

Correspondence Log  
Ghostrider 25/36 WODM Fed Com #2H

Company	Date	Correspondence Type	Details
Black Stone Minerals Company, L.P.	5/10/2017	Certified Letter	Well proposal w/ AFE
	5/11/2017	Email	Sublease offer
	5/11/2017	Email	N2 title question
	6/2/2017	Email	Sublease counter
	6/5/2017	Email	Request for engineering contact
	6/7/2017	Email	Request for lease information/copy of lease
	6/8/2017	Email	Black Stone will sell WI
	6/9/2017	Email	Black Stone advises they will sublease to F&F
	6/14/2017	Overnight Letter	Revised AFE w/ JOA
	6/16/2017	Email	Title question - N2 ownership
	7/7/2016	Email	Title question - N2 ownership
	7/12/2017	Email	Status request on JOA signature
	7/10/2017	Email	Sent title chain for N2 to Black Stone/F&F
F&F Resources, LLC	6/9/2017	Email	Black Stone advises they will sublease to F&F
	6/14/2017	Overnight Letter	Revised AFE w/ JOA
	6/19/2017	Email	Notification that F&F would like to participate
	6/21/2017	Email	N2 title question
	6/23/2017	Email	Attached signed AFE
	7/5/2017	Email	Request for revised ExA with title question for N2
	7/7/2017	Email	Title question for N2
	7/10/2017	Email	Sent title chain for N2 to Black Stone/F&F
	7/11/2017	Email	Title question for N2

EXHIBIT 4

**Lee Scarborough**

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**From:** p.r.fulgham@gmail.com on behalf of prfulgham . <patrick@ffresources.us>  
**Sent:** Tuesday, July 11, 2017 10:00 AM  
**To:** Lee Scarborough  
**Cc:** Thad Montgomery (tmontgomery@blackstoneminerals.com)  
**Subject:** Re: Ghost rider, Eddy County, New Mexico

Lee,

I wanted to let you know that I received your email and you will get my response soon, I am just waiting for a proper response prepared by the person that helps me with these legal matters of property rights.

I can say that with the State Lease K-3328, and every state lease like it, with two owners as in our case, you have to run the title from both Apache and Huber. They both entered into Farm-Out Agreements, after that Apache (Natomas) first Assigned the Operating Rights for the depth interval from the Top of the Wolfcamp to a depth of 12020 feet below the surface (the Top of the Wolfcamp is the deepest part of the formation, so the Top of the Wolfcamp to the base of the Wolfcamp is Apaches/Hubers) and

"subject, however, to similar rights hereby expressly retained by Assignor to conduct drilling for, mining, extracting and disposing of all oil, gas, condensate, casinghead gas and related hydrocarbons contained in all formations underlying the Subject Lands except in the depth interval above specified."

The Huber assignment was part of the Farm-Out for the K State-3328 Com #1 Well, the Morrow Formation, as he assigned operating rights into a depth interval. It was not a full assignment of operating rights and working interest for all depths. Keep in mind the formations and the operating rights and working interest that were previously reserved by Apache in the previous Assignment of Operating Rights. The red underlined words are directly from the assignments, the red crossed through words were assumptions added by Mewbourne.

By Assignment of Operating Rights dated May 10, 1983, recorded in Book 225, page 73, Miscellaneous Records, J M Huber Corporation assigned to Jake L. Hamon all of the right, title and interest in and to the oil and gas operating rights in and to the above described oil and gas the lease insofar only as said lease ~~it covers captioned land for all rights depths~~ from the surface down to the depth of 12,007' beneath feet below the surface in and under the following described lands (23S-26E-36, NW, E2NE4, NW4NE4).

If it is not necessary for a full response addressing each conveyance please let me know. I have no interest in going through an entire title opinion if I don't have to, I only care about my interest from Black Stone as it applied to the Ghost rider Unit and corresponding lands, no one else's.

I look forward to hearing from you soon to wrap this up shortly before the hearing.

Regards,  
Patrick Fulgham  
F&F RESOURCES, LLC  
(214)734-2582

[patrick@ffresources.us](mailto:patrick@ffresources.us)

FF  
36-NW4SW  
SE4SW

On Mon, Jul 10, 2017 at 2:01 PM, Lee Scarborough <[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)> wrote:

Thad and Patrick,

Attached you will find the Chain of Title covering Black Stone's interest in the NW, E2NE and NWNW of Section 36, T23S, R26E, Eddy County, New Mexico.

Assignment #1 puts Record Title and Operating Rights into JM Huber Corporation (50%) and Apache Corporation (50%). The subsequent chain of title follows JM Huber Corporation's ownership.

Operating rights were assigned by Hamon Operating Company to Faulconer 1996 LLC (surface to 12,007') which they received under Assignment #2.

JM Huber sold their override, reserved under Assignment #1, to Momentum Operating Co., Inc. in 1998.

Black Stone Minerals Company, L.P. ultimately ends up owning 50% Record Title in the NW, E2NE and NWNW of Section 36, but no overriding royalty interest or operating rights above 12,007'.

Lee M. Scarborough

Landman

Mewbourne Oil Company

(432) 682-3715

[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)

--  
F&F RESOURCES, LLC  
(214)734-2582  
[patrick@ffresources.us](mailto:patrick@ffresources.us)

## Lee Scarborough

---

**From:** Lee Scarborough  
**Sent:** Monday, July 10, 2017 2:01 PM  
**To:** Thad Montgomery (tmontgomery@blackstoneminerals.com); Partick R. Fulgham (patrick@ffresources.us)  
**Subject:** Ghost rider, Eddy County, New Mexico

Thad and Patrick,

Attached you will find the Chain of Title covering Black Stone's interest in the NW, E2NE and NWNE of Section 36, T23S, R26E, Eddy County, New Mexico.

Assignment #1 puts Record Title and Operating Rights into JM Huber Corporation (50%) and Apache Corporation (50%). The subsequent chain of title follows JM Huber Corporation's ownership.

Operating rights were assigned by Hamon Operating Company to Faulconer 1996 LLC (surface to 12,007') which they received under Assignment #2.

JM Huber sold their override, reserved under Assignment #1, to Momentum Operating Co., Inc. in 1998.

Black Stone Minerals Company, L.P. ultimately ends up owning 50% Record Title in the NW, E2NE and NWNE of Section 36, but no overriding royalty interest or operating rights above 12,007'.

Lee M. Scarborough  
Landman  
Mewbourne Oil Company  
(432) 682-3715  
[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)

Lee Scarborough

**From:** prfulgham . <p.r.fulgham@gmail.com>  
**Sent:** Friday, July 07, 2017 12:02 PM  
**To:** Montgomery, Thad  
**Cc:** Lee Scarborough; Mitchell, Linda; prfulgham .  
**Subject:** Re: Ghost rider AFE  
**Attachments:** BSMC TO BSEC - NM COMMISSION.pdf; HUBER-NATOMAS TO BSMC - NM COMMISSION .pdf

Lee- In the Assignment you referenced, Huber conveyed ALL its interest, whether or not described on the Exhibit A. Please see the attached Assignments filed and approved by the Office of the Commissioner, SLO of New Mexico.

We recognize that you have stated our interest in the pertinent depths consist of 80 acres (being the NWSW & SESE, Section 36). Please explain why Mewbourne's Title Attorneys have not allocated Black Stone/F&F's working interest to included 50% in the following lands, **280 acres in NW4, E2NE4, NWNE4 of Section 36, 23S-26E of Eddy County, New Mexico**, as it applies to the Wolfcamp Formation for the proposed Ghost rider Unit.

The Communitization Agreement for VERNON E. FAULCONER, INC well STATE K 3328 # 001, being the N/2 of Section 36 is for the MORROW Formation, with a **Depth TVD: 12007**. So that should not effect our interest.

Who has Mewbourne assigned the 280 acres of interest?

I just saw Thad's email, so I also look forward to your response along with an adjustment in F&F/Black Stone's interest and clarification before the scheduled hearing for the proposed unit.

Thank you,

Patrick Fulgham

**F&F RESOURCES, LLC**

(214)734-2582

[patrick@ffresources.us](mailto:patrick@ffresources.us)

On Fri, Jul 7, 2017 at 9:51 AM, Montgomery, Thad <[TMontgomery@blackstoneminerals.com](mailto:TMontgomery@blackstoneminerals.com)> wrote:

Lee – As per our conversation moments ago, please look on the attached assignment from Huber to Black Stone and more specifically being the bottom page 255 of the deed you reference below.

Huber assigns to Black Stone the NW/4 and the E/2 of NE/4 being 240G/ 120N.

Don't count the next portion because Huber only has an ORRI in pertinent depths of NW4 of NE/4. Huber owns WI below 12,007'.

Huber then assigns NW/4 of SW/4 and SE/4 of SE/4 being 80G/ 40N

For a total of 320G/ 160N

The State Land Office has Black Stone owning 360G acres within Section 36, which is correct, but Mewbourne is most likely only interested in 320G because of the depths owned in the NW/4 of NE/4.

Patrick and I are both confused as to how Mewbourne is only crediting BSM to own 80G/ 40N. As you mentioned on the phone a few minutes ago, it is in everyone's benefit to get this right so please help us if we are missing something but all of our records indicate BSM to have 320G/ 160N within the Ghost rider Unit.

We look forward to your response when your title attorney gets back in the office on Monday.

Many thanks,

**Thad Montgomery, V, CPL** | Senior Landman

Black Stone Minerals, L.P.  
1001 Fannin, Suite 2020, Houston, Texas 77002  
Office: [713 929-1645](tel:7139291645) | Fax: [713 658 0943](tel:7136580943)  
[TMontgomery@blackstoneminerals.com](mailto:TMontgomery@blackstoneminerals.com)



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**From:** Lee Scarborough [<mailto:ls Scarborough@mewbourne.com>]  
**Sent:** Friday, June 16, 2017 3:52 PM  
**To:** Montgomery, Thad  
**Subject:** RE: Ghost rider AFE

Title review indicates 50% interest in operating rights under 80 acres (being the NWSW & SESE, Section 36) acquired from J.M. Huber (Book 840, Page 246, Eddy County, New Mexico records). No additional interest found in pertinent depths.

Lee M. Scarborough

Landman

Mewbourne Oil Company

(432) 682-3715

lscarborough@mewbourne.com

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**Patrick R. Fulgham**  
(214)734-2582



1400717  
192141000

Ray Powell, M.S., D.V.M.  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

10/04/12

BLACK STONE ENERGY COMP. & APACHE CORP.  
1001 FANNIN, STE 2020  
HOUST, TX 77002

RE: Assignment of Lease No. K0-3328-0006

Dear Lessee:

We have approved the assignment of the following land to  
Lease No. K0-3328-0007 , totalling 480.00 acres:

Township	Range	Section	Land Description
23S	26E	35	SW4NE4, E2NW4
23S	26E	36	N2NE4, SE4NE4, NW4, NW4SW4, SE4SE4

Please note that, before you commence exploration or drilling operations on the leased lands, all surface improvement damage bond requirements must be met. Failure to do so may result in possible cancellation of your lease. Thank you, if you have already complied with this requirement.

If you should need additional bond information, please contact us at (505) 827-5714.

Very truly yours,

Ray Powell, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

By:   
Larry J. Roybal, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

RP/LR



**NEW MEXICO STATE LAND OFFICE**  
**ASSIGNMENT OF OIL AND GAS LEASE**  
 ONLINE Version

1981 State Land Office  
 (Public Lands Management)  
 District: 12  
 10-15-2011  
 Filed/Assigned  
 12-11-2012

From Lease Number  
KO-3328-0006  
 To Lease Number  
KO-3328-0007

FOR VALUE RECEIVED, BLACK STONE MINERALS COMPANY, L.P. and APACHE CORPORATION  
 Assignor Name (include name of spouse, if any; or type of business entity) OGRID No. 288465

("Assignor" whether one or more), assigns and conveys to: BLACK STONE ENERGY COMPANY, L.L.C. and APACHE CORPORATION No. 293338  
 Assignee

("Assignee" whether one or more), whose mailing address is 1001 Fannin, Suite 2020,  
 City Houston State/Prov. TX ZIP 77002

the entire interest and title in and to Oil and Gas Lease No. KO-3328-0006 ("the Lease") initially made by the New Mexico State Land Office to:

Shell Oil Company Dated 06/18/1963 insofar as the Lease covers the following land in Eddy County, New Mexico.

Township	Range	Section	Description:
23S	26E	35	SW1/4NE1/4, E/2NW1/4 (120 acres)
23S	26E	36	NW1/4, E/2NE1/4, NW1/4NE1/4, NW1/4SW1/4, SE1/4SE1/4 (360 acres)

together with the rights incident thereto, and improvements thereon, if any.  
 Assignee assumes and agrees to perform all duties and obligations to the Commissioner of Public Lands including payment of rentals and royalties, and to do such other acts as are required by the Lease, to the same extent and in the same manner as if the provisions of the Lease were fully set out herein.

Assignor warrants the leasehold estate herein assigned, except as to any valid overriding royalty, production payment, operating agreement or sub-lease, if any, now of legal record, and covenants to the Assignee and the Commissioner of Public Lands that the leasehold estate assigned is valid, and that all rentals and royalties due under the Lease have been paid in full, and that all other Lease obligations presently due have been fully performed.

EXECUTED this 16 day of June, 2012. EXECUTED this 15 day of August, 2012.  
 Effective 12:59 a.m., Delaware time, on 1/1/2012. Effective 12:59 a.m., Delaware time, on 1/1/2012  
 BLACK STONE MINERALS COMPANY, L.P. by APACHE CORPORATION  
 Black Stone Natural Resources, L.L.C., general partner

By: Halle A. Vanderhider  
 Halle A. Vanderhider, President and Chief Operating Officer

By: Timothy R. Custer

**ASSIGNOR'S ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 COUNTY OF HARRIS )ss

This Assignment was acknowledged before me this 16<sup>th</sup> day of June, 2012

by: Halle A. Vanderhider, President and Chief Operating Officer of Black Stone Natural Resources, L.L.C., general partner of Black Stone Minerals Company, L.P.

**MARY ELSKES PUCKETT**  
 Notary Public, State of Texas  
 My Commission Expires  
 September 07, 2013

Mary E. Puckett  
 Notary Public  
 My commission expires 9-7-13

STATE OF TEXAS )  
 COUNTY OF MEDFORD )ss

This Assignment was acknowledged before me this 15<sup>th</sup> day of AUGUST, 2012

by: TIMOTHY R. CUSTER, MANAGER COMMERCIAL REGION, PERMIAN BASIN of Apache Corporation.

NOTARY SEAL: **THERESA V. GREER**  
 Notary Public, State of Texas  
 My Commission Expires  
 August 09, 2013

[Signature]  
 Notary Public  
 My commission expires AUGUST 9, 2013

ASSIGNEE'S ACCEPTANCE

The undersigned Assignee named above hereby agrees to be bound by all of the terms, covenants, and conditions of the Lease and this Assignment and shall succeed to the rights and benefits under the Lease.

EXECUTED this 10<sup>th</sup> day of October, 2012.

Black Stone Energy Company, L.L.C.

By: [Signature]  
Hallie A. Vanderhider,  
President and Chief Operating Officer

ASSIGNEE'S ACCEPTANCE

The undersigned Assignee named above hereby agrees to be bound by all of the terms, covenants, and conditions of the Lease and this Assignment and shall succeed to the rights and benefits under the Lease.

EXECUTED this 15<sup>th</sup> day of August, 2012.

APACHE CORPORATION

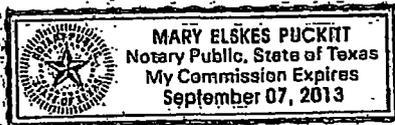
By: [Signature] [Initials]

2012 AUG 21 PM 8 13

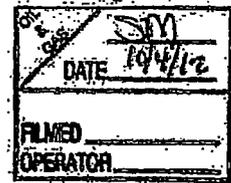
ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF HARRIS )ss

This Assignee's acceptance was acknowledged before me this 10<sup>th</sup> day of June, 2012 by Hallie A. Vanderhider, President and Chief Operating Officer of Black Stone Energy Company, L.L.C., on behalf of said Limited Liability Company.

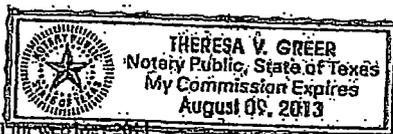


[Signature]  
ACKNOWLEDGEMENT



STATE OF TEXAS )  
COUNTY OF HARRIS )ss

This Assignee's acceptance was acknowledged before me this 15<sup>th</sup> day of August, 2012 by TIMOTHY R. CUSTAR MEMBER COMMERCIAL REGION of Apache Corporation, on behalf of said Corporation. LAND PERMIT



[Signature]  
THERESA V. GREER

APPROVAL OF THE COMMISSIONER

Office of the Commissioner of Public Lands  
Santa Fe, New Mexico

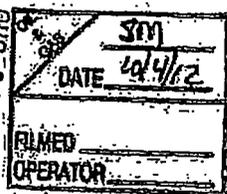
I hereby certify that this Assignment was filed in my office, on **RECEIVED AUG 21 2012** as approved by me

and shall be effective as to the State of New Mexico on **APPROVED OCT 04 2012**

*Ray Powell*  
COMMISSIONER OF PUBLIC LANDS

INSTRUCTIONS AND INFORMATION

1. **ANNUAL RENTAL:** The annual rental for the land in this Assignment is 50 per acre. The rental is due in advance and shall be paid to the Commissioner of Public Lands on the anniversary date of the original Lease agreement. The date of this Assignment does not change the annual rental due date. For any Assignment of any Lease initially issued prior to June 15, 1985, the annual rental shall not be less than six dollars (\$6.00). For any Assignment of any Lease initially issued after June 14, 1985, or of any Lease which has been stipulated to the new ten-year Lease, the minimum rental is forty dollars (\$40.00).
2. **FIXED TEN-YEAR LEASE:** This Lease provides for a fixed ten-year term, and for so long as oil or gas is produced in paying quantities. The ten-year period is divided into a primary term of five years, followed by a secondary term of five years. If no production is had during the primary term, the rental for the secondary term is double the rental of the primary term, or equal to the highest prevailing rental rate in the district, whichever is higher. Rentals continue even though production is had.
3. **FIXED FIVE-YEAR LEASE:** This Lease provides for a fixed five-year term, and for so long as oil and gas is produced in paying quantities. The fixed five-year Lease has no secondary term. Rentals continue even though production is had.
4. **FILED:** All Assignments must be filed in the State Land Office in triplicate, with original signatures on all three copies, within one hundred days from the date of signing, and must be accompanied by the recording fee.
5. **RECORDING FEE:** The recording fee for each Assignment is thirty dollars (\$30.00). If, however, the Assignment is filed more than one hundred days from the date of signing, an additional fee of seventy-five dollars (\$75.00) is charged.
6. **PERSONAL CHECKS:** When an Assignment is accompanied by a personal check, the Commissioner of Public Lands reserves the right to withhold approval of the Assignment until the check is paid.
7. **ASSIGNMENT DISAPPROVAL:** An Assignment will not be approved when it is made:
  - A. to more than two persons;
  - B. for less than a regular subdivision. "Regular subdivision" means forty acres or a tract described by lot number, which tract may be more or less than forty acres;
  - C. for an undivided interest;
  - D. in the name of a trusteeship, unless the trust document is attached or on file, and not more than two persons are named as trustee;
  - E. after a lis pendens is filed;
  - F. including any change or addition to the language contained in the Assignment form;
  - G. where surety requirements have not been met; or
  - H. where the lease is not in good standing; provided, however, that approval by the Commissioner does not waive any rights or claims the Commissioner may have to rentals, royalties, or other obligations due to the Commissioner by the Assigner under the lease. Approval of the assignment by the Commissioner does not guarantee the lease is in good standing.
8. **COMPLETE ADDRESS:** An Assignment must show the complete mailing address of the Assignee.
9. **ACKNOWLEDGMENT:** An Assignment must be executed before an officer authorized to take acknowledgments of deeds. Persons executing on behalf of a corporation or other business entity must indicate title or authority to execute.
10. **MARITAL STATUS:** An Assignment must show whether the Assignors are married or single; if married, both husband and wife must sign the Assignment. The Certificates of Acknowledgment must show the marital status of the Assignors.
11. **BLANKET ASSIGNMENTS:** Must have an Exhibit A attached that includes lease number, original lessee of record, lease issue date, county, and land description. Provide a copy of the original assignment form and the exhibit for every lease.
12. **BLANKET ASSIGNMENTS:** Will only be approved for record title. All other types of assignments (operating rights, depth limitations, undivided interests, etc.) will be filed as miscellaneous instrument documents for record purposes only.
13. **COMMUNICATIONS:** All official business, letters and communications must be addressed directly to the Commissioner of Public Lands; Oil, Gas, and Minerals Division.
14. **PAYMENT:** Make all payments for annual rental, recording, and approval of fees to: **COMMISSIONER OF PUBLIC LANDS**  
P.O. Box 1148  
Santa Fe, NM 87504-1148

2012  
AUG 21 AM 8 15  
  
 ONLINE VERSION

Huber file 1400717



Ray Powell, M.S., D.V.M.  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands  
310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

02/23/12

BLACK STONE MIN. COMP., L.P. & APACHE CORP.  
1001 FANNIN, SUITE 2020  
HOUSTON, TX 77002

RE: Assignment of Lease No. K0-3328-0002

Dear Lessee:

We have approved the assignment of the following land to  
Lease No. K0-3328-0006 , totalling 480.00 acres:

Township	Range	Section	Land Description
23S	26E	35	SW4NE4, E2NW4
23S	26E	36	N2NE4, SE4NE4, NW4, NW4SW4, SE4SE4

Please note that, before you commence exploration or drilling operations on the leased lands, all surface improvement damage bond requirements must be met. Failure to do so may result in possible cancellation of your lease. Thank you, if you have already complied with this requirement.

If you should need additional bond information, please contact us at (505) 827-5714.

Very truly yours,

Ray Powell, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

By: *Larry J. Boyd*  
Larry J. Boyd, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

RP/LR

**NEW MEXICO STATE LAND OFFICE**  
**ASSIGNMENT OF OIL AND GAS LEASE**  
*Please check one - Assignment or Miscellaneous Instrument*

Assignment  Miscellaneous Instrument  
 Full Record Title (100%)  Partial Assignment

From Lease Number  
 K0-3328-0002  
 To Lease Number  
 K0-3328-0003

FOR VALUE RECEIVED J. M. HUBER CORPORATION and NATOMAS NORTH AMERICA, INC., OGRID No. 78554, Assignor

("Assignor" whether one or more), assigns and conveys to: BLACK STONE MINERALS COMPANY, L.P. and APACHE CORPORATION, as successor in interest to Natomas North America, Inc. OGRID No. 288465, Assignee ("Assignee" whether one or more), whose mailing address is 1001 Fannin, Suite 2010, Houston, TX 77002

the entire interest and title in and to Oil and Gas Lease No. K0-3328-0002 ("the Lease") initially made by the New Mexico State Land Office to:

Shell Oil Company, Dated 06/18/1963, insofar as the Lease covers the following land in Eddy County, New Mexico:

Township	Range	Section	Description:	
23S	26E	35	SW/4NE/4, E/2NW/4	120 ACRES
23S	26E	36	NW/4, E/2NE/4, NW/4NE/4, NW/4SW/4, SE/4SE/4	360 ACRES

together with the rights incident thereto, and improvements thereon, if any.

Assignee assumes and agrees to perform all duties and obligations to the Commissioner of Public Lands including payment of rentals and royalties, and to do such other acts as are required by the Lease, to the same extent and in the same manner as if the provisions of the Lease were fully set out herein.

Assignor warrants the leasehold estate herein assigned, except as to any valid overriding royalty, production payment, operating agreement or sub-lease, if any, now of legal record, and covenants to the Assignee and the Commissioner of Public Lands that the leasehold estate assigned is valid, and that all rentals and royalties due under the Lease have been paid in full, and that all other Lease obligations presently due have been fully performed.

EXECUTED this 3rd day of FEBRUARY, 2012.

EXECUTED this 1st day of FEBRUARY, 2012.

J. M. HUBER CORPORATION

APACHE CORPORATION

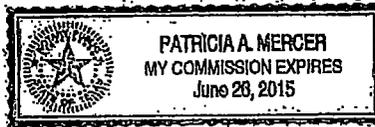
By: [Signature]  
 Jeffrey J. Ellena, Chief Financial Officer, Energy

By: [Signature]  
 Timothy R. Custer, Attorney-in-Fact, for Apache Corporation, as successor in interest to Natomas North America, Inc.

ACKNOWLEDGMENT

STATE OF TEXAS )  
 COUNTY OF HARRIS )ss

This Assignment was acknowledged before me this 3rd day of February, 2012 by Jeffrey J. Ellena, Chief Financial Officer, Energy of J. M. Huber Corporation.

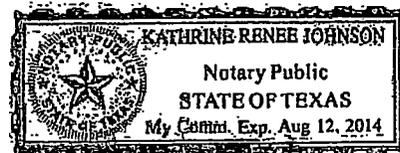


[Signature]  
 Notary Public  
 My commission expires June 28, 2015

ACKNOWLEDGMENT

STATE OF TEXAS )  
 COUNTY OF HARRIS MIRAWD )ss

This Assignment was acknowledged before me this 1st day of February, 2012 by Timothy R. Custer, Attorney-in-Fact, for Apache Corporation, as successor in interest to Natomas North America, Inc.



[Signature]  
 Notary Public  
 My commission expires Aug 12, 2014

ASSIGNEE'S ACCEPTANCE

The undersigned Assignee named above hereby agrees to be bound by all of the terms, covenants, and conditions of the Lease and this Assignment and shall succeed to the rights and benefits under the Lease.

EXECUTED this 6<sup>th</sup> day of February, 2012.

BLACK STONE MINERALS COMPANY, L.P.  
By its general partner, Black Stone Natural Resources, L.L.C.

By: Hallie A. Vanderhider  
Hallie A. Vanderhider, President and Chief Operating Officer

ASSIGNEE'S ACCEPTANCE

The undersigned Assignee named above hereby agrees to be bound by all of the terms, covenants, and conditions of the Lease and this Assignment and shall succeed to the rights and benefits under the Lease.

EXECUTED this 1<sup>st</sup> day of FEBRUARY, 2012.

APACHE CORPORATION

By: Timothy R. Custer  
Timothy R. Custer, Attorney-in-Fact, for Apache Corporation  
as successor in interest to Natomas North America, Inc.

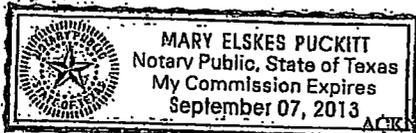
ACKNOWLEDGMENT

STATE OF TEXAS

}ss

COUNTY OF HARRIS

This Assignee's Acceptance was acknowledged before me this 6<sup>th</sup> day of February, 2012 by Hallie A. Vanderhider, President and Chief Operating Officer of Black Stone Natural Resources, L.L.C., general partner of Black Stone Minerals Company, L.P. a Delaware limited partnership, on behalf of said Partnership.



Mary E. Puckitt  
Notary Public  
My commission expires 9-7-13

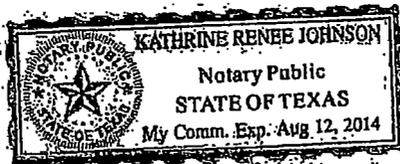
ACKNOWLEDGMENT

STATE OF TEXAS

}ss

COUNTY OF ~~HARRIS~~ MIDLAND

This Assignment was acknowledged before me this 1<sup>st</sup> day of February, 2012 by Timothy R. Custer, Attorney-in-Fact, for Apache Corporation, as successor in interest to Natomas North America, Inc.



Kathrine Renee Johnson  
Notary Public  
My commission expires Aug 12 2014

## Lee Scarborough

---

**From:** p.r.fulgham@gmail.com on behalf of prfulgham . <patrick@ffresources.us>  
**Sent:** Wednesday, July 05, 2017 3:36 PM  
**To:** Lee Scarborough  
**Subject:** Re: Ghost rider 25/36 W0DM Fed Com#2

Thank you Lee.

On Wed, Jul 5, 2017 at 3:17 PM, Lee Scarborough <[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)> wrote:

Patrick,

The Working Interest Unit comprises all of Sections 25 and 36, being 1280 acres. The Revised Exhibit A to the Operating Agreement should reflect that.

The New Mexico Oil and Gas Commission currently allows 320 acres spacing for Wolfcamp gas production. Since our first horizontal well will cut the W2 of 25 and the W2 of 36, our spacing unit will be 640 acres.

Thanks for the spreadsheets. I'll get to work on the interest and keep you posted.

Lee M. Scarborough

Landman

Mewbourne Oil Company

(432) 682-3715

[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)

**From:** [p.r.fulgham@gmail.com](mailto:p.r.fulgham@gmail.com) [mailto:[p.r.fulgham@gmail.com](mailto:p.r.fulgham@gmail.com)] **On Behalf Of** prfulgham .  
**Sent:** Wednesday, July 05, 2017 3:07 PM

To: Lee Scarborough  
Subject: Re: GhostRider 25/36 W0DM Fed Com#2

Thank you Lee, most of my comments were on this revised Exhibit. Since you couldn't open the attachments, please revise Exhibit A of the JOA, Number 1. Lands Subject to the Agreement: to be the W/2 of Section 25 and W/ of Section 36, for a total of 640 acres.

The GhostRider Unit is for the W/2 of 25 and the W/2 of 36, being 640 acres, according to the Application of Unit/Spacing/Pooling. Is Mewbourne proposing a well for the E/2 of Section 36?

In order to allocate F&F with its correct Interest, please clarify what Mewbourne is proposing and where the Interest Percentage stated on the JOA is coming from.

Since you couldn't open the PDFs, I have also included spreadsheets of LEASE INFORMATION and ASSIGNMENT HISTORY downloaded directly from the New Mexico State Land Office's Report on Lease K0-3328 which has the entire legal description and ownership info, including those lands for Section 36-23S-26E:

**N2NE (NE4NE4, NW4NE4), NW4 (NE4NW4, NW4NW4, SW4NW4, SE4NW4,) SE4NE4,  
NW4SW4, SE4SE4**

For a total of **360.00 acres**, with 50% to Black Stone Energy and 50% to Apache Corp.

Black Stone Energy **180.00 acres** (50% of 360) to F&F Exploration.

Thank you,

Patrick

On Wed, Jul 5, 2017 at 2:12 PM, Lee Scarborough <[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)> wrote:

Patrick,

Unfortunately, your email did not arrive with attachments (my system blocked them for some reason).

I have attached a revised Exhibit A to the Operating Agreement. Once I review the ownership issue with our title attorney, I'll let you know about revising the interest.

Regards,

Lee M. Scarborough

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**Sent:** Wednesday, July 05, 2017 1:57 PM  
**To:** Lee Scarborough  
**Subject:** Re: Ghost rider 25/36 WODM Fed Com#2

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Black Stone Energy **180.00 acres** (50% of 360) to F&F Exploration.

Please review, include F&F as an interest owner and make adjustments to interest.

Thanks,

Patrick Fulgham

—  
**F&F RESOURCES, LLC**  
(214)734-2582

[patrick@ffresources.us](mailto:patrick@ffresources.us)

On Wed, Jun 21, 2017 at 8:14 AM, Lee Scarborough <[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)> wrote:

Mr. Fulgham,

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**Sent:** Monday, June 19, 2017 5:39 PM  
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**Subject:** Ghost rider 25/36 WODM Fed Com#2

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Yes- F&F elects to participate. Once I hear back from Black Stone about the correct Owner Interest I will sign and return the documents. I attached the documents that show different interest amounts.

Thank you,

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**Attachments:** lease\_information\_singleK0\_3328 (1).xlsx; assg\_history.aspx\_k0\_3328\_01-01-1900.xlsx

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(214)734-2582  
patrick@ffresources.us

## Lee Scarborough

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**From:** p.r.fulgham@gmail.com on behalf of prfulgham . <patrick@ffresources.us>  
**Sent:** Friday, June 23, 2017 6:31 PM  
**To:** Lee Scarborough  
**Subject:** Re: Ghost rider 25/36 WODM Fed Com#2

Lee,

I mailed you the signed AFE electing to participate in the 2H for the Ghost rider Prospect, is there more than 1 well proposed? Is there a 1H or additional AFE that I am missing?

I will send you documentation for adjustments to F&F's Interest %, if possible, when I get them back.

Thanks, Patrick

On Wed, Jun 21, 2017 at 10:53 AM, prfulgham . <patrick@ffresources.us> wrote:  
Lee,

From the JOA you sent me, Covering section 25 being Lease 13 and/or 14: NMNMA 027994.

The attachment shows Huber's interest. Would I have equal or half of Exxon Mobile's interest?

Let me know if that helps.

Patrick

On Wed, Jun 21, 2017 at 8:44 AM, prfulgham . <patrick@ffresources.us> wrote:  
Thank you.

On Wed, Jun 21, 2017 at 8:31 AM, Lee Scarborough <lscarborough@mewbourne.com> wrote:

Attached please find .pdf of Operating Agreement for our Ghost rider Project.

Lee M. Scarborough

Landman

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[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)

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**Sent:** Wednesday, June 21, 2017 8:22 AM  
**To:** Lee Scarborough  
**Subject:** Re: Ghostrider 25/36 W0DM Fed Com#2

Thank you Lee,

I will look into it and forward any pertinent documentation, if any, as I was told there was additional acreage in Section 25, as well as 36. While doing that, my lawyer will go over the JOA you mailed me, thank you for getting me the documents in such a timely manner. I'm going to scan them in today so I can forward to him for review, if you happen to have an easily accessible digital version of the JOA, please forward if it is not a hassle.

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**Sent:** Wednesday, June 21, 2017 10:54 AM  
**To:** Lee Scarborough  
**Subject:** Re: Ghost rider 25/36 WODM Fed Com#2  
**Attachments:** Section 25-23S-26E, JM\_HuberOwnership.pdf

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**Subject:** Ghost rider 25/36 W0DM Fed Com#2

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Thank you for sending the AFE and JOA, for the interest F&F acquired from Black Stone, for the above proposed well to be operated by Mewbourne.

Yes- F&F elects to participate. Once I hear back from Black Stone about the correct Owner Interest I will sign and return the documents. I attached the documents that show different interest amounts.

Thank you,

--

**PATRICK R. FULGHAM**  
F & F RESOURCES, LLC  
C: 214-734-2582

PATRICK@FFRESOURCES.US

--

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--

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F & F RESOURCES, LLC  
C: 214-734-2582  
PATRICK@FFRESOURCES.US

## Lee Scarborough

---

**From:** p.r.fulgham@gmail.com on behalf of prfulgham . <patrick@ffresources.us>  
**Sent:** Wednesday, June 21, 2017 8:22 AM  
**To:** Lee Scarborough  
**Subject:** Re: Ghost rider 25/36 WODM Fed Com#2

Thank you Lee,

I will look into it and forward any pertinent documentation, if any, as I was told there was additional acreage in Section 25, as well as 36. While doing that, my lawyer will go over the JOA you mailed me, thank you for getting me the documents in such a timely manner. I'm going to scan them in today so I can forward to him for review, if you happen to have an easily accessible digital version of the JOA, please forward if it is not a hassle.

Regards,

Patrick

On Wed, Jun 21, 2017 at 8:14 AM, Lee Scarborough <[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)> wrote:

Mr. Fulgham,

It appears, from our title attorney's review of public records, that Black Stone acquired 50% interest in the NWSW and SESE of Section 36 (40 net acres) from J. M. Huber (see Assignment, Bill of Sale and Conveyance attached, Book 840, Page 246, Eddy County Records). Should additional documentation be available, please provide it to me for review and possible interest adjustments.

Thank you.

Lee M. Scarborough

Landman

Mewbourne Oil Company

(432) 682-3715

[lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com)

**From:** [p.r.fulgham@gmail.com](mailto:p.r.fulgham@gmail.com) [mailto:[p.r.fulgham@gmail.com](mailto:p.r.fulgham@gmail.com)] **On Behalf Of** prfulgham .  
**Sent:** Monday, June 19, 2017 5:39 PM  
**To:** Lee Scarborough  
**Subject:** Ghost rider 25/36 WODM Fed Com#2

Lee,

Thank you for sending the AFE and JOA, for the interest F&F acquired from Black Stone, for the above proposed well to be operated by Mewbourne.

Yes- F&F elects to participate. Once I hear back from Black Stone about the correct Owner Interest I will sign and return the documents. I attached the documents that show different interest amounts.

Thank you,

—  
**PATRICK R. FULGHAM**  
F & F RESOURCES, LLC  
C: [214-734-2582](tel:214-734-2582)

[PATRICK@FFRESOURCES.US](mailto:PATRICK@FFRESOURCES.US)

—  
**PATRICK R. FULGHAM**  
F & F RESOURCES, LLC  
C: [214-734-2582](tel:214-734-2582)  
[PATRICK@FFRESOURCES.US](mailto:PATRICK@FFRESOURCES.US)

## Lee Scarborough

---

**From:** p.r.fulgham@gmail.com on behalf of prfulgham . <patrick@ffresources.us>  
**Sent:** Monday, June 19, 2017 5:39 PM  
**To:** Lee Scarborough  
**Subject:** Ghost rider 25/36 WODM Fed Com#2  
**Attachments:** F&F AFE.pdf; BlackStone Letter.pdf

Lee,

Thank you for sending the AFE and JOA, for the interest F&F acquired from Black Stone, for the above proposed well to be operated by Mewbourne.

Yes- F&F elects to participate. Once I hear back from Black Stone about the correct Owner Interest I will sign and return the documents. I attached the documents that show different interest amounts.

Thank you,

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**PATRICK R. FULGHAM**  
F & F RESOURCES, LLC  
C: 214-734-2582  
[PATRICK@FFRESOURCES.US](mailto:PATRICK@FFRESOURCES.US)

**MEWBORNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: Ghostrider 25/36 WODM Fed Com #2H Prospect: Ghostrider  
 Location: SL: 185' FNL & 450' FWL (25); BHL: 330' FSL & 450' FWL (36) County: Eddy ST: NM  
 Sec. 25 Blk:      Survey:      TWP: 23S RNG: 26E Prop. TVD: 8793' TWD: 18650'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$15,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$185,000	0180-0208	\$55,000
Daywork / Turnkey / Footage Drilling 28 days drlg / 4 days comp @ \$18,000/day		0180-0110	\$536,800	0180-0210	\$78,700
Fuel 1500 gal/day @ 1.90/gal		0180-0114	\$91,200		
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drilout Services				0180-0222	\$105,000
Cementing		0180-0125	\$80,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$404,000
Casing / Tubing / Snubbing Service		0180-0134	\$25,000	0180-0234	\$20,000
Mud Logging		0180-0137	\$25,000		
Stimulation 60 stq 24.4 MM gals X 24.4 MM#				0180-0241	\$4,400,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$40,000	0180-0245	\$820,000
Bits		0180-0148	\$81,000	0180-0248	\$4,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig 5 days @ \$3500/day				0180-0260	\$18,500
Rig Mobilization		0180-0164	\$160,000		
Transportation		0180-0165	\$25,000	0180-0265	\$12,000
Welding Services		0180-0168	\$5,000	0180-0268	\$5,000
Contract Services & Supervision		0180-0170		0180-0270	\$48,000
Directional Services Includes vertical control		0180-0175	\$218,000		
Equipment Rental		0180-0180	\$194,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,700	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$25,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$65,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$143,000	0180-0295	\$115,000
Overhead Fixed Rate		0180-0198	\$10,000	0180-0298	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$219,500	0180-0299	\$322,500
<b>TOTAL</b>			<b>\$2,414,200</b>		<b>\$6,771,700</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 475' - 13 3/8" 54.5# J-55 ST&C @ \$28.51/ft		0181-0794	\$14,500		
Casing (8.1" - 10.0") 1720' - 9 5/8" 40# N-80 LT&C @ \$25.40/ft		0181-0795	\$46,800		
Casing (8.1" - 8.0") 8900' - 7" 29# P-110 LT&C @ \$21.21/ft		0181-0796	\$201,200		
Casing (4.1" - 6.0") 10355' - 4 1/2" 13.5# P-110 BPN @ \$14.21/ft				0181-0797	\$156,800
Tubing (2" - 4")				0181-0798	
Drilling Head		0181-0880	\$30,000		
Tubing Head & Upper Section 10K frac valve & tree				0181-0870	\$45,000
Horizontal Completion Tools				0181-0871	\$30,000
Sucker Rods				0181-0876	
Subsurface Equipment				0181-0880	
Artificial Lift Systems				0181-0884	
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers VRU and SWD pump				0181-0888	\$50,000
Tanks - Oil 3 - 750 steel				0181-0890	\$40,000
Tanks - Water 3 - 750 steel coated				0181-0891	\$45,000
Separation / Treating Equipment 36"x15"x1000# 3ph, 30"x10"x1000# 3 ph, GB				0181-0895	\$50,000
Heater Treaters, Line Heaters 6"x20"x76#				0181-0897	\$15,000
Metering Equipment				0181-0898	\$7,000
Line Pipe & Valves - Gathering 2.5 miles 8" SWD & 1 mile 4 1/2" gas				0181-0900	\$240,000
Fittings / Valves & Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	\$6,000
Electrical Installation				0181-0909	\$75,000
Equipment Installation				0181-0910	\$35,000
Pipeline Construction 2.5 miles 8" SWD & 1 mile 4 1/2" gas				0181-0920	\$232,000
<b>TOTAL</b>			<b>\$292,300</b>		<b>\$1,086,800</b>
<b>SUBTOTAL</b>			<b>\$2,706,500</b>		<b>\$7,858,500</b>
<b>TOTAL WELL COST</b>			<b>\$10,565,000</b>		

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: R. Terrell Date: 5/2/2017  
 Company Approval: *M. White* Date: 5/2/2017

Joint Owner Interest: 3.12500000% Amount: \$330,156.25  
 Joint Owner Name: F&F Exploration, LLC Signature: \_\_\_\_\_

**Lee Scarborough**

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**From:** TrackingUpdates@fedex.com  
**Sent:** Wednesday, June 14, 2017 10:59 AM  
**To:** Lee Scarborough  
**Subject:** FedEx Shipment 779393723741 Delivered

**Your package has been delivered**

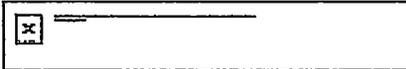
**Tracking # 779393723741**

**Ship date:**  
Tue, 6/13/2017

Lee Scarborough  
Mewbourne Oil Company  
Midland, TX 79701  
US

**Delivery date:**  
Wed, 6/14/2017 10:56  
am

Patrick Fulgham  
F&F Exploration, LLC  
6523 Axton Circle  
DALLAS, TX 75214  
US



Delivered

**Personalized Message**

Ghostrider 25/36 W0DM #2H

**Shipment Facts**

Our records indicate that the following package has been delivered.

**Tracking number:** 779393723741

**Status:** Delivered: 06/14/2017 10:56 AM  
Signed for By: Signature not required

**Reference:** Ghostrider 25/36 W0DM #2H

**Signed for by:** Signature not required

**Delivery location:** DALLAS, TX

**Delivered to:** Residence

**Service type:** FedEx Standard Overnight

**Packaging type:** FedEx Envelope

**Number of pieces:** 1

**Weight:** 0.50 lb.

**Special handling/Services:** Deliver Weekday  
Residential Delivery

Standard transit:

6/14/2017 by 8:00 pm

-----  
This tracking update has been requested by:

Company name: Mewbourne Oil Company  
Name: Lee Scarborough  
Email: [akirksey@mewbourne.com](mailto:akirksey@mewbourne.com)

 Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:58 AM CDT on 06/14/2017.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above.

This tracking update has been sent to you by FedEx on behalf of the Requestor [akirksey@mewbourne.com](mailto:akirksey@mewbourne.com). FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update.

Standard transit is the date and time the package is scheduled to be delivered by, based on the selected service, destination and ship date. Limitations and exceptions may apply. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx Customer Support representative.

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Thank you for your business.

## Lee Scarborough

**From:** TrackingUpdates@fedex.com  
**Sent:** Tuesday, June 13, 2017 4:13 PM  
**To:** Lee Scarborough  
**Subject:** FedEx Shipment 779393723741 Notification

This shipment is scheduled to be sent on  
**06/13/2017.**

See "Preparing for Delivery" for helpful tips

Tracking # 779393723741

Anticipated ship date:

Tue, 6/13/2017

Lee Scarborough

Mewbourne Oil Company

Midland, TX 79701

US

Scheduled delivery:

Wed, 6/14/2017 by 8:00

pm

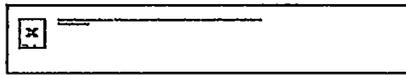
Patrick Fulgham

F&F Exploration, LLC

6523 Axton Circle

DALLAS, TX 75214

US



Initiated

### Personalized Message

Ghostrider 25/36 W0DM #2H

### Shipment Facts

**Tracking number:** [779393723741](#)  
**Reference:** Ghostrider 25/36 W0DM #2H  
**Service type:** FedEx Standard Overnight  
**Packaging type:** FedEx Envelope  
**Number of pieces:** 1  
**Weight:** 0.50 lb.  
**Special handling/Services:** Deliver Weekday

### Preparing for Delivery

To help ensure successful delivery of your shipment, please review the below.

Won't be in?

You may be able to hold your delivery at a convenient FedEx World

Service Center or FedEx Office location for pick up. Track your shipment to determine Hold at FedEx location availability.

**This tracking update has been requested by:**

**Company name:** Mewbourne Oil Company  
**Name:** Lee Scarborough  
**Email:** [akirksey@mewbourne.com](mailto:akirksey@mewbourne.com)

 Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 4:13 PM CDT on 06/13/2017.

All weights are estimated.

The shipment is scheduled for delivery on or before the scheduled delivery displayed above. FedEx does not determine money-back guarantee or delay claim requests based on the scheduled delivery. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx customer support representative.

To track the latest status of your shipment, click on the tracking number above.

This tracking update has been sent to you by FedEx on behalf of the Requestor [akirksey@mewbourne.com](mailto:akirksey@mewbourne.com). FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update.

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Thank you for your business.

June 13, 2017

Via Overnight Mail

To: Working Interest Owners

Re: Ghost rider 25/36 WODM Fed Com #2H  
185' FNL, 450' FWL (SL), Section 25  
330' FSL, 450' FWL (BHL), Section 36  
Township 23 South, Range 26 East  
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed for your review and further handling is Mewbourne Oil Company's revised AFE (working interest percentage revised based off of preliminary title review) along with our Joint Operating Agreement for the proposed Ghost rider 25/36 WODM Fed Com #2H well. Our spud date is currently set for July 25, 2017. In the event you elect to participate, please execute the enclosed AFE and Joint Operating Agreement as soon as possible.

Should you have any questions regarding this proposal, please email me at [lscarborough@mewbourne.com](mailto:lscarborough@mewbourne.com) or call me at (432) 682-3715.

Very truly yours

MEWBOURNE OIL COMPANY

Lee M. Scarborough  
Landman

Enclosures