

La Rica Prospect  
Section 32-18S-34E  
Lea County, New Mexico

**Contact Summary**

Texaco

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 10974 Exhibit No. 3

Submitted by: Mewbourne Oil Company

Hearing Date: June 9, 1994

8-92 Sent offer letter to Texaco to purchase their interest.  
7-92 Talked w/Ron Lanning w/Texaco in Denver (303) 793-4244.  
Sent offer letter for all right, title & interest in Sec.  
32. Texaco will evaluate and get back. Said they may  
wait to be force pooled.  
13-92 Called Ron Lanning w/Texaco they are evaluating our  
offer. It is in their system but they have a new  
geologist working Lea County. He said that they would  
respond before the end of 1992.  
10-26-92 Sent letter to Texaco extending time in which to elect to  
our offer.  
11-18-92 Ron Lanning said that it would be summer of 1993 before  
Texaco would consider selling any interest in Lea County,  
N.M. Said to expect a rejection letter shortly.  
12-04-92 Rejection letter from Texaco to our 8-28-92 offer letter.  
07-15-93 Proposed 13,700' Morrow well to Texaco.  
Called Ron Lanning at Texaco and told him MOC was  
proposing the well.  
07-16-93 Per Ron Lanning, Texaco will not be ready to even look at  
our proposal for a month or longer. He suggested that  
MOC force pool their interest.  
07-29-93 Met with Ron Lanning and David Sleeper @ Texaco in  
Denver. They advised that they have sent all of the  
paperwork to their farmout group in Midland and that it  
will be 4-6 months before they have a recommendation as  
to what they should do covering our well proposal and  
farmout request. Ron Lanning suggested that MOC pool  
their interest. We advised them that we didn't want to  
pool them if we did not have to.  
08-13-93 Sent follow-up letter.  
08-24-93 Talked to David Sleeper w/Texaco. He advised that they  
were still looking at the deal. Said that they would  
probably do something with us.  
08-25-93 Telephone conversation w/David he advised that he thought  
Texaco would make a deal and that he would get back with  
us next week.  
08-31-93 David Sleeper called and advised they will do something  
pretty quick. Told him that we filed our pooling  
application and that we wanted to drill this well in the  
first part of October '93 and that we had to forge ahead  
with our plans. Notice of pooling hearing faxed to  
Texaco.  
09-07-93 David Sleeper advised that they were very close to making  
a deal. They were leaning towards a farmout to MOC. I  
asked if they would consider a term assignment. He said  
that they hadn't thought of that & that they would give  
it some thought.  
09-13-93 Per David, Texaco will not make up their minds on what to  
do until we had a deal with Unocal. Reiterated to him  
that we don't want to go to the NMOCD and pool them. We  
have been trying to make a deal for over 1 1/2 years but  
they have left us no choice. He said he understood our  
position.  
09-15-93 Called and left message on David's voice mail.  
09-16-93 Called and left message on David's voice mail.  
09-17-93 Called and left a message. Told Texaco on the answering  
machine that MOC would not disclose the terms of our  
trade with Unocal to them.

09-20-93 Called and left a message.  
09-22-93 Talked with David, he advised that he wanted to know the configuration of the proration unit in Sec. 32 before they made a deal with us. Advised him we were pooling an E/2 proration unit. At 4:00 p.m. called and advised that we were continuing the hearing until the 7th of October in order to try and work something out with them.  
10-06-93 Told David that we were again going to continue the hearing. He said ok and said their position had not changed. They would make a deal with us.  
10-14-93 Amended our application to a S/2 unit at the request of Texaco.  
11-01-93 Talked with David and faxed him a copy of our amended application. He advised that Texaco would want a back-in on a farmout. Told him we were not offering a back-in. He said that Texaco would consider our previous proposals and get back to us.  
11-03-93 Called David and advised that MOC was sending Texaco an amended application changing our proration unit from an E/2 unit to a S/2 unit. He said again that he thought that they could make a deal "pretty quick" with us and that we shouldn't have to pool them.  
11-10-93 Called and left a message. Asked Texaco to either farmout, sell us an assignment or participate. Asked David to advise us if we can make a trade so we don't have to force pool their interest.  
02-16-94 Dismissed our Pooling application and proposed a 10,700' Bone Spring well to Texaco.  
03-09-94 Follow up letter to Texaco to our proposal of 2-16-94.  
03-28-94 Called, left message.  
04-05-94 Called, left message.  
04-06-94 Phone call and follow-up letter was sent.  
04-21-94 Phone conversation with David, will have to visit with Midland office and get back with you.  
05-02-94 Phone conversation with David, still do not have an answer for you.  
05-03-94 Phone conversation with David, we may contact their Midland office direct. He did not have a problem with this. Sent follow-up letter.  
05-16-94 Sent follow-up letter.  
05-20-94 Ken Waits telephone conversation with Mr. Chuck Atherton in the Midland, Texas office. Mr. Atherton advised he will get back to us A.S.A.P.  
06-01-94 Advised David that we are going ahead with our pooling on June 9, 1994 - he said he did not have a problem with that. Sent follow-up letter.

# MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

-----  
(915) 682-3715

FAX (915) 685-4170

June 1, 1994

CERTIFIED MAIL - RETURN RECEIPT REQUESTED P175 142 545

Texaco Exploration and Production, Inc.  
P.O. Box 2100  
Denver, Colorado 80201

Attn: Mr. David Sleeper

Re: La Rica Prospect  
La Rica "32" State #1 Well  
Section 32-18S-34E  
Lea County, New Mexico

Gentlemen:

Confirming our telephone conversation of this date, Mewbourne Oil Company plans to have its Pooling Hearing on June 9, 1994 for the captioned well.

As discussed we desire to avoid the necessity of having to pool your interest and ask that you contact the undersigned prior to said pooling date in hopes that we can reach a mutually acceptable agreement as to the status of your interest in the proposed well and associated W/2SE unit.

Sincerely,

MEWBOURNE OIL COMPANY



Steve Cobb  
District Landman

SC:jls

# MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 16, 1994

CERTIFIED MAIL - RETURN RECEIPT REQUESTED P175 142 542

Texaco Exploration and Production, Inc.  
P.O. Box 2100  
Denver, Colorado 80201

Attn: David Sleeper

Re: La Rica Prospect  
La Rica "32" State #1 Well  
Section 32-18S-34E  
Lea County, New Mexico

Gentlemen:

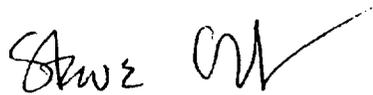
As you are aware our Pooling Hearing to be heard before the New Mexico Oil Conservation Division for the captioned well has been continued until May 26, 1994.

Per our discussion, we have reached an agreement with all parties involved in this proposed well and associated W/2SE/4 Unit with the exception of Texaco Exploration and Production, Inc.

We desire to avoid the necessity of having to pool your interest and ask that you contact the undersigned as to any questions or comments you may have in this matter.

Sincerely,

MEWBOURNE OIL COMPANY

  
Steve Cobb  
District Landman

SC:jls

UNITED STATES POSTAL SERVICE

Official Business



MAY 26 1991

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300



Print your name, address and ZIP Code here

Mewbourne Oil Company  
Attn: *Jerri*  
500 W. Texas, #1020  
Midland, TX 79701

10



Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

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

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

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

Consult postmaster for fee.

3. Article Addressed to:

Texaco Exploration and  
Production, Inc.  
Attn: David Sleeper  
P.O. Box 2100  
Denver, CO 80201

4a. Article Number

P175 142 542

4b. Service Type

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

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

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

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 \*U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

La RICA "32" State #1

# MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

May 3, 1994

CERTIFIED MAIL - RETURN RECEIPT REQUESTED P175 142 537

Texaco Exploration and Production, Inc.  
P.O. Box 2100  
Denver, Colorado 80201

Attn: Mr. David Sleeper

Re: La Rica Prospect  
La Rica "32" State #1 Well  
Section 32-18S-34E  
Lea County, New Mexico

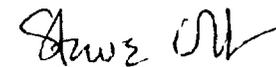
Gentlemen:

Per our conversation of this date, Mewbourne Oil Company plans to have its Pooling Hearing for the captioned well heard before the New Mexico Oil Conservation Division on May 12, 1994.

As of this date, we have not received a response from you as to the status of your interest and ask that you contact the undersigned as to any questions or comments you may have in this matter.

Sincerely,

MEWBOURNE OIL COMPANY

  
Steve Cobb  
District Landman

SC:jlz

UNITED STATES POSTAL SERVICE

Official Business



PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE \$300



Print your name, address and ZIP Code here

Mewbourne Oil Company  
Attn: Steve  
500 W. Texas, #1020  
Midland, TX 79701

10



Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

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

Consult postmaster for fee.

3. Article Addressed to:

Texaco Exploration and  
Production, Inc.  
Attn: David Sleeper  
P.O. Box 2100  
Denver, CO 80201

4a. Article Number

P175 142 537

4b. Service Type

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

7. Date of Delivery

5/6

5. Signature (Addressee)

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

6. Signature (Agent)

PS Form 3811, December 1991 U.S. G.P.O. 1993-352-711

DOMESTIC RETURN RECEIPT

Larica "32" State #1

Thank you for using Return Receipt Service.

# MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 6, 1994

Texaco Exploration and Production, Inc.  
P.O. Box 2100  
Denver, Colorado 80201

Attn: Mr. David Sleeper

Re: La Rica Prospect  
La Rica "32" State #1 Well  
Section 32-18S-34E  
Lea County, New Mexico

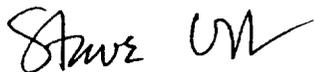
Gentlemen:

Pursuant to our conversation of this date concerning your interest in the captioned well, Mewbourne Oil Company plans to have its Pooling Hearing before the New Mexico Oil Conservation Division on May 12, 1994.

As discussed, we would like to reach an agreement as to the status of your interest prior to said hearing and ask that you contact the undersigned as to any questions you should have in this matter.

Sincerely,

MEWBOURNE OIL COMPANY



Steve Cobb  
District Landman

SC:jls

*See file*

**MEWBOURNE OIL COMPANY**

500 W, TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

March 9, 1994

Texaco Exploration and Production Inc.  
P.O. Box 2100  
Denver, Colorado 80201

Attn: Mr. David Sleeper

Re: La Rica Prospect  
La Rica "32" State #1 Well  
Section 32-18S-34E  
Lea County, New Mexico

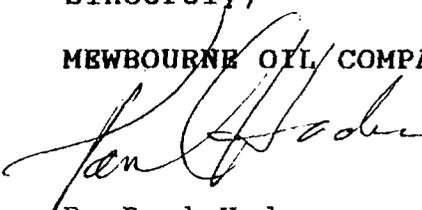
Gentlemen:

This is in follow up to our proposal letter of February 16, 1994 wherein Mewbourne Oil Company proposed drilling the captioned Bone Spring well. At your earliest convenience, please respond regarding said proposal.

Should you have any questions regarding the above please do not hesitate to contact Steve Cobb of this office or the undersigned.

Sincerely,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Landman

DPH:jls

# MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 16, 1994

CERTIFIED MAIL - RETURN RECEIPT REQUESTED - P155 142 902

Texaco Exploration and Production Inc.  
P.O. Box 2100  
Denver, Colorado 80201

Attn: Mr. David Sleeper

Re: La Rica Prospect  
La Rica "32" State #1 Well  
Section 32-18S-34E  
Lea County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) withdraws its previous 13,700' Morrow well proposal dated July 15, 1993 covering the captioned lands and hereby proposes the drilling of the captioned well to a depth sufficient to adequately test the Bone Spring formation, anticipated total depth being 10,700'. Furthermore, Mewbourne shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The W/2SE of the captioned Section 32 will be dedicated as the proration unit for the well.

This well will be located approximately 1980' FSL & 1980' FEL of Section 32-18S-34E, Lea County, New Mexico. Our AFE dated February 10, 1994 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completion of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE or by prior written request we will forward our Joint Operating Agreement for your review and execution.

In the event you do not wish to participate, we would welcome the opportunity to acquire your interest under mutually acceptable terms.

Your earliest response to this proposal would be greatly appreciated.

Should you have any questions, please do not hesitate to call.

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in cursive script, appearing to read "Steve Cobb".

Steve Cobb  
District Landman

SC:jls

MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE

Prospect: La Rica Bone Spring

Field:

Well Name and No. La Rica "32" State #1

Location: 1980' FSL & 1980' FEL

Section: 32

Block

Township: 18S

Range: 34E

County: Lea

State: New Mexico

Proposed Depth: 10,700'

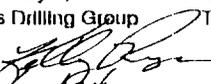
DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	2700	600
301	Location, Roads and Surveys	20000	1500
302	Footage or Turnkey Drilling	189000	0
303	Day Work	8800	0
304	Fuel, Water and Other	16700	0
305	Completion/Workover Rig	0	20000
306	Mud and Chemicals	12000	0
307	Cementing	16000	27000
308	Logging and Wireline	18000	6500
309	Casing-Tubing Services	1200	2700
310	Mud Logging	4000	0
311	Testing	0	0
312	Treating	0	55000
313	Coring	0	0
320	Transportation	2500	3500
321	Welding and Construction Labor	1500	1000
322	Contract Supervision	0	0
330	Equipment Rental	5000	6000
334	Well/Lease Legal/Tax	3500	0
335	Well/Lease Insurance	6400	0
350	Intangible Supplies	300	300
360	Pipeline ROW and Easements	0	0
367	Pipeline Interconnect	0	0
375	Company Supervision	31500	10000
380	Overhead Fixed Rate	7850	4000
399	Contingencies	6939	2780
Total Intangibles		\$353,889	\$141,780
TANGIBLE COST 181			
	Conductor Casing	0	0
	Surface Casing 13 3/8" @ 350'	5800	0
	Intermediate Casing 9 5/8" @ 3,200'	37000	0
	Production Casing 5 1/2" @ 10,700'	0	65000
	Production Casing	0	0
	Tubing 2 7/8" @ 10,700'	0	26000
860	Drilling Head	3400	0
865	Tubing Head	0	3100
870	Upper Section	0	6500
875	Sucker Rods	0	10000
880	Packer, Pump & Other Subsurface	0	8000
885	Pumping Unit & Prime Mover + Electricity	0	47000
890-1	Tanks (Steel & Fiberglass)	0	8000
894-5	Separation Equipment (fired, Non-fired)	0	6000
898	Metering Equipment	0	0
900	Line Pipe	0	4000
905	Valves	0	2000
906	Miscellaneous Fittings & Accessories	0	8000
910	Production Equipment Installation	0	15000
920	Pipeline Construction	0	0
Total Tangibles		\$46,200	\$208,600
SUBTOTAL		\$400,089	\$350,380
TOTAL WELL COST		\$750,469	

Date Prepared: February 8, 1994

SUBTOTAL

Prepared By: Hobbs Drilling Group

TOTAL WELL COST

Company Approval: 

Date Approved: 2/10/94

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount:

UNITED STATES POSTAL SERVICE

Official Business



PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300



FEB 22 1994

Print your name, address and ZIP Code here

Mewbourne Oil Company  
Attn: La Rica - 32 #1  
500 W. Texas, #1020  
Midland, TX 79701



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**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete Items 3, a, and b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
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I also wish to receive the following services (for an extra fee):

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

Consult postmaster for fee.

3. Article Addressed to:  
Texaco Exploration and  
Production Inc.  
P.O. Box 2100  
Denver, CO 80201

4a. Article Number  
P155 142 902

- 4b. Service Type
- Registered  Insured
  - Certified  COD
  - Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
2-18

5. Signature (Addressee)

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

6. Signature (Agent)  
BWK

Thank you for using Return Receipt Service.

La Rica Prospect "32" #1

MEWBOURNE OIL COMPANY

FAX TRANSMITTAL COVER SHEET

DATE: August 31, 1993  
TO: David Sleeper (303) 793-4150  
COMPANY: Texaco Exploration and Production, Inc.  
FROM: Mike Bognit  
COMPANY: Mewbourne Oil Company - Midland

PAGES TO FOLLOW: 1

REMARKS: RE: LARICA "32" State No. 1 well  
1980' FSL & 1980 FEL of Section 32  
Twp. 18-S, Rge. 34-E, Leas Co. New Mexico

David attached is the pooling notice sent to Texaco yesterday. I am hopeful that our companies can reach a voluntary agreement for the drilling of the captioned well and that we will not have to pool your interest. Call me should you have any questions or need further information.

If you have problems receiving this fax, please call (915) 682-3715.

Thanks!

*Mike*

# MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

August 18, 1993

Texaco Exploration and Production, Inc.  
P. O. Box 2100  
Denver, Colorado 80201

Attn: David Sleeper

Re: LaRica Prospect  
LaRica "32" State No. 1 Well  
1930' FSL & 1980' FEL of  
Section 32, Twp. 18-S, Rge. 30-E  
Lea County, New Mexico

Gentlemen:

To date we have had no response from Texaco Exploration and Production Inc. regarding Mewbourne Oil Company's proposed LaRica "32" State No. 1 well.

If we can provide any additional information or answer any questions in this regard, please advise.

Sincerely,

Mewbourne Oil Company

  
Mike Eogart  
Landman

# MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

July 15, 1993

CERTIFIED MAIL - RETURN RECEIPT REQUESTED P 155 142 972

Texaco Exploration and Production, Inc.  
P. O. Box 2100  
Denver, Colorado 80201

Attn: Mr. Ron Lanning

Re: LaRica Prospect  
LaRica "32" State No.1 Well  
1980' FSL & 1980' FEL of  
Section 32-T18S-R34E  
Lea County, New Mexico

Gentlemen:

Subject to final management approval, Mewbourne Oil Company (Mewbourne) hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 13,700'. Furthermore, Mewbourne shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well.

This well will be located approximately 1980' FSL and 1980' FEL of Section 32-T18S-R34E, Lea County, New Mexico. Our AFE dated July 8, 1993 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completion of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE or by prior written request we will forward our Joint Operating Agreement for your review and execution.

In the event you do not wish to participate, Mewbourne respectfully requests you elect one of the following options as to your interest:

- 1) Farmout all of your interest in Section 32-T18S-R34E, Lea County, New Mexico for a period of 180 days to Mewbourne under the following general terms:

Texaco Exploration and Production, Inc.  
July 15, 1993  
Page 2

- (A) If any well drilled under the terms of our farmout agreement results in oil and/or gas production on a proration unit that includes your acreage, Mewbourne will earn an assignment of 100% of your rights and interest, free of any liens or encumbrances, in the proration unit assigned to each well to a depth of 100' below the total depth drilled for each well.
- (B) Upon completion of the initial test well as a producer or dry hole, Mewbourne would have the recurring option, but not the obligation, to commence additional wells on New Mexico Oil Conservation Division approved proration units that include your acreage to establish oil and/or gas production under the captioned lands. If any such option is exercised by Mewbourne, Mewbourne agrees to allow not more than 180 days to elapse between the completion of one well and the commencement of operations for any next well.
- (C) You will retain an overriding royalty interest equal to the difference, if any, between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens or lawful claims upon production to which your leases may be currently subject, so that Mewbourne will be assigned a 75% net revenue interest in your lease(s). Such overriding royalty interest retained by you shall be subject to proportionate reduction.
- (D) Upon acceptance of our farmout proposal you agree to furnish at no cost to Mewbourne, title information such as copies of the leases covering the captioned lands, title opinions currently in your possession, title curative, letter agreements and any contracts currently in effect, etc.

Should the above general terms be acceptable our formal Farmout Agreement will be provided under separate cover.

- 2) Sell all of your right, title and interest in this Section subject to title approval, for \$225.00 per net acre delivering an 87.50% net revenue interest to Mewbourne.

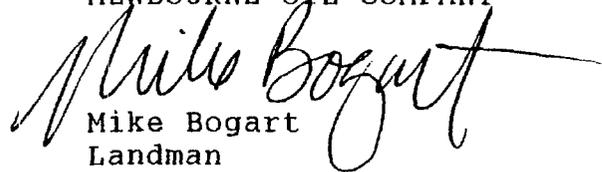
As we anticipate drilling the captioned well in the near future your earliest response to this proposal would be greatly appreciated.

Texaco Exploration and Production, Inc.  
July 15, 1993  
Page 3

Should you have any questions, please do not hesitate to call.

Sincerely,

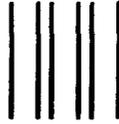
MEWBOURNE OIL COMPANY

  
Mike Bogart  
Landman

MB/klc

UNITED STATES POSTAL SERVICE

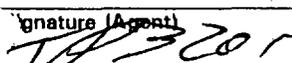
Official Business



PENALTY FOR PRIVATE USE, \$300

Print your name, address and ZIP Code here

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

<b>IDER:</b> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:  TEXACO EXPLORATION & PROD. P. O. BOX 2100 DENVER, COLORADO 80201 ATTN: RON LANNING		4a. Article Number P 155 142 972	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery 7/11	
5. Signature (Addressee)  Signature (Agent) 		8. Addressee's Address (Only if requested and fee is paid)  	



Texaco Exploration and Production Inc  
Western E&P Region

P O Box 2100  
Denver CO 80201  
4601 DTC Boulevard  
Denver CO 80237

RECEIVED  
DEC 10 1992

December 4, 1992

**82216 - State of New Mexico B-1565 (TPI)**

Lea County, New Mexico  
SE/4 NE/4, SW/4 SE/4 Sec. 32, T-18-S, R-34-E  
NM-92-42

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

Gentlemen:

Thank you for your August 28, 1992 letter offering to purchase Texaco's interest in the subject lands. We have reviewed your offer and are not interested in a trade at this time.

Very truly yours,

TEXACO EXPLORATION AND PRODUCTION INC.

Ronald W. Lanning  
West Region Landman

RWL:

JJM



OFFICIAL SPONSOR  
OF THE 1992  
U.S. OLYMPIC TEAM

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

915 / 682-3715

October 26, 1992

Texaco USA Inc.  
P. O. Box 2100  
Denver, Colorado 80201

Attn: Ron Lanning

RE: La Rica Prospect  
Section 32-18S-34E N.M.P.M.  
SE/4NE/4 and SW/4 SE/4  
Lea County, New Mexico

Gentlemen:

Reference is made to my letter dated August 28, 1992 wherein Mewbourne Oil Company (Mewbourne) offered to purchase Texaco Exploration and Production Inc.'s (Texaco) interest in the captioned land (copy attached). Mr. Ron Lanning has advised that due to personnel changes, Texaco will need additional time to evaluate our offer. Mewbourne hereby extends its offer to purchase Texaco's interest in the captioned section until January 1, 1993.

Sincerely,

MEWBOURNE OIL COMPANY

  
Mike Bogart  
Landman

MB/klc  
Enclosure

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

915 / 682-3715

August 28, 1992

Texaco USA, Inc.  
P. O. Box 2100  
Denver, Colorado 80201

Attn: Mr. Ron Lanning

Re: State Lease No. B-1565  
Section 32-18S-34E N.M.P.M.  
SE/4NE/4 and SW/4 SE/4  
Lea County, New Mexico

Gentlemen:

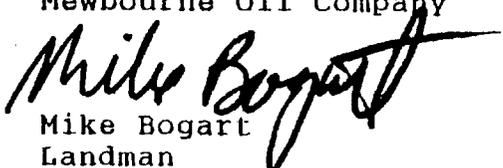
The county records indicate that Texaco Exploration and Production, Inc. (Texaco) owns 80.00 net leasehold acres in the captioned section 32-18S-34E N.M.P.M., Lea County, New Mexico. The records also reflect that Texaco has an 87.50% net revenue interest in said leasehold.

Mewbourne Oil Company (Mewbourne) hereby offers to purchase all of Texaco's interest in State Lease No. B-1565 insofar as it pertains to the SE/4NE/4 and SW/4SE/4 of said Section 32 for \$18,000.00 subject to the following:

- 1) This offer shall be valid for 60 days.
- 2) Texaco agrees to furnish Mewbourne with an assignment and bill of sale acceptable to Mewbourne conveying operating rights and leasehold interest in the captioned land free of any burdens or encumbrances.
- 3) This offer is subject to Mewbourne's review and approval of title.

Your earliest attention to this offer is most appreciated. Should you have any questions, please feel free to contact the undersigned.

Sincerely,  
Mewbourne Oil Company

  
Mike Bogart  
Landman

MT/klc