

Per Carolyn Jarm w/ Spiral, Inc. -
Harvey E. Yates is conveying
his interests to Spiral, Inc. (his
company). She says they elect to
join us and will execute our
AFE today and send to me. They
will prepare the appropriate assignment
from H.E. Yates to Spiral, Inc.
and send me a copy. I'm to
send them an Operating Agmt.
for execution.

P.H.
1-5-93

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>5A</u>
CASE NO. <u>10636</u>

Rusty Waters w/ Louis Dreyfus -

He says they would like to join us but they are not familiar with the geological interpretations of the Morrow in S.E. New Mexico. Also they do not know exactly what their leasehold position is. A lot of their files are still in Denver (DEKALB's office).

I proposed they farmout all of their acreage in the initial production units (for the Diamond A "27" St. #1 and Turkey Track "15" St. #2) and they farmout $\frac{1}{2}$ of their interest for the balance of the offset acreage wherein they could get the well info for the initial wells to make an

election to join or farmout their
1/2 interest in subsequent wells.

If they were agreeable to the above,
we would be agreeable to giving
them a geological presentation
as to Morrow trends in our
area of exploration and
development.

PH.

1-5-93

Per Doug Hurlbut - landman

He says the Martin Yates, III
Estate, Willie M. Yates, Estate
and S. P. Yates have elected to
join us. Doug is to fax me
the executed AFE.

P.H.

1-4-93

Received the AFE as referenced
above this date.

P.H.

1-4-93

Randal Wilson - w/ Marathon

I called him this date to see if they had come up with any ideas on what type of trade they were willing to make with us. Randal on the phone. Left message for him to call me.

PH.
12-30-92

for Randal -

They are going to have a meeting with their exploitation manager tomorrow (12-31-92) to discuss their trade proposals. He says the land dept. is going to recommend we earn an assignment of the deep rights initially (if productive) and upon abandonment of deep zone we go up the hole to shallow zone, we earn if productive.

PH.
12-30-92

Petro Yates, Inc -
Per Harvey E. Yates, Jr. -
They executed our AFE
and sent it to me
yesterday. I'll forward
them a Operating
Agmt. for execution.

P.H.
1-5-93

Called Jack Anderson
w/ Samedan, he was
on the phone, left
message for him to call me.
P.H.

12-29-92

Per Jack Anderson -
Their position hasn't
changed. They would deliver us
a 70% NRI. too tough of a trade.

- PETROYATES, INC. -

P.O. BOX 0 • ALBUQUERQUE, NEW MEXICO 87103 • (505) 242-2050 • FAX (505) 242-8501

RECEIVED
DEC 28 1992

December 23, 1992

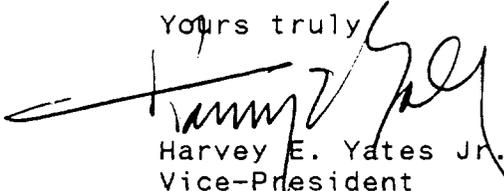
Mr. Paul Haden
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Dear Paul:

This will confirm our conversation today about the proposed well known as the Diamond A "27" State # 1. We have agreed to do what Heyco does in regard to this well. That is, if Heyco participates, we will participate. If Heyco farms out, we will farm out.

I have been advised by you and Dave Percy of Heyco that you will send Dave logs on your well presently drilling in section 35 as soon as those logs are available. Dave has agreed to call me as soon as he has reached a determination about the proposed well after examining the logs from the well in section 35. You have asked that any information we gain from the logs about the well in section be kept confidential. We agree to do this. If you fail to hear from us within 4 or 5 days following the receipt of the logs by Dave Percy, I would appreciate your calling me at (505) 242-2050.

Yours truly,


Harvey E. Yates Jr.
Vice-President

This represents 0.1875% of unit.

PH
12-28-92

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 23, 1992

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

Attn: Mr. Rusty Waters

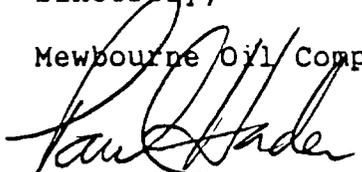
Re: Turkey Track "15" State #2
E/2 Sec. 15, T18S, R28E;
Diamond A "27" State #1
E/2 Sec. 27, T17S, R28E
Eddy County, New Mexico

Gentlemen:

Regarding the captioned wells, enclosed for your consideration is a copy of Mewbourne's AFE for each of the wells. Said AFE's are furnished you in the event you desire to join Mewbourne in drilling the above wells in lieu of a farmout agreement. We would still like to work a trade with Dreyfus in lieu of the Dreyfus interest being forced pooled. Please call me at your convenience.

Sincerely,

Mewbourne Oil Company



D. Paul Haden, CPL
Landman

PH/klc
Enclosure

Re: H.E. Yates

Dave Percy with
Heyco, says they are
leaning toward joining.

P.H.
12-22-92

Re: Petro Yates, Inc.
505-625-2448

Advised them we
would like to make
a deal with them prior
to pooling. per my phone
conversation with their
receptionist. She's to advise
the owner. P.H. 12-23-92

Called Petro Yates, Inc.
no answer.

P.H.
12-22-92

Phoned Samedan -
Jack Anderson is out
till after X-mas.

P.H.
12-23-92

Ken Warts and I met with Marathon
at Marathon's office this date to see
what trade would be agreeable to them.
They still want to retain shallow rights.
We advised them we needed at least the
well bore ~~right~~ shallow rights to reduce
our economic risk. They are thinking
of what sort of trade they can make.
They are to get back with us next
week.

P.H.

12-22-92

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 22, 1992

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88201

Attn: Rob Bullock

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

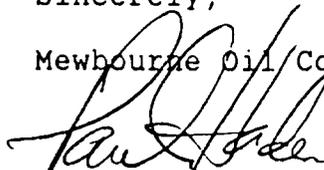
Rob:

As discussed this date, enclosed for your further handling and information is a copy of Mewbourne's Original Drilling Title Opinion dated November 24, 1992 regarding the captioned well and land.

Also enclosed is an AFE for the above well. Should you have any further questions, please call.

Sincerely,

Mewbourne Oil Company



B. Paul Haden, CPL
Landman

PH/klc
Enclosure

*This letter sent in regard to the
Martin Yates III, Estate, the Lillie M. Yates
Estate and the S.P. Yates individual interest.*

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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

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

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

Consult postmaster for fee.

3. Article Addressed to:

MARATHON OIL COMPANY
P. O. Box 552
MIDLAND, TEXAS 79701
ATTN: RANDAL WILSON

4a. Article Number

P 080 146 814

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

DEC 21 1992

5. Signature (Addressee)

Re: Diamond A 27 & Turkey
Track 15 St. #2

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

6. Signature (Agent)

Alvin Dornan

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

December 18, 1992

Certified Mail - Return Receipt Requested

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

Attn: Mr. Randal P. Wilson, CPL
Landman

Re: Diamond A "27" State #1 Well
E/2 of Section 27, T17S, R28E;
Turkey Track "15" State #2 Well
E/2 of Section 15, T18S, R28E;
Eddy County, New Mexico

Gentlemen:

Reference is made to Mewbourne's previous correspondence wherein Mewbourne proposed drilling Morrow test wells under the captioned land among other lands. In the event Marathon Oil Company does not have a copy of Mewbourne's AFE for the above proposed wells, enclosed for Marathon's consideration is a copy of Mewbourne's AFE for each of the above wells.

As Mewbourne would like to drill the above Morrow test wells at the earliest possible dates, Mewbourne respectfully requests a decision from Marathon either to join Mewbourne in drilling the above wells or to farmout their interest to Mewbourne as most recently requested in Mewbourne's letter dated December 1, 1992 regarding Marathon's interest in the above lands.

In the event Marathon elects to join Mewbourne in one or both of the above, proposed wells, please advise and I will forward Marathon an Operating Agreement for the respective wells for Marathon's consideration and execution.

Sincerely,

Mewbourne Oil Company


D. Paul Haden, CPL
Landman

PH/klc