

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

September 13, 2002

Via Fax 405-552-4550 and Frist Class Mail

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

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

Esperanza "11" State Com. #1 Well  
W/2 of Section 11, T21S, R27E  
Eddy County, New Mexico

Gentlemen:

As previously discussed, the proposed locations were slightly altered per the requests of the BLM for archeological concerns and to reduce cut and fill operations when Mewbourne builds the well locations. Accordingly, the referenced wells are now staked at the following locations:

Esperanza "14" State Com. #1 Well  
685' FSL & 660' FWL of Section 14

Esperanza "11" State Com. #1 Well  
1010' FSL & 660' FWL of Section 11

As to the referenced proposed wells, we would appreciate receiving a decision from Devon as to Devon's participation in the proposed wells prior to September 19, 2002, the scheduled hearing date for the compulsory pooling cases for said wells.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

OIL CONSERVATION DIVISION

CASE NUMBER \_\_\_\_\_

EXHIBIT \_\_\_\_\_

-1

4

**MEWBOURNE OIL COMPANY**

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

**FACSIMILE TRANSMITTAL COVER SHEET**

DATE: 9-13-02

PAGE 1 of 2 PAGES

TO: KEN GRAY COMPANY: \_\_\_\_\_

FACSMILE NO.: \_\_\_\_\_ PHONE NO.: \_\_\_\_\_

FROM: PAUL

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

*Any decisions yet?*

\*\*\*\*\*

**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.

ESPERANZA "11" AND "14"

9-10-02

PER MOC'S BRUCE INSALACO'S (EXPL. MGR.) PHONE CONVERSATION WITH DEVON'S GEORGE DAVIS (GEOL. MGR.) DEVON COUNTER OFFERED MOC'S PROPOSAL WHEREIN DEVON WOULD BE AGREEABLE TO FORMING A WORKING INTEREST UNIT. DEVON PROPOSES THAT THEY PARTICIPATE WITH  $\frac{1}{2}$  OF THEIR INTEREST AND BE CARRIED TO CASING POINT ON THE BALANCE.

AG

ESPERANZA "11" & "14"  
9-6-02

PER KEN GRAY, THEY HOPE TO HAVE AN ANSWER FOR US BY FRIDAY THE 13<sup>TH</sup> AS THEY ARE HAVING A MEETING WITH THEIR MANAGEMENT ON THURS. THE 12<sup>TH</sup>. THEY'LL LET US KNOW OF THEIR DECISION.

A.

9-10-02

KEN GRAY AND KEVIN HARWI OF DEVON ~~WANT TO~~ MET WITH US THIS DATE IN OUR OFFICES. THEY PLAN TO HAVE A DECISION FOR US BY FRIDAY SEPT. 13<sup>TH</sup>

A.

**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:

Devon Energy Production Co.  
20 N. Broadway, Suite 1500  
Oklahoma City, OK 73102  
Attn: Ken Gray

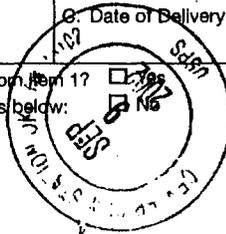
SEP 12 2002

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature **Goodluck Njoku**  Agent  
**X**  Addressee

B. Received by (*Printed Name*) C. Date of Delivery

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

2. Article Number

(*Transfer from service label*)

7000 0520 0020 9191 8770

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

September 6, 2002

Certified Mail-Return Receipt Requested No. 8170

Devon Energy Production Company, L.P.  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102  
Attn: Ken Gray

Re: Esperanza "11" State Com. #1 Well  
W/2 of Section 11, T21S, R27E  
Eddy County, New Mexico

Dear Ken:

Enclosed for your further handling are duplicate originals of our JOA dated September 5, 2002 and applicable AFEs for Devon's execution in the event Devon elects to participate in the subject well.

In the event Devon elects to participate in the captioned well, please have the enclosures executed on behalf of Devon and return one (1) JOA and AFE to me at your earliest convenience. Please call should you have any questions.

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

August 23, 2002

Via Fax (405) 552-4550 and First Class Mail

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

Re: Esperanza "11" State Com. #1 Well  
W/2 of Section 11, T21S, R27E  
Eddy County, New Mexico

Gentlemen:

Reference is made to Mewbourne's previous letter dated August 2, 2002 (see copy attached) regarding the proposed captioned Morrow test well. To date we have not received a decision from Devon as to its participation in the proposed well. For Mewbourne to avoid the necessity for filing an application for compulsory pooling, we would appreciate receiving a written response from Devon at the earliest possible date as to its participation in the referenced well.

According to our title examination of the captioned land, Devon owns 100% of the operating rights in the N/2S/2 and 78.866525% of the operating rights in the S/2S/2 of the captioned Section 11.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

ESPERANZA "11" ST. COM #1

DEVON - KEN GRAY

KEN CALLED THIS DATE TO FIND OUT WHAT % INTEREST DEVON OWNED. I ADVISED KEN THAT DEVON OWNED 100% IN N $\frac{1}{2}$ S $\frac{1}{2}$  AND 78.866525% IN S $\frac{1}{2}$ S $\frac{1}{2}$ . ON A UNIT BASIS THEY OWNED 44.71664% IN THE W $\frac{1}{2}$ . HE'S SENDING OUR PROPOSAL THROUGH THEIR EVALUATION SYSTEM. HE'LL GET BACK WITH US. *RA* 8/7/02

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  X <i>Goodluck Nyoka</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ G. Date of Delivery _____</p>
<p>1. Article Addressed to:</p> <p>Devon Energy Production Co.  20 North Broadway, Suite 1500  Oklahoma City, Oklahoma 73102  Attn: Ken Gray</p> <p style="text-align: center;"><b>AUG 07 2002</b></p>	<p>D. Is delivery address different from Item # _____ <input type="checkbox"/> Yes  If YES, enter delivery address below _____ <input type="checkbox"/> No</p> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number  (Transfer from service label)</p>	<p><i>7000 0520 0020 9191 7838</i></p>

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

*Esperanza "11" State Com. #1*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

August 2, 2002

Certified Mail-Return Receipt Requested No. 7838

Devon Energy Production Company, L.P.  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102  
Attn: Ken Gray

Re: Esperanza "11" State Com. #1 Well  
660' FSL & 660' FWL  
Section 11, 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 W/2 of the captioned Section 11 will be dedicated to the well.

Enclosed for your further handling regarding the above proposed well are two (2) copies of our AFE dated July 30, 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 eighteen (18) month term assignment of your interest under all of the captioned Section 11 on the basis of \$200.00 per net acre wherein Mewbourne would be delivered a 80% net revenue interest lease.

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

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb