is a copy of Mewbourne's AFE for the above wells.

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

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc
Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

December 2, 1992

Petro Yates, Inc.
P. O. Box 2607
Roswell, New Mexico 88202

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
below the base of the Abo
formation
Eddy County, New Mexico

Ladies and Gentlemen:

Records available to us indicate Petro Yates, Inc. owns an undivided 1/6 of 13/288 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 on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 Petro Yate's acreage, Mewbourne would have the option to commence a 120 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.

Petro Yates, Inc.
December 2, 1992
Page 2

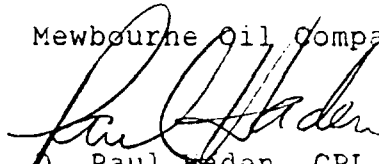
- 4) Petro Yates would retain its interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty 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.

Should Petro Yates not be interested in farming out its 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, enclosed for your consideration is a copy of Mewbourne's AFE for the above wells.

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

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc
Enclosure

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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

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

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Buddy F. Walker
1500 Montano Road
Albuquerque, N.M. 87107

DIAMOND A "27" St. #1

4a. Article Number

P 546 946 607

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

12-4-92

5. Signature (Addressee)

Buddy F. Walker

6. Signature (Agent)

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

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

December 2, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Buddy F. Walker
1500 Montano Road
Albuquerque, New Mexico 87107

Re: Diamond A "27" State #1
T17S, R28E
Section 27: SW/4SE/4,
below the base of the Abo
formation
Eddy County, New Mexico

Dear Mr. Walker:

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 SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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.

STICK POSTAGE
ED MAIL FEE
W. TEXAS
MIDLAND
500 W. TEXAS
SUITE 1020
MIDLAND, TEXAS
79701
915 / 682-3715
FED DELIV
is for the 35
requested, or
\$1.00 per page

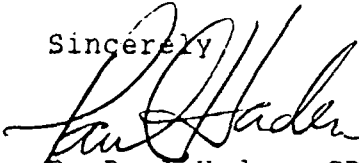
Buddy F. Walker
December 2, 1992
Page 2

- 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.

Should you not be interested in farming 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, enclosed for your consideration is a copy of Mewbourne's AFE for the above proposed well.

Your early response regarding the above well proposal will be greatly appreciated. If you agree to the above proposed farmout terms, please indicate your acceptance of same by signing and returning the copy of this letter to me at your earliest convenience.

Sincerely,


D. Paul Haden, CPL
Landman

PH/klc

The undersigned hereby agrees to farmout my
operating rights to Mewbourne Oil Company as proposed
above this _____ day of _____, 1992.

By: _____
Buddy F. Walker

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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

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

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Marjorie A. Bailey
143 Lakeshore Drive
Corpus Christie, Tx

DIAMOND A "27" 8413

Marjorie Bailey

5. Signature (Addressee)

6. Signature (Agent)

4a. Article Number

P 080 146 832

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

DEC 7 1991

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

Thank you for using Return Receipt Service.

915 / 682-3715

[illegible]

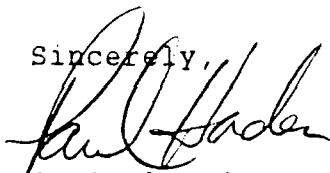
Marjorie A. Hailey
December 2, 1992
Page 2

- 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.

Should you not be interested in farming 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, enclosed for your consideration is a copy of Mewbourne's AFE for the above proposed well.

Your early response regarding the above well proposal will be greatly appreciated. If you agree to the above proposed farmout terms, please indicate your acceptance of same by signing and returning the copy of this letter to me at your earliest convenience.

Sincerely,



D. Paul Haden, CPL
Landman

PH/klc

The undersigned hereby agrees to farmout my
operating rights to Mewbourne Oil Company as proposed
above this _____ day of _____, 1992.

By: _____
Marjorie A. Hailey
(formerly known as Marjorie
Hailey Walker)

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

December 1, 1992

Marathon Oil Company
P. O. Box 552
Midland, Texas 79701
Attn: Randal P. Wilson, CPL
Landman

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
Eddy County, New Mexico

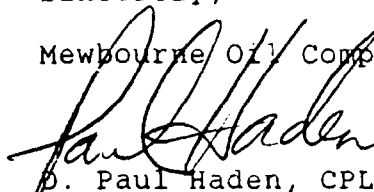
Gentlemen:

Reference is made to Mewbourne's letter of October 7, 1992 wherein Mewbourne requested a farmout of Marathon's interest in the captioned land, among other lands. Regarding same, Marathon elected not to farmout any of its interest in the lands described in Exhibit "A" of Mewbourne's letter described above as advised by Marathon's letter dated November 5, 1992.

Regarding the above, Mewbourne Oil Company respectfully requests Marathon Oil Company to reconsider its decision to farmout to Mewbourne as to the basic terms set forth in the above described Mewbourne letter dated October 7, 1992 insofar as Mewbourne's farmout request effects the captioned land only. Please advise me of this request at your earliest convenience.

Sincerely,

Mewbourne Oil Company


D. Paul Haden, CPL
Landman

PH/klc

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 1, 1992

Louis Dreyfus Natural Gas Corp.
Quail Springs Corporate Park
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134
Attn: Rusty Waters

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
Eddy County, New Mexico

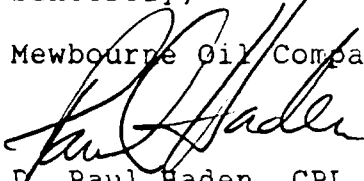
Gentlemen:

Reference is made to Mewbourne's letter of October 30, 1992 wherein Mewbourne requested a farmout of Dreyfus's interest in the captioned land, among other lands. Regarding same, Dreyfus elected not to farmout any of its interest in the lands described in Exhibit "A" of Mewbourne's letter described above as advised by Dreyfus's letter dated November 9, 1992.

Regarding the above, Mewbourne Oil Company respectfully requests Louis Dreyfus Natural Gas Corp. to reconsider its decision to farmout to Mewbourne as to the basic terms set forth in the above described Mewbourne letter dated October 7, 1992 insofar as Mewbourne farmout request effects the captioned land only. Please advise me of this request at your earliest convenience.

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc

Samedan - Jack Anderson
Called him about status of
our request. He was in
meeting. Left message
for him to call me.

P.H.
12-1-92

Jack says he doesn't
know what their decision
is yet.

P.H.
12-1-92

<p>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
<p>3. Article Addressed to:</p> <p>Conoco, Inc. 10 Desta Drive Suite 100W Midland, Texas 79705-4500</p>	<p>4. Article Number P 080 146 843</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and <u>DATE DELIVERED</u>.</p>
<p>5. Signature -- Addressee X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature -- Agent X <i>Arleta Gonzales</i></p>	
<p>7. Date of Delivery MAY 24 1989</p>	

915 / 682-3715

D. Paul Haden, CPL
Landman

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

Re: E/2 Sec. 27
Conoco, Inc. — T175, R28E
Mike Johnson

He advised this date
he received our ~~ap~~ application
for pooling. He says he
never received a farmout
request from us. I looked
in our correspondence and
found we sent them a
farmout request Oct. 5, 1992.
I faxed him a copy of
same with a copy of our
APE as to our proposed well.

P.H.

11-20-92

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 13, 1992

Samedan Oil Corporation
10 Desta Drive, Suite 240E
Midland, Texas 79705

Attn: Mr. Jack E. Anderson

Re: Diamond A "27" State #1
T17S, R28E
Section 27: SW/4SE/4
below the base of the Abo
formation
Eddy County, New Mexico

Dear Jack:

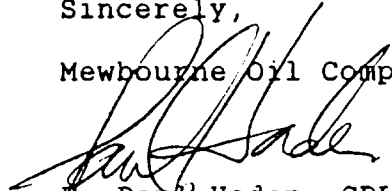
Regarding the captioned well proposed by Mewbourne, enclosed for Samedan's consideration is a copy of Mewbourne's AFE. This is in reference to my letter of October 15, 1992 wherein Mewbourne requested a farmout of Samedan's interest under the captioned land in support of a 10,600' Morrow test well.

In the event Samedan elects not to farmout its interest as proposed, Mewbourne Oil Company invites Samedan Oil Corporation to join Mewbourne in the proposed test well to the extent of Samedan's interest in the spacing unit allocated to said well.

Prior to the pooling hearing we've scheduled for December 17, 1992, we would like to make a trade with Samedan. Please respond at your earliest convenience.

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc
Enclosure

Louis Dreyfus Natural Gas Corp.

Quant Springs Corporate Office
14000 Quant Springs Parkway, Suite 100
Oklahoma City, OK 73154
405-749-1000

November 9, 1992

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

ATTN: D. Paul Haden, CPL

RE: Diamond "A" Ranch
North Turkey Track
Various Lands in T17S-R28E
and T18S-R28E
Eddy County, New Mexico

Gentlemen:

Please be advised that Louis Dreyfus Natural Gas Corp. does not wish to
Farmout its interest in the above referenced tracts at this time.

Sincerely,

LOUIS DREYFUS NATURAL GAS CORP.



Rusty Waters
Landman

RW/eeo

RECEIVED
NOV 12 1992



**Marathon
Oil Company**

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

November 5, 1992

RECEIVED
NOV - 6 1992

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Attention: Mr. D. Paul Haden

Re: Our Lease NM-901 - State of New Mexico Lease B-8196
NM-4043 - State of New Mexico Lease #647
NM-4045 - State of New Mexico Lease E-1286-2
NM-4046 - State of New Mexico Lease E-1288
NM-4064 - State of New Mexico Lease B-2071
NM-4068 - State of New Mexico Lease E-7116
W/2 Section 26, N/2 NE/4 Section 27,
N/2 SE/4, W/2 NE/4 Section 34,
T-17-S, R-28-E, N.M.P.M.,
N/2 NE/4, SE/4 NE/4, N/2 SE/4 S/2 SE/4
Section 15, E/2 E/2, SW/4 SE/4,
S/2 SW/4 SE/4 NW/4, SW/4 NW/4
Section 22, T-18-S, R-28-E, N.M.P.M.,
Eddy County, New Mexico

Gentlemen:

Marathon Oil Company is in receipt of your letter dated October 8, 1992, in which you request a farmout of Marathon's interest in the referenced acreage and the decision has been made to not farmout any interest at this time. If you should have any questions regarding this matter, please call the undersigned at 687-8476.

Very truly yours,

Randal P. Wilson, CPL
Landman

RPW:mmc'

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

October 30, 1992

Louis Dreyfus Natural Gas Corp.
Quail Springs Corporate Park
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134
Attn: Rusty Waters

Re: Diamond "A" Ranch and North
Turkey Track Prospects
Multi-Tract Farmout Proposal
Various lands in T17S-R28E and
T18S-R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) is interested in entering into a multi-tract farmout agreement with Louis Dreyfus Natural Gas Corp. (Dreyfus) covering certain lands in Eddy County, New Mexico. For our mutual benefit and convenience, Mewbourne respectfully requests Dreyfus to grant Mewbourne one (1) Farmout Agreement covering the "Farmout Tracts" described in Exhibit "A" attached hereto. Mewbourne hereby proposes the following general terms and conditions as to each Farmout Tract:

- 1) Upon execution of a mutually acceptable Farmout Agreement, Mewbourne, as Operator shall have the option, but not the obligation to commence on or before April 1, 1993 an Initial Test Well in a proration unit containing Tract 1 and Tract 2 at locations of Mewbourne's choice and thereafter drill each Initial Test Well to a depth sufficient to adequately test the Morrow formation.
- 2) Within 180 days from the completion of the Initial Test Wells under Tracts 1 and 2, Mewbourne shall have the option but not the obligation to commence the drilling of additional wells for the purpose of establishing oil and/or gas production as to any depth or formation under the lands described in Exhibit "A".
- 3) Mewbourne shall not allow more than 180 days to elapse between the completion of one well and the actual commencement of drilling operations of the next well until Dreyfus's acreage is fully developed under Tracts 1 and 2.

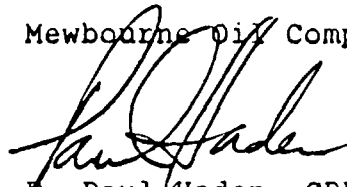
Louis Dreyfus Natural Gas Corp.
October 30, 1992
Page 2

- 4) In the event any well drilled under the terms of this agreement results in oil and/or gas production in paying quantities in the lands and depths described in Exhibit "A", Mewbourne shall earn 100% of such operating rights in the proration unit to 100' below the total depth drilled for each well.
- 5) In addition to the shallow and deep rights retained by Dreyfus and acreage outside of each earned proration unit, Dreyfus shall retain an overriding royalty interest equal to the difference between 25% of all oil and/or gas produced and the total of all royalty interests and other existing burdens to the extent Mewbourne will be assigned a 75% net revenue interest lease, subject to proportionate reduction.
- 5) Upon Dreyfus's agreement to the above, Dreyfus agrees to furnish at no cost whatsoever to Mewbourne, all title information it has in its files pertaining to the lands and depths described in Exhibit "A" attached hereto including but not limited to, title opinions, copies of all leases, rental receipts, farmout or letter agreements; operating agreements and any gas contracts currently in effect as to the land covered hereby.

Should the above general terms and conditions meet with your approval, please so signify in the space provided and return one copy of this letter to the undersigned. Upon receipt of same, we will continue our negotiations for a mutually acceptable formal Farmout Agreement.

Sincerely,

Mewbourne Oil Company



E. Paul Haden, CPL
Landman

Agreed to and Accepted this _____ day of _____, 1992.
Dreyfus Natural Gas Corp.

By: _____
Name typed: _____
Title: _____

EXHIBIT "A"

Attached to and made a part of that certain Farmout Agreement dated _____, 1992 between Dreyfus Natural Gas Corporation and Mewbourne Oil Company

(All lands are situated in Eddy County, New Mexico)

FARMOUT TRACT:

Tract 1: From the base of the Abo formation to the base of the Morrow formation.

Section 34, T17S, R28E:

- A) N/2SE/4
Lease: State of New Mexico Lease 647
- B) W/2NE/4
Lease: State of New Mexico Lease E-7116

Section 27, T17S, R28E:

- A) N/2NE/4
Lease: State of New Mexico Lease B-2071

Section 26, T17S, R28E:

- A) W/2, Save and Except the Atoka formation in the SW/4
Lease: State of New Mexico Lease 647

Tract 2: From the base of the San Andres formation to the base of the Morrow formation:

Section 15, T18S, R28E:

- A) SE/4 and N/2NE/4
Lease: State of New Mexico Lease 647
- B) SE/4NE/4
Lease: State of New Mexico Lease E-1286

Section 22, T18S, R28E:

- A) E/2E/2, SW/4SE/4 and S/2SW/4
Lease: State of New Mexico 647
- B) SW/4NW/4
Lease: State of New Mexico B-8196
- C) SE/4NW/4
Lease: State of New Mexico Lease E-1288

Re: Diamond A "27" St. #1

Per Jack Anderson (Samedan) —
They aren't interested in
joining. They would like to
deliver us 75% NRI
BPO, APO increase their
ORI 5% or option to back-in
for 25% WI.

J.A.

10-12-92

They own a $\frac{2}{3}$ interest in
SW $\frac{1}{4}$ SE $\frac{1}{4}$. B.F. Walker heirs
own the rest.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

October 7, 1992

Marathon Oil Company
P. O. Box 552
Midland, Texas 79701

Attn: Randal P. Wilson, CPL
Landman

Re: Diamond "A" Ranch and North
Turkey Tract Prospects
Multi-Tract Farmout Proposal
Various lands in T17S-R28E and
T18S-R28E
Eddy County, New Mexico

Gentlemen:

As discussed, Mewbourne Oil Company (Mewbourne) is interested in entering into a multi-tract farmout agreement with Marathon Oil Company (Marathon) covering certain lands in Eddy County, New Mexico. For our mutual benefit and convenience, Mewbourne respectfully requests that Marathon farmout its interest to Mewbourne under those "Farmout Tracts" described in Exhibit "A" attached hereto. Each Farmout Tract shall be governed by a separate farmout agreement subject to the following general terms and conditions:

- 1) Upon execution of a mutually acceptable Farmout Agreement, Mewbourne, as Operator shall have the option, but not the obligation to commence on or before April 1, 1993 an Initial Test Well in a proration unit containing Tract 1 and Tract 2 at locations of Mewbourne's choice and thereafter drill each Initial Test Well to a depth sufficient to adequately test the Morrow formation.
- 2) Within 180 days from the completion of the Initial Test Wells under Tracts 1 and 2, Mewbourne shall have the option but not the obligation to commence the drilling of additional wells for the purpose of establishing oil and/or gas production as to any depth or formation under the lands described in Exhibit "A".
- 3) Mewbourne shall not allow more than 180 days to elapse between the completion of one well and the actual commencement of

Marathon Oil Company
October 7, 1992
Page 2

drilling operations of the next well until Marathon's acreage fully developed under Tracts 1 and 2.

- 4) In the event any well drilled under the terms of this agreement results in oil and/or gas production in paying quantities in the lands and depths described in Exhibit "A", Mewbourne shall earn 100% of such operating rights in the proration unit to 100' below the total depth drilled for each well.
- 5) In addition to the shallow and deep rights retained by Marathon and acreage outside of each earned proration unit, Marathon shall retain an overriding royalty interest equal to the difference between 25% of all oil and/or gas produced and the total of all royalty interests and other existing burdens to the extent Mewbourne will be assigned a 75% net revenue interest lease, subject to proportionate reduction.
- 6) Upon Marathon's agreement to the above, Marathon agrees to furnish at no cost whatsoever to Mewbourne, all title information it has in its files pertaining to the lands and depths described in Exhibit "A" attached hereto including but not limited to, title opinions, copies of all leases, rental receipts, farmout or letter agreements and any gas contracts currently in effect as to the land covered hereby.

Should the above general terms and conditions meet with your approval, please so signify in the space provided and return one copy of this letter to the undersigned. Upon receipt of same, we will continue our negotiations for a mutually acceptable formal Farmout Agreement.

Sincerely,

Mewbourne Oil Company

Paul Haden (CPL)

D. Paul Haden, CPL
Landman

Agreed to and Accepted this _____ day of
_____, 1992.
Marathon Oil Company

By: _____
Name typed: _____
Title: _____

EXHIBIT "A"

Attached to and made a part of that certain Farmout Agreement dated _____, 1992 between Marathon Oil Company and Mewbourne Oil Company

(All lands are situated in Eddy County, New Mexico)

FARMOUT TRACT:

Tract 1: From the base of the Abo formation to the base of the Morrow formation.

Section 34, T17S, R28E:

- A) N/2SE/4
Lease: State of New Mexico Lease 647
- B) W/2NE/4
Lease: State of New Mexico Lease E-7116

Section 27, T17S, R28E:

- A) N/2NE/4
Lease: State of New Mexico Lease B-2071

Section 26, T17S, R28E:

- A) W/2, Save and Except the Atoka formation in the SW/4
Lease: State of New Mexico Lease 647

Tract 2: From the base of the San Andres formation to the base of the Morrow formation:

Section 15, T18S, R28E:

- A) SE/4 and N/2NE/4
Lease: State of New Mexico Lease 647
- B) SE/4NE/4
Lease: State of New Mexico Lease E-1286

Section 22, T18S, R28E:

- A) E/2E/2, SW/4SE/4 and S/2SW/4
Lease: State of New Mexico 647
- B) SW/4NW/4
Lease: State of New Mexico B-8196
- C) SE/4NW/4
Lease: State of New Mexico Lease E-1288

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

October 5, 1992

Samedan Oil Corporation
10 Desta Drive
Suite 240E
Midland, Texas 79705
Attn: Mr. Jack E. Anderson

Re: Diamond A "27" State #1
T17S, R28E
Section 27: SW/4SE/4
below the base of the Abo
formation
Eddy County, New Mexico

Gentlemen:

Records available to us indicate Samedan owns 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 on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 Samedan's acreage, Mewbourne would have the option to commence a 120 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.

Samedan Oil Corporation
October 5, 1992
Page 2

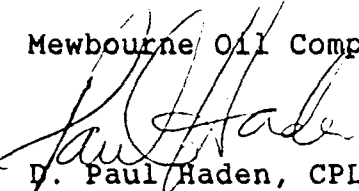
- 4) Samedan would retain its interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty 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.

Should Samedan not be interested in farming out its 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, an AFE 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, CPL
Landman

PH/klc

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

October 5, 1992

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500
Attn: Mr. M. J. Johnson

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
below the base of the Abo
formation
Eddy County, New Mexico

Gentlemen:

Records available to us indicate Conoco owns 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 on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 Conoco's acreage, Mewbourne would have the option to commence a 120 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.

Conoco Inc.
October 5, 1992
Page 2

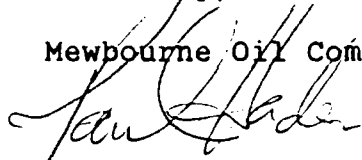
- 4) Conoco would retain its interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty 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.

Should Conoco not be interested in farming out its 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, an AFE 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, CPL
Landman

PH/klc

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

October 5, 1992

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

Attn: Mr. Robert Bullock

Re: Diamond A "27" State #1
T17S, R28E
Section 27: N/2NE/4
below the base of the Abo
formation
Eddy County, New Mexico

Gentlemen:

Records available to us indicate Yates Petroleum Corporation owns 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 on or before April 1, 1993 after the execution of your farmout agreement an initial test well at a location of Mewbourne's choice in the SE/4 of the captioned Section 27 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,600'. The E/2 of the above described Section 27 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 Yates Petroleum's acreage, Mewbourne would have the option to commence a 120 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
October 5, 1992
Page 2

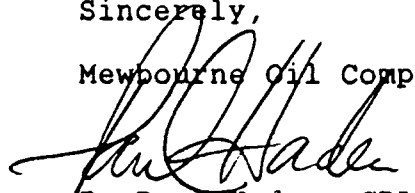
- 4) Yates would retain its interest (if any) from the surface to the base of the Abo formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty 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.

Should Yates not be interested in farming out its 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, an AFE 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, CPL
Landman

PH/klc

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 20, 1992

DEKALB Energy Company
1625 Broadway
Denver, Colorado 80202

Attention: Mr. John S. Geyer
District Landman

RE: Offer to Purchase

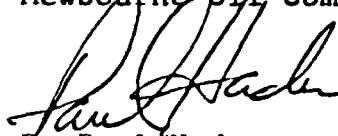
John:

In reference to our phone conversation yesterday evening, we are disappointed DEKALB declined to sell their interest to Mewbourne as to acreage listed in Exhibit "A" of my letter dated April 28, 1992.

In the event DEKALB is interested in entertaining offers at a later date in regard to selling their interest, Mewbourne would consider purchasing DEKALB's operating rights in Eddy County, New Mexico. If DEKALB is interested in such offers, please forward a listing of the properties and the percentage interest owned by DEKALB in the properties to me for evaluation.

Sincerely,

Mewbourne Oil Company



P. 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 28, 1992

DEKALB Energy Company
1625 Broadway
Denver, Colorado 80202

Attention: Mr. John S. Geyer
District Landman

RE: Offer to Purchase

Gentlemen:

Mewbourne Oil Company hereby offers to purchase DEKALB Energy Company's operating rights in the lands and leases described in the attached Exhibit "A" on the basis of \$200.00 per net mineral acre.

The above offer is subject to immediate acceptance and approval of title. This offer can be withdrawn without notice as to all or portions of the lands described in Exhibit "A" attached hereto.

Please respond at your early convenience.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
enclosure
CC: Gary L. Winter
Ken Waits

EXHIBIT "A"

Attached to and made a part of that certain letter dated April 28, 1992 from Mewbourne Oil Company to DEKALB Energy Company.

Tract 1: Below the base of the Abo formation:

| <u>Section 6, T18S, R28E:</u> | <u>Interest</u> | <u>Net Acres</u> |
|--|-----------------|------------------|
| A) S/2NE/4, NE/4NE/4
and NE/4SE/4
LEASE: State Lease 647
Dated: November 14, 1922 | 23/144 | 25.56 |

Tract 2: From below 500' from the top of the San Andres formation:

| <u>Section 15, T18S, R28E:</u> | | |
|---|--------|-------|
| A) N/2NE/4, NE/4NW/4 & SE/4
LEASE: State Lease 647-368
Dated: November 14, 1922 | 23/144 | 44.72 |
| B) NW/4SW/4
LEASE: State Lease E-1286-2
Dated: April 10, 1947 | 23/144 | 6.39 |

| <u>Section 22, T18S, R28E:</u> | | |
|--|--------|-------|
| A) E/2NE/4, E/2SE/4, SW/4SE/4
and S/2SW/4
LEASE: State Lease 647-368
Dated: November 14, 1922 | 23/144 | 44.72 |
| B) SE/4NW/4
LEASE: State Lease E-1288-2
Dated: April 10, 1947 | 23/144 | 6.39 |

Tract 3: From below 500' from the top of the San Andres formation:

| <u>Section 17, T18S, R28E:</u> | | |
|--|--------|-------|
| A) S/2NE/4
LEASE: State Lease 647-368
Dated: November 14, 1922 | 23/144 | 12.78 |
| B) SW/4SW/4
LEASE: State Lease E-1821-17
Dated: April 10, 1948 | 23/144 | 6.39 |

| <u>Section 18, T18S, R28E:</u> | | |
|---|--------|------|
| A) NW/4NE/4
LEASE: State Lease 647-368
Dated: November 14, 1922 | 23/144 | 6.39 |

Tract 4: Below the base of the
Abo formation:

Section 34, T17S, R28E:

| | | |
|----------------------------|--------|-------|
| A) N/2SE/4 | 23/144 | 12.78 |
| LEASE: State Lease 647-368 | | |
| Dated: November 14, 1922 | | |

Section 35, T17S, R28E:

| | | |
|----------------------------|--------|-------|
| A) NE/4 and E/2NW/4 | 23/144 | 38.33 |
| LEASE: State Lease 647-368 | | |
| Dated: November 14, 1922 | | |

Section 26, T17S, R28E:

| | | |
|----------------------------|--------|--------|
| A) All | 23/144 | 102.22 |
| LEASE: State Lease 647-368 | | |
| Dated: November 14, 1922 | | |

Tract 5: Below a depth of 3500':

Section 27, T17S, R28E:

| | | |
|-----------------------------|----------|-----|
| A) NW/4NE/4 | 11.5/288 | 1.6 |
| LEASE: State Lease B-2071-2 | | |
| Dated: August 10, 1933 | | |

Tract 6: From a depth of 5000'
to a depth of 10,987':

Section 27, T17S, R28E:

| | | |
|-----------------------------|----------|-----|
| A) NE/4NE/4 | 11.5/288 | 1.6 |
| LEASE: State Lease B-2071-2 | | |
| Dated: August 10, 1933 | | |