



**Summary of Communications  
Compulsory Pooling Case No. 13157  
Lonetree "14" State Com. #1 Well  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico**

Chevron Texaco Corporation: Mr. Mike Mullins  
(432) 687-7273

- 1) 11-20-02: Proposed well (formerly Esperanza "14" State Com. #3 Well) to Chevron Texaco via certified mail with AFE for a location 1980' FS & EL Section 14 for a 11,900' Morrow test well with offer to purchase term assignment should Chevron Texaco elect not to join in proposed well.
- 2) 02-20-03: Follow up letter regarding proposed well.
- 3) 05-29-03: Follow up call to Mike advising him that we would give them a technical presentation in an effort to speed up their decision provided that they would commit to pre-determined trade terms; left message for him to call me.
- 4) 07-08-03: Follow up letter advising Mike that our proposed location has changed to a location at 660' FSL & 1980' FEL.
- 5) 07-24-03: Received letter from Mike wherein he offered certain terms, large retained overriding royalty interest for 6 month term assignment with no cash bonus consideration.
- 6) 08-05-03: Sent Mike letter declining his offer. We needed a longer term with less retained override, we were willing to pay cash consideration for 1 year term assignment.
- 7) 08-19-03: Follow up call, Mike says they can't do a trade involving cash consideration until after October 9, 2003 per Chevron Texaco merger agreement. Any cash trade would involve getting approval from their president.
- 8) 10-03-03: Follow up call to Mike. We have a tentative verbal trade but they can't make the deal until after October 9<sup>th</sup>.

Unit Petroleum Company: Ms. Bobbie Thompson  
(918) 477-4535

- 1) 08-13-03: Proposed well via certified mail with AFE enclosed. Offered to acquire term assignment should Unit elect not to join in the proposed well.

- 2) 09-11-03: Received Unit's executed AFE and letter of even date wherein Unit elected to participate in the proposed well.
- 3) 09-19-03: Mailed Bobbie our proposed Operating Agreement for her review and Unit's execution.
- 4) 10-03-03: Follow up phone call to check on status of Unit executing the JOA. Bobbie advised me they were executing same however she advised me the Exhibit "A" to the JOA had a typo. Advised her we would correct same and I'd send her a revised Exhibit "A".

J. Frederick Van Vranken, Jr.: (c) 516-314-0650  
(h) 516-681-4077

- 1) 04-01-03: Proposed well via certified mail with AFE enclosed with offer to acquire his interest via term assignment in the event he elected not to participate.
- 2) 08-13-03: Reproposed well via certified mail at a different location with AFE enclosed with offer to acquire his interest in the event he elected not to participate.
- 3) 09-19-03: Mailed Mr. Van Vranken our proposed JOA for his execution.
- 4) 10-03-03: Follow up call this date regarding his execution of our JOA. He said he'd sign same and get it back to me soon.

Estate of David F. Goodnow

- 1) 04-01-03: Proposed well via certified mail with enclosed AFE and offer to purchase his interest in the event he elected not to participate. He accepted our offer and signed my letter evidencing his agreement.
- 2) 04-17-03: Sent Mr. Goodnow our assignment and our check for his execution.
- 3) 05-28-03: Follow up letter this date regarding the status of him executing our assignment. Included another assignment for his execution in the event he misplaced the previous one.
- 4) 08-13-03: Follow up letter regarding status of executing the assignment.
- 5) 08-11-03: Received letter dated this date from Blair & Potts firm advising me that Mr. Goodnow had passed away. The firm requesting certain information regarding the Estate's interest.
- 6) 08-19-03: Sent letter this date informing the firm of the Estate's interest and advised the firm that the Estate owed us an assignment.

Mr. J. W. Gendron

- 1) 04-01-03: Proposed well via certified mail with AFE enclosed with offer to purchase his interest in lieu of his participation.
- 2) 07-08-03: Reproposed well at different location with AFE enclosed.

Isaac A. Kawasaki and Ruby F. Kawasaki

- 1) 04-01-03: Proposed well via certified mail with AFE enclosed with offer to acquire their interest in lieu of their participation.
- 2) 07-08-03: Reproposed well at different location with AFE enclosed.

Joseph R. Hodge

- 1) 04-01-03: Proposed well via certified mail with AFE enclosed with offer to acquire his interest in lieu of his participation.
- 2) 07-08-03: Reproposed well at different location with AFE enclosed.

E.G. Holden Testamentary Trust and Betsy H. Keller

- 1) No correspondence as addresses could not be located.

CHEVRON TEXACO - MIKE MULLINS 687-7273

8-19-03 - FOLLOW UP CALL THIS DATE, MIKE ADVISES ME THAT THEY CAN NOT MAKE A TRADE INVOLVING CASH TERMS UNTIL AFTER ~~10-10-03~~ 10-10-03, OTHERWISE THEY WOULD HAVE TO GO TO THEIR CORPORATE PRESIDENT FOR APPROVAL.

10-3-03 - FOLLOW UP CALL TO MIKE, THEY CAN DO A TRADE WITH US THE WEEK AFTER NEXT. HE'S DRAFTING THE TERM ASSIGNMENT. WE'VE GOT A VERBAL DEAL SUBJECT TO THEIR FORM OF ASSIGNMENT.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

August 5, 2003

Via Fax (432) 687-7557 and First Class Mail

ChevronTexaco  
North America Upstream  
Permian Business Unit  
15 Smith Road  
Midland, Texas 79705  
Attn: Mr. Mike Mullins

Re: MOC's Lonetree "14" State Com. #1 Well  
(Formerly MOC's Esperanza "14" State Com. #3 Well)  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico

Gentlemen:


Reference is made to Mewbourne's previous letter dated July 8, 2003 and ChevronTexaco's letter dated July 24, 2003 regarding the captioned land and proposed well. Regarding same, Mewbourne prefers to acquire a one (1) year term assignment from ChevronTexaco on the terms previously offered in the referenced Mewbourne letter due to rig schedules as to Mewbourne's priority of proposed wells. Accordingly, Mewbourne respectfully declines to accept a term assignment from ChevronTexaco on the terms offered by ChevronTexaco.

Regarding the above, please furnish me ChevronTexaco's form of term assignment for Mewbourne's review and execution in the event ChevronTexaco is agreeable to granting Mewbourne a one(1) year term assignment of ChevronTexaco's interest in the SE/4SE/4 of the captioned Section 14 on the basis of \$200.00 per acre wherein Mewbourne would be delivered a 75% NRI.

Your cooperation in connection with this trade is greatly appreciated.

Sincerely yours,

MEWBOURNE OIL COMPANY

  
D. Paul Haden  
Senior Landman

DPH/gb

North America Upstream  
Permian Business Unit  
15 Smith Road  
Midland, Texas 79705  
Tel (915) 687-7273  
Fax (915) 687-7557  
mullimr@chevrontexaco.com

Mike Mullins  
Senior Land Representative  
Land Department

## ChevronTexaco

July 24, 2003

085999 - State of New Mexico Lease OG-5809  
SE/4 SE/4 of Section 14, T21S-R27E,  
Eddy County, New Mexico  
Your Esperanza "14" State Com #3 Well

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

Gentlemen:

Reference is made to your letter, dated July 8, 2003, wherein Mewbourne proposed the drilling of the Esperanza "14" State Com #3 well, a 11,900' well scheduled to test the Morrow formation to be located 660' FSL and 1,980' FEL of Section 14, T21S-R27E, Eddy County, New Mexico (E/2 spacing unit). Your letter also suggested an alternative to purchase a term assignment from Chevron, if we were not interested in participating in the drilling of said well.

This letter is to advise Mewbourne that Chevron will support the drilling of the subject well by granting you a six (6) month term assignment covering our full leasehold interest in the SE/4 SE/4 of Section 14, for no bonus consideration, reserving an overriding royalty interest equal to the difference between existing lease burdens and 27%, with it being the intention to deliver Mewbourne a 73% net revenue interest.

The above terms are open and available exclusively to Mewbourne until August 15, 2003. If you have any questions, please advise.

Very truly yours,



Mike Mullins

XC: LC

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

FACSIMILE TRANSMITTAL COVER SHEET

DATE: 7-8-03

PAGE 1 of 2 PAGES

TO: MIKE MULLINS COMPANY: \_\_\_\_\_

FACSIMILE NO.: \_\_\_\_\_ PHONE NO.: \_\_\_\_\_

FROM: PAUL HADEN

MESSAGE: \_\_\_\_\_

RE: ESPERANZA "14" STATE COM. #3

MIKE - AS MENTIONED TO YOU BEFORE, WE'D  
GIVE CHEVRON/TEXACO A TECHNICAL  
PRESENTATION PROVIDED CHEVRON/TEXACO  
AGREED TO DO SOME SET TERMS PRIOR  
TO THE PRESENTATION.  
EVENTUALLY WE'LL BE FILING A POOLING  
APPLICATION.

\*\*\*\*\*

**CONFIDENTIALITY NOTE:** The information contained in this facsimile message is confidential and is intended only for the use of the individual or entity named above. Dissemination of this facsimile to anyone else is strictly prohibited. If you have received this facsimile in error, please notify us by telephone immediately.



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

July 8, 2003

Chevron USA Inc.  
15 Smith Road  
Midland, Texas 79705  
Attn: Mr. Mike Mullins

Re: Esperanza "14" State Com. #3 Well  
660' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Gentlemen:

Reference is made to my previous correspondence wherein the captioned well was proposed to be drilled at a location 1980' FSL & 1980' FEL of the captioned Section 14. Upon our further geological evaluation of the immediate area, the referenced well is hereby proposed to be drilled by Mewbourne at a location 660' FSL & 1980' FEL in lieu of the previously proposed location 1980' FSL & 1980' FEL of the captioned Section 14.

In the event you elect not to participate in the subject proposed well and if you elect not to be forced pooled at an Examiner's hearing to occur late this August, Mewbourne would be interested in acquiring your interest in the SE/4SE/4 of the captioned Section 14 on the basis of \$200.00 per net acre for a 1 year term assignment wherein Mewbourne would be delivered a 75% NRI. This offer is available for your acceptance until July 25, 2003 at 4:00 P.M. CDST.

Please call me at (432) 682-3715 should you have any questions regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

CHEVRON-TEXACO : MIKE MULLINS 687-7273

5-29-03 FOLLOW UP CALL THIS DATE TO MIKE REGARDING  
OUR WELL PROPOSAL. LEFT MESSAGE. LATER -  
MIKE CALLED, ADVISED HIM WE WERE MOVING  
FORWARD W/OUR PROPOSAL. OFFERED TO SHOW OUR  
GEOLOGY AS TO WELL PROPOSAL. PROVIDED THEY  
AGREED TO DO SOMETHING - 1) EITHER PARTICIPATE OR  
2) FARMOUT OR GRANT US A TERM ASSIGNMENT UNDER PRE-  
AGREED TERM. MIKE IS TO GET BACK W/ME.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 20, 2003

Certified Mail-Return Receipt No. 9665

Chevron USA Inc.  
15 Smith Road  
Midland, Texas 79705  
Attn: Mr. Mike Mullins

Re: Esperanza "14" State Com. #3 Well  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mike:

Reference is made to my previous letter dated November 20, 2002 (see copy enclosed) wherein Mewbourne Oil Company as Operator proposed drilling the captioned well. In our last conversation you advised me that Chevron would like to see the results of Mewbourne's Esperanza "14" State Com. #1 Well prior to reaching a decision as to Chevron's participation in the captioned proposed well. As the Mewbourne Esperanza "14" State Com. #1 Well reached total depth January 22, 2003, was logged and has been completed as a Middle Morrow gas well (see copy of complete set of daily drilling/completion reports thru today's date enclosed) we would now appreciate receiving Chevron's decision as to the captioned proposed well.

Should you have any questions regarding the above, please call me. Your cooperation in connection with this area is greatly appreciated.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

*Nov 29*  
~~August 2, 2002~~

Certified Mail-Return Receipt Requested No. 8484

Chevron USA Inc.  
15 Smith Road  
Midland, Texas 79705  
Attn: Mr. Mike Mullins

Re: Esperanza "14" State Com. #3 Well  
1980' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator, hereby proposes drilling the captioned well at the referenced location to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,900' beneath the surface. The E/2 of the captioned Section 14 will be dedicated to the well.

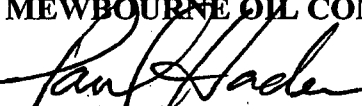
Enclosed for your further handling regarding the above proposed well are two (2) copies of our AFE dated October 29, 2002. In the event your firm elects to join Mewbourne in the proposed well, please have the enclosed AFEs executed and return one (1) to me for further handling. Upon our receipt of the executed AFE, we will forward our Operating Agreement for execution.

In the event your firm elects not to participate in the proposed well, Mewbourne would be interested in acquiring a one year term assignment of your interest under the E/2 of the captioned Section 14 on the basis of \$200.00 per net acre wherein Mewbourne would be delivered a 75% net revenue interest lease. According to our title examination, Chevron owns a full interest in State Lease OG-5809 in the SE/4SE/4 which is burdened by a 1/8 lease royalty.

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

Sincerely yours,

MEWBOURNE OIL COMPANY

  
D. Paul Haden  
Senior Landman

DPH/gb

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Inc.  
15 Smith Road  
Midland, TX 79705  
Attn: Mr. Mike Mullins

**NOV 22 2002**

2. Article Number

(Transfer from service label)

7000 0520 0020 9191 8484

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X Leola Johnson ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

11-27

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

MR. L. FREDERICK VAN VRANKEN, JR - (C) 516-314-0650  
(H) 516-681-4077

10-3-03 - FOLLOW UP CALL THIS DATE REGARDING STATUS OF  
HIS EXECUTING THE PROPOSED LJOA WHICH I  
SENT HIM 9-19-03. LEFT MESSAGE FOR HIM TO  
CALL ME.

LATER - MR. VAN VRANKEN CALLED ME AND SAID THAT HE  
WOULD SIGN THE LJOA AND GET IT BACK TO ME.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

September 19, 2003

Mr. J. Frederick Van Vranken, Jr.  
P.O. Box 264  
Jericho, NY 11753

Re: Lonetree "14" State Com. #1  
E/2 of Section 14,  
T21S, R27E  
Eddy County, New Mexico

Dear Mr. Van Vranken:

Enclosed for your further handling are duplicate originals of our proposed Operating Agreement dated September 15, 2003. Please execute same and return one (1) to me. Please disregard the pooling application you have received or will be receiving upon my receipt of the requested executed JOA. I am enclosing a postage paid envelope for your convenience in returning the JOA.

Please call me should you have any questions regarding the above. Your cooperation as always is greatly appreciated.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

August 13, 2003

Certified Mail-Return Receipt No. 1262

Mr. Frederick Van Vranken, Jr.  
P.O. Box 264  
Jericho, NY 11753

Re: Lonetree "14" State Com. #1 Well  
(formerly the Esperanza "14" State Com. #3 Well)  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Van Vranken:

Mewbourne Oil Company hereby proposes to drill the Lonetree "14" State Com. #1 Well at a location 660' FSL & 1980' FEL of the captioned Section 14 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 11,900'. The well will be dedicated to the E/2 of the captioned Section 14.

Enclosed for your information is a copy of our AFE dated June 17, 2003. In the event you elect to participate in the proposed well, please sign the AFE and return to me. Upon our receipt of same, I will forward you our Operating Agreement for signature.

In the event you elect not to participate in the subject well, Mewbourne offers to purchase your interest on the basis of \$250.00 per acre, for an 18 month term assignment wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction. As to the proposed assignment, you would retain your interest from the surface through the base of the Bone Spring formation in the SE/4NE/4 regarding Devon's Lone Tree "14" State #1 Well.

For your information regarding the above is a copy of our Drilling Opinion of Title dated January 7, 2003. According to the Drilling Title Opinion you own a .039132% interest (.093912 net acres) in the NE/4 and N/2SE/4 of the captioned Section 14 being a .02934% unit working interest in the proposed spacing unit.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb



**SENDER: COMPLETE THIS SECTION**

- ☐ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☐ Print your name and address on the reverse so that we can return the card to you.
- ☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Frederick Van Vranken, Jr.  
P.O. Box 264  
Jericho, NY 11753

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]* ☐ Agent

B. Received By (Printed Name)

Mr. Van Vranken 8/21/03

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for ~~insurance~~ *signature*
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7000 0520 0020 9192 1262

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

Conductor 14 State Com #1

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 1, 2003

Certified Mail-Return Receipt No. 0050

J. Frederick Van Vranken, Jr.  
P.O. Box 264  
Jericho, NY 11753 - 0264

Re: Esperanza "14" State Com. #3 Well  
1980' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Van Vranken:

Mewbourne Oil Company (Mewbourne) as Operator, hereby proposes drilling the captioned well at the referenced location to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,900' beneath the surface. The E/2 of the captioned Section 14 will be dedicated to the well for proration unit purposes.

Enclosed for your consideration and further handling regarding the above proposed well is our AFE dated October 29, 2002 which is an estimated well cost for the referenced well. In the event you elect to participate in the subject well, please sign and return the enclosed AFE and I will forward you our Operating Agreement covering such well and land for your execution.

Regarding the above, title examination indicates you own a .00039132 decimal interest in the NE/4 and N/2SE/4 of the captioned Section 14. Accordingly, your respective decimal interest in the well spacing unit is .0002934.

In the event you elect not to participate in the subject well, Mewbourne would be interested in acquiring all of your interest in the NE/4 and N/2SE/4 (240 acres) for \$100.00 cash. Such acquisition would exclude any interest you might own in the Lonetree State Com. #1 Well located in the SE/4NE/4 of the captioned Section 14 which well is currently operated by Devon Energy Production Company, L.P. If you elect to sell your interest as offered, please

Esperanza "14" State Com. #3 Well  
April 1, 2003  
Page -2-

sign and return this letter to me in the enclosed postage paid envelope and I will have an Assignment of Operating Rights prepared for your execution.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned accepts the above referenced offer this \_\_\_\_\_ day of April, 2003.

---

J. Frederick Van Vranken, Jr.

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

A. Frederick Van Venter, Jr.  
P.O. Box 264  
Agucho, NY 11753-0264

APR 14 2003

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

*[Signature]*

☒ Agent

## B. Received by (Printed Name)

NS Van Venter 4/9/03

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

## 3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## 2. Article Number

(Transfer from service label)

7000 0520 0020 9192 0050

PS Form 3811, August 2001

Domestic Return Receipt

EXPRESS 14 State Cm. # 3

10295-02-M-1035

UNIT PETROLEUM CORP. - BOBBIE THOMPSON  
918-477-4535

10-3-03 - FOLLOW UP CALL THIS DATE REGARDING THEIR  
REVIEW OF OUR PROPOSED JOA. ADVISED BOBBIE  
WE WOULD STILL HAVE TO NAME THEM AT THE  
POOLING HEARING AS BEING NON-COMMITTED AS  
JOA ~~HAS~~ HASN'T BEEN EXECUTED YET. LEFT  
MESSAGE FOR HER TO CALL ME.

LATER - BOBBIE RETURNED MY CALL, SHE WAS HAVING  
THE JOA EXECUTED, THE LAND DESCRIPTION ON  
EXHIBIT "A" AS TO CONTRACT LANDS HAD TYPO, I  
TOLD HER I WOULD GET SAME CORRECTED AND WOULD  
SEND HER REVISED EXHIBIT "A" OF THE JOA -

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

September 19, 2003

Unit Petroleum Company  
7130 South Lewis, Suite 1000  
Tulsa, Oklahoma 74170-2500  
Attn: Bobbie Thompson

Re: Lonetree "14" State Com. #1  
E/2 of Section 14,  
T21S, R27E  
Eddy County, New Mexico

Dear Bobbie:

Enclosed for your further handling are duplicate originals of our proposed Operating Agreement dated September 15, 2003. Please have same executed and return one (1) to me. Please disregard the pooling application you have received or will be receiving upon my receipt of the requested executed JOA. I am enclosing a postage paid envelope for your convenience in returning the JOA.

Please call me should you have any questions regarding the above. Your cooperation as always is greatly appreciated.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb



**UNIT PETROLEUM COMPANY**

A Subsidiary of Unit Corporation

September 11, 2003

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

Attn: D. Paul Haden

Re: Burton Flat Prospect  
Lonetree "14" State Com #1 Well  
E/2 of Section 14, T21S-R27E  
Eddy County, New Mexico

Dear Paul:

Unit Petroleum Company elected to participate in the drilling of the Lonetree "14" State Com #1 well in Eddy County, New Mexico.

Enclosed is the approved AFE. Also enclosed is a copy of Unit's Well Information Requirements.

Thank you for sending a copy of the Drilling Opinion dated January 7, 2003.

Very truly yours,

UNIT PETROLEUM COMPANY

Bobbie Thompson  
Landman

Enclosures



**FAX COVER SHEET**

DATE: 9-11-03

FAX NUMBER: 432 685-4170

TO: Paul Haden  
Mewbourne Oil Company

FROM: Bobbie Thompson  
918 477-4535  
918 493-7711 (fax)

RE: Lonetree "14" State Com #1 Well

MESSAGE: Attached is Unit's election letter to participate in the drilling of this well along with approved AFE.

The originals are being mailed today.

NUMBER OF PAGES INCLUDING THIS COVER LETTER: 3

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL OUR  
OFFICE AT THE FOLLOWING NUMBER: (918) 493-7700



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

August 13, 2003

Certified Mail-Return Receipt No. 1279

Unit Petroleum Company  
P.O. Box 702500  
Tulsa, Oklahoma 74170-2500  
Attn: Bobbie Thompson

Re: Lonetree "14" State Com. #1 Well  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Bobbie:

Mewbourne Oil Company hereby proposes to drill the Lonetree "14" State Com. #1 Well at a location 660' FSL & 1980' FEL of the captioned Section 14 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 11,900'. The well will be dedicated to the E/2 of the captioned Section 14.


Enclosed for your information is a copy of our AFE dated June 17, 2003. In the event Unit elects to participate in the proposed well, please have the AFE signed and return to me. Upon our receipt of same, I will forward you our Operating Agreement for signature.

In the event Unit elects not to participate in the subject well, Mewbourne offers to purchase Unit's interest on the basis of \$250.00 per acre, for an 18 month term assignment wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction. As to the proposed assignment, Unit would retain its interest from the surface through the base of the Bone Spring formation in the SE/4NE/4 regarding Devon's Lone Tree "14" State #1 Well.

For your information regarding the above is a copy of our Drilling Opinion of Title dated January 7, 2003. According to the Drilling Title Opinion Unit owns a 24.341280% interest (19.473024 net acres) in the N/2SE/4 of the captioned Section 14 being a 6.08532% unit working interest in the proposed spacing unit.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Unit Petroleum Company  
P.O. Box 702500  
Tulsa, OK 74170-2500  
Attn: Bobbie Thompson

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Print name) *[Signature]* ☐ State of Delivery *[Signature]*

D. Is delivery address different from that of the sender? ☐ Yes ☐ No

OK 74170-2500  
AUG 15 2003

3. Service Type ☒ Certified Mail ☐ Registered ☐ Insured Mail ☐ C.O.D.  
☐ Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7000 0520 0020 9192 1279

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

*Moneta 1/4 State Com #1*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

August 19, 2003

Blair & Potts  
P.O. Box 1214  
Stamford, Connecticut 06904-1214  
Attn: Mr. Robert A. DeVellis, Esq.

Re: Estate of David F. Goodnow  
MOC's Lonetree "14" Prospect  
(formerly MOC's Esperanza State Com. #3 Well)  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. DeVellis:

Thank you for your letter dated August 11, 2003 regarding Mr. Goodnow's Estate. The only dealings we were fortunate to have with Mr. Goodnow involved Mewbourne Oil Company's Esperanza "11" Prospect in Section 11, T21S, R27E, Eddy County and Mewbourne's Lonetree "14" Prospect referenced above.

In Section 11, Mr. Goodnow owned a .00117397 interest in the operating rights as to the S/2S/2 of the referenced Section 11. Mewbourne acquired such interest pursuant to the terms of a letter dated December 31, 2002 and Assignment of Oil and Gas Lease dated January 27, 2003 (see copies attached). Regarding the captioned Lonetree "14" Prospect, Mr. Goodnow agreed to convey his .00039132 interest in the operating rights in the NE/4 and N/2SE/4 of the captioned Section 14 pursuant to the terms of the attached letter dated April 1, 2003 wherein I sent Mr. Goodnow an Assignment of Oil and Gas Lease for execution along with the agreed cash consideration. Regarding Mr. Goodnow's ownership in the referenced Section 11 and Section 14, I've enclosed a copy of the respective Title Opinions setting forth the Goodnow ownership referenced herein.

Regarding the Goodnow referenced interests, Mr. Goodnow apparently was a Limited Partner with Coquina Oil Corporation wherein Mr. Goodnow acquired various interests in the Coquina 73-A Exploration Program as referenced in the attached copy of a Blanket Assignment, Bill of Sale and Conveyance executed August 5, 1986. The Goodnow Estate may still own an interest in the Allied State Com. #1 Well located in the NE/4NW/4 of Section 14 (a marginal gas well producing from the Atoka formation), the Lonetree State Com. #1 Well located in the SE/4NE/4 of Section 14 (a marginal oil well producing from the Delaware or Bone Spring formation) and the Lonetree #1 Well located in the NE/4SW/4 of Section 13 (a marginal producing oil well from the Delaware or Bone Spring formation). In this regard, I've enclosed a land plat of the area which I circled the referenced wells in red. As to Section 11, Mr. Goodnow may or may not own an interest in the Cedar State #1 Well located in the NE/4SW/4 of the referenced Section 11 which according to records available to us is not producing but was originally drilled by Coquina as their "IM" State #1 Well.

Estate of David F. Goodnow  
MOC's Lonetree "14" Prospect

August 19, 2003  
Page -2-

Regarding the referenced April 1, 2003 letter, I've enclosed duplicates of an Assignment of Oil and Gas Lease for Edward B. Goodnow to execute as the Executor of the Estate of David F. Goodnow. Please have Edward B. Goodnow execute the enclosed assignments and return one (1) to me for further handling whereby Mr. Goodnow would retain one (1) for his file.

Regarding the referenced wells which the Goodnow Estate may own an interest, all of the wells are currently operated by Devon Energy out of Oklahoma City. You should contact Ken Gray, their District Landman at the following address:

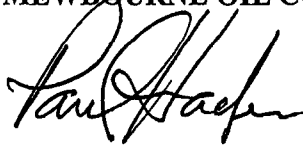
Devon Energy Producing Company, L.P.  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102  
Attn: Mr. Ken Gray  
District Landman

Regarding the dollar amount of David F. Goodnow's initial investment in the referenced limited partnership, we obviously are unable to furnish you such information. As to the worth of the Goodnow interest in any production Mr. Goodnow owns, we are also unable to furnish you such information. However, as to the referenced Mewbourne prospects, we paid Mr. Goodnow far more than the interests were probably worth, we were just trying to clean up the title somewhat in an attempt to buy out the former Coquina limited partners.

Should you have any further questions or concerns regarding the above, please contact me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

**BLAIR & POTTS**

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

TWO STAMFORD PLAZA  
281 TRESSER BOULEVARD

P.O. BOX 1214  
STAMFORD, CONNECTICUT 06904-1214

NANCY E. BLAIR  
ARTHUR G. POTTS, JR.

TELEPHONE (203) 327-2333  
FACSIMILE (203) 327-1731

August 11, 2003

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. D. Paul Haden  
Senior Landman  
Mewbourne Oil Company  
500 West Texas  
Suite 1020  
Midland, TX 79701

Re: Estate of David F. Goodnow

Dear Mr. Haden:

David F. Goodnow of 230 Ridgefield Road, Wilton, Connecticut died on May 8, 2003. Mr. Goodnow's [REDACTED] was [REDACTED]. Blair & Potts has been retained by the Executor of Mr. Goodnow's estate, Edward B. Goodnow, to represent the estate.

I enclose:

1. A copy of Mr. Goodnow's death certificate;
2. A copy of the Fiduciary Probate Certificate; and
3. A copy of a letter signed by the Executor authorizing you to provide us with information and documentation concerning Mr. Goodnow's assets.

It is my understanding that prior to Mr. Goodnow's death he received a check in the amount of \$100 in exchange for his interest in Lease No. IC-3633, an oil and gas lease maintained by Mewbourne Oil Company. Please confirm that this is correct, and if so, please forward a revised Assignment of Oil and Gas Lease which indicates that Edward B. Goodnow, as Executor of the Estate of David F. Goodnow, will be the assignor.

In addition, please make a complete review of your records to determine whether David F. Goodnow had any other accounts or dealings with Mewbourne Oil Company or its subsidiaries and affiliates and, if so, please provide me with the following information:

Mr. D. Paul Haden

-2-

August 11, 2003

1. A copy of any lease agreements signed by David F. Goodnow regarding such interest;
2. The fair market value of Mr. Goodnow's interest in the lease as of his date of death; and
3. The amount of Mr. Goodnow's initial investment in the lease.

Thank you very much for your assistance with this matter. If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



Robert A. DeVellis

RAD/MAS:sb  
Enclosures

cc: Edward B. Goodnow, Executor (w/o enclosures)

43goodnow-d.mewbourne.wpd

*Estate of David F. Goodnow  
Edward B. Goodnow, Executor  
17 Contentment Island Road  
Darien, CT 06820*

June 12, 2003

To Whom It May Concern

Re: Estate of David F. Goodnow

Dear Sir or Madam:

As Executor of the Estate of David F. Goodnow, I hereby authorize you to provide Blair & Potts, as attorneys for the Estate, any information or documentation they may request. You may contact them as follows:

Blair & Potts  
Attention: Robert A. DeVellis, Esq.  
P.O. Box 1214  
Stamford, CT 06904-1214  
203-327-2333

Thank you for your cooperation.

Sincerely yours,

  
Edward B. Goodnow

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

August 13, 2003

Mr. David Goodnow  
230 Ridgefield Road  
Wilson, CT 06897

Re: E/2 of Section 14,  
T21S, R27E  
Eddy County, New Mexico

Dear Mr. Goodnow:

To date, I have not received the executed Assignment of Oil & Gas Lease I forwarded to you April 17, 2003 with our check #8898 for \$100.00. At your earliest convenience, please sign the assignment in the presence of a Notary Public and return same to me in the enclosed postage paid envelope. I've enclosed another assignment for your execution in the event you can not locate the previous one mailed to you.

Please call me collect at the above phone number should you have any questions regarding the above. Your cooperation in connection with the above will be greatly appreciated.

Sincerely,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 28, 2003

Mr. David Goodnow  
230 Ridgefield Road  
Wilton, CT 06897

Re: MOC's Esperanza "14" State Com #3 Well  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Goodnow:

According to our records, we have not received the original executed Assignment of Oil and Gas Lease from you regarding your interest in the captioned land. According to our records, I forwarded the assignment for your execution along with our check #8898 on April 17, 2003, (see copy of letter enclosed).

Regarding the above, I've enclosed another Assignment of Oil and Gas Lease for your execution. Please sign same in the presence of a Notary Public and return it to me in the enclosed postage paid envelope at your very earliest convenience.

Should you have any questions regarding the above, please call. Thanks for your cooperation.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 17, 2003

Mr. David Goodnow  
230 Ridgefield Road  
Wilson, CT 06897

Re: Esperanza "14" State Com. #3 Well  
E/2 of Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Goodnow:

Enclosed for your further handling are duplicate originals of an Assignment of Oil and Gas Lease prepared for your execution. Also enclosed is our check #8898 which represents payment in full for your interest in the captioned land regarding the referenced proposed well.

At your early convenience, please sign your name in the presence of a Notary Public in the space provided for each assignment. Have the notary complete the acknowledgment portion. Retain one (1) for your file if you'd like and return one (1) to me in the enclosed envelope provided for your convenience in returning same.

Should you have any questions regarding the above, please call. Your cooperation is greatly appreciated.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 1, 2003

Certified Mail-Return Receipt No. 9955

Mr. David Goodnow  
230 Ridgefield Road  
Wilton, CT 06897

Re: Esperanza "14" State Com. #3 Well  
1980' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Goodnow:

Mewbourne Oil Company (Mewbourne) as Operator, hereby proposes drilling the captioned well at the referenced location to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,900' beneath the surface. The E/2 of the captioned Section 14 will be dedicated to the well for proration unit purposes.

Enclosed for your consideration and further handling regarding the above proposed well is our AFE dated October 29, 2002 which is an estimated well cost for the referenced well. In the event you elect to participate in the subject well, please sign and return the enclosed AFE and I will forward you our Operating Agreement covering such well and land for your execution.

Regarding the above, title examination indicates you own a .00039132 decimal interest in the NE/4 and N/2SE/4 of the captioned Section 14. Accordingly, your respective decimal interest in the well spacing unit is .0002934.

In the event you elect not to participate in the subject well, Mewbourne would be interested in acquiring all of your interest in the NE/4 and N/2SE/4 (240 acres) for \$100.00 cash. Such acquisition would exclude any interest you might own in the Lonetree State Com. #1 Well located in the SE/4NE/4 of the captioned Section 14 which well is currently operated by Devon Energy Production Company, L.P. If you elect to sell your interest as offered, please

Esperanza "14" State Com. #3 Well  
April 1, 2003  
Page -2-

sign and return this letter to me in the enclosed postage paid envelope and I will have an Assignment of Operating Rights prepared for your execution.

Sincerely yours,

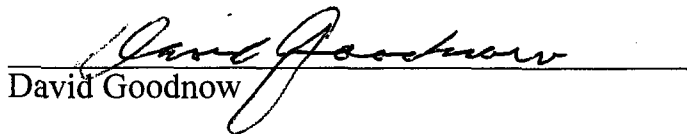
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned accepts the above referenced offer this 9 day of April, 2003.

  
David Goodnow

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

*Mr. David Goodnow  
230 Ridgefield Road  
Wilton, CT 06897*

**APR 03 2003**

2. Article Number

(Transfer from service label)

*7000 0520 0020 9191 9955*

PS Form 3811, August 2001

Domestic Return Receipt

*Esperanza "14" State Com. #3*

102595-02-M-1035

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]*

☒ Agent ☐ Addressee

B. Received by (Printed Name)

*Carla Simke*

C. Date of Delivery

*4/4/03*

D. Is delivery address different from item 1? ☐ Yes ☒ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail ☐ Express Mail

☐ Registered ☒ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

July 8, 2003

Mr. J.W. Gendron  
1280 Encino Drive  
San Marino, CA 91108

Re: Esperanza "14" State Com. #3 Well  
660' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Gendron:

Reference is made to my previous letter dated April 1, 2003 (see copy enclosed) wherein the captioned well was proposed to be drilled at a location 1980' FSL & 1980' FEL of the captioned Section 14. Upon our further geological evaluation of the immediate area, the referenced well is hereby proposed to be drilled by Mewbourne at a location 660' FSL & 1980' FEL in lieu of the previously proposed location 1980' FSL & 1980' FEL of the captioned Section 14.

In the event you elect not to participate in the subject proposed well and if you elect not to be forced pooled at an Examiner's hearing to occur late this August, Mewbourne would be interested in acquiring your interest in the E/2 of the captioned Section 14 on the basis of \$100.00 cash as was previously offered. This offer is available for your acceptance until July 25, 2003 at 4:00 P.M. CDST.

Please call me at (432) 682-3715 should you have any questions regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 1, 2003

Certified Mail-Return Receipt No. 9931

Mr. J.W. Gendron  
1280 Encino Drive  
San Marino, CA 91108

Re: Esperanza "14" State Com. #3 Well  
1980' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Gendron:

Mewbourne Oil Company (Mewbourne) as Operator, hereby proposes drilling the captioned well at the referenced location to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,900' beneath the surface. The E/2 of the captioned Section 14 will be dedicated to the well for proration unit purposes.

Enclosed for your consideration and further handling regarding the above proposed well is our AFE dated October 29, 2002 which is an estimated well cost for the referenced well. In the event you elect to participate in the subject well, please sign and return the enclosed AFE and I will forward you our Operating Agreement covering such well and land for your execution.

Regarding the above, title examination indicates you own a .00058698 decimal interest in the NE/4 and N/2SE/4 of the captioned Section 14. Accordingly, your respective decimal interest in the well spacing unit is .0004401.

In the event you elect not to participate in the subject well, Mewbourne would be interested in acquiring all of your interest in the NE/4 and N/2SE/4 (240 acres) for \$100.00 cash. Such acquisition would exclude any interest you might own in the Lonetree State Com. #1 Well located in the SE/4NE/4 of the captioned Section 14 which well is currently operated by Devon Energy Production Company, L.P. If you elect to sell your interest as offered, please

Esperanza "14" State Com. #3 Well  
April 1, 2003  
Page -2-

sign and return this letter to me in the enclosed postage paid envelope and I will have an Assignment of Operating Rights prepared for your execution.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned accepts the above referenced offer this \_\_\_\_\_ day of April, 2003.

---

J. W. Gendron



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. J. W. Gordon  
1280 Encino Drive  
San Marino, CA 91108

**APR 14 2003**

2. Article Number

(Transfer from service label)

7000 0520 0020 9191 9931

PS Form 3811, August 2001

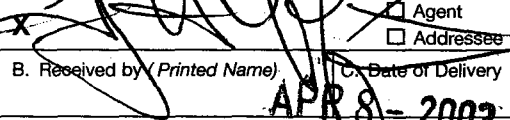
Domestic Return Receipt

102595-02-M-1035

Esperanza "14" State Com. #3

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

**APR 8 - 2003**

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

July 8, 2003

Isaac A. Kawasaki or  
Ruby F. Kawasaki  
c/o James M. Narita  
734 Kalanipuer St.  
Honolulu, HI 96825

Re: Esperanza "14" State Com. #3 Well  
660' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Narita:

Reference is made to my previous letter dated April 1, 2003 (see copy enclosed) wherein the captioned well was proposed to be drilled at a location 1980' FSL & 1980' FEL of the captioned Section 14. Upon our further geological evaluation of the immediate area, the referenced well is hereby proposed to be drilled by Mewbourne at a location 660' FSL & 1980' FEL in lieu of the previously proposed location 1980' FSL & 1980' FEL of the captioned Section 14.

In the event you elect not to participate in the subject proposed well and if you elect not to be forced pooled at an Examiner's hearing to occur late this August, Mewbourne would be interested in acquiring your interest in the E/2 of the captioned Section 14 on the basis of \$100.00 cash as was previously offered. This offer is available for your acceptance until July 25, 2003 at 4:00 P.M. CDST.

Please call me at (432) 682-3715 should you have any questions regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 1, 2003

Certified Mail-Return Receipt No. 0043

Isaac A. Kawasaki or  
Ruby F. Kawasaki  
c/o James M. Narita  
734 Kalanipuer St.  
Honolulu, HI 96825

Re: Esperanza "14" State Com. #3 Well  
1980' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Narita:

Mewbourne Oil Company (Mewbourne) as Operator, hereby proposes drilling the captioned well at the referenced location to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,900' beneath the surface. The E/2 of the captioned Section 14 will be dedicated to the well for proration unit purposes.

Enclosed for your consideration and further handling regarding the above proposed well is our AFE dated October 29, 2002 which is an estimated well cost for the referenced well. In the event the Kawasaki interest elects to participate in the subject well, please sign and return the enclosed AFE and I will forward you our Operating Agreement covering such well and land for your execution.

Regarding the above, title examination indicates Issac A. or Ruby F. Kawasaki owns a .00039132 decimal interest in the NE/4 and N/2SE/4 of the captioned Section 14. Accordingly, the Kawasaki respective decimal interest in the well spacing unit is .0002934.

In the event the Kawasaki interest elects not to participate in the subject well, Mewbourne would be interested in acquiring all of the Kawasaki interest in the NE/4 and N/2SE/4 (240 acres) for \$100.00 cash. Such acquisition would exclude any interest the Kawasaki interest might own in the Lonetree State Com. #1 Well located in the SE/4NE/4 of the captioned

Esperanza "14" State Com. #3 Well  
April 1, 2003  
Page -2-

Section 14 which well is currently operated by Devon Energy Production Company, L.P. If the Kawasakis elect to sell their interest as offered, please sign and return this letter to me in the enclosed postage paid envelope and I will have an Assignment of Operating Rights prepared for your execution.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned accepts the above referenced offer this \_\_\_\_\_ day of April, 2003.

Isaac A. Kawasaki

Ruby F. Kawasaki

By: \_\_\_\_\_  
James M. Narita

By: \_\_\_\_\_  
James M. Narita

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Shoac H. Kawasaka, or  
Ruby F. Kawasaka  
c/o James M. Nanta  
734 Kalanipua St.  
Honolulu, HI 96825

APR 07 2003

## 2. Article Number

(Transfer from service label)

7000 0520 0020 9192 0043

PS Form 3811, August 2001

Domestic Return Receipt

Enclosure "14" State Cm. #3

102595-02-M-10351

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

James M. Nanta (Send) Agent

## B. Received by (Printed Name)

James Nanta

## C. Date of Delivery

4-3-3

D. Is delivery address different from item 1? ☐ Yes ☒ No  
If YES, enter delivery address below:

## 3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

July 8, 2003

Joseph R. Hodge  
P.O. Box 5238  
Austin, Texas 78763

Re: Esperanza "14" State Com. #3 Well  
660' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Hodge:

Reference is made to my previous letter dated April 1, 2003 (see copy enclosed) wherein the captioned well was proposed to be drilled at a location 1980' FSL & 1980' FEL of the captioned Section 14. Upon our further geological evaluation of the immediate area, the referenced well is hereby proposed to be drilled by Mewbourne at a location 660' FSL & 1980' FEL in lieu of the previously proposed location 1980' FSL & 1980' FEL of the captioned Section 14.

In the event you elect not to participate in the subject proposed well and if you elect not to be forced pooled at an Examiner's hearing to occur late this August, Mewbourne would be interested in acquiring your interest in the E/2 of the captioned Section 14 on the basis of \$100.00 cash as was previously offered. This offer is available for your acceptance until July 25, 2003 at 4:00 P.M. CDST.

Please call me at (432) 682-3715 should you have any questions regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 1, 2003

Certified Mail-Return Receipt No. 0081

Joseph R. Hodge  
P.O. Box 5238  
Austin, TX 78763

Re: Esperanza "14" State Com. #3 Well  
1980' FSL & 1980' FEL  
Section 14, T21S, R27E  
Eddy County, New Mexico

Dear Mr. Hodge:

Mewbourne Oil Company (Mewbourne) as Operator, hereby proposes drilling the captioned well at the referenced location to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,900' beneath the surface. The E/2 of the captioned Section 14 will be dedicated to the well for proration unit purposes.

Enclosed for your consideration and further handling regarding the above proposed well is our AFE dated October 29, 2002 which is an estimated well cost for the referenced well. In the event you elect to participate in the subject well, please sign and return the enclosed AFE and I will forward you our Operating Agreement covering such well and land for your execution.

Regarding the above, title examination indicates you own a .0006522 decimal interest in the NE/4 and N/2SE/4 of the captioned Section 14. Accordingly, your respective decimal interest in the well spacing unit is .0004891.

In the event you elect not to participate in the subject well, Mewbourne would be interested in acquiring all of your interest in the NE/4 and N/2SE/4 (240 acres) for \$100.00 cash. Such acquisition would exclude any interest you might own in the Lonetree State Com. #1 Well located in the SE/4NE/4 of the captioned Section 14 which well is currently operated by Devon Energy Production Company, L.P. If you elect to sell your interest as offered, please

Esperanza "14" State Com. #3 Well  
April 1, 2003  
Page -2-

sign and return this letter to me in the enclosed postage paid envelope and I will have an Assignment of Operating Rights prepared for your execution.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

The undersigned accepts the above referenced offer this \_\_\_\_\_ day of April, 2003.

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Joseph R. Hodge



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

*Joseph R. Hodge  
P.O. Box 5238  
Austin, TX 78763*

**APR 1 4 2003**

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

*[Signature]* ☐ Agent ☒ Addressee

**B. Received by (Printed Name)** *J. R. Hodge* **C. Date of Delivery** *4-11-03*

**D. Is delivery address different from item 1?** ☒ Yes ☐ No  
If YES, enter delivery address below:

**3. Service Type**

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

**4. Restricted Delivery? (Extra Fee)** ☐ Yes

**2. Article Number**

(Transfer from service label)

*7000 0520 0020 9192 0081*

PS Form 3811, August 2001

Domestic Return Receipt

*EXP 0520 114 State Univ. #3*

102596-02-M-1035