

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Case No: 10,214

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as
required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701
(915) 682-3715
Attention: D. Paul Haden

ATTORNEY

James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
500 Marquette, N.W.
Suite 800
Albuquerque, N.M. 87102
(505) 768-1500

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all interests and all
pools/formations underlying the E $\frac{1}{2}$ of Section 29-20 South-27
East. Applicant also requests that it be designated
operator of the well, and that a 200% risk penalty be
imposed on non-consenting interest owners. As reason
therefor, Mewbourne states that there are interest owners
who have failed or refused to voluntarily join in the well.

OPPOSITION OR OTHER PARTY

This case may be opposed by Oxy U.S.A., Inc.

PROPOSED EVIDENCE

APPLICANT

	WITNESS	EST. TIME	EXHIBITS
1.	D. Paul Haden (Landman)	15 minutes	(a) Land Plat (b) Correspondence (c) AFE (d) Notice letter
2.	David Overton (Geologist)	10 minutes	(a) Structure Map (b) Porosity isopach (c) Cross-section

OPPOSITION

	WITNESS	EST. TIME	EXHIBITS
--	---------	-----------	----------

PROCEDURAL MATTERS

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By James Bruce
James Bruce
500 Marquette, N.W.
Suite 800
Albuquerque, N.M. 87102
(505) 768-1500

Attorneys for Applicant

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

JAN 1971
OIL CONSERVATION DIVISION

CASE NO. 10214

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by OXY USA,
INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

(name, address, phone
and contact person)

Mewbourne Oil Company

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
500 Marquette, N.W.
Albuquerque, NM 87102
(505) 768-1500

OPPOSITION OR OTHER PARTY

(name, address, phone
and contact person)

OXY USA, Inc.
P.O. Box 50250
Midland, TX 79710
(915) 685-5913
Attn: Richard Foppiano

ATTORNEY

W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Pre-hearing Statement
NMOCD Case No. 10214
Page 2

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

OXY USA, Inc. has reached a voluntary agreement with Mewbourne for the subject well and should be dismissed from the pooling case.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
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OPPOSITION

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Richard Foppiano	15 Min.	4

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

Motion to Dismiss OXY USA, Inc. from this case because it has reached a voluntary agreement with the application in the subject well.

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin

P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

JAN 61

OIL CONSERVATION DIVISION

CASE NO. 10214

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by OXY USA,
INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

(name, address, phone
and contact person)

Mewbourne Oil Company

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
500 Marquette, N.W.
Albuquerque, NM 87102
(505) 768-1500

OPPOSITION OR OTHER PARTY

(name, address, phone
and contact person)

OXY USA, Inc.
P.O. Box 50250
Midland, TX 79710
(915) 685-5913
Attn: Richard Foppiano

ATTORNEY

W. Thomas Kellahin
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NMOCD Case No. 10214
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KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10214

APPLICATION OF

Mowbourne

PRE-HEARING STATEMENT

This prehearing statement is submitted by _____
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

Oxy USA

Rick Faggiano

name, address, phone and
contact person

ATTORNEY

Jim Bruce

ATTORNEY

WDK

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

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OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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Rick Foppiano PE	15 Min.	4
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PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing)

Motion to ~~Fix~~ Dismiss OXY USA Inc from this case because
it has reached a voluntary agreement with the applicatn
in the ~~xxxxx~~ subject well.

Signature

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT RECEIVED
OIL CONSERVATION DIVISION

JAN

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

OIL CONSERVATION DIVISION

CASE NO. 10214

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by OXY USA,
INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT
(name, address, phone
and contact person)

ATTORNEY

Mewbourne Oil Company

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
500 Marquette, N.W.
Albuquerque, NM 87102
(505) 768-1500

OPPOSITION OR OTHER PARTY
(name, address, phone
and contact person)

ATTORNEY

OXY USA, Inc.
P.O. Box 50250
Midland, TX 79710
(915) 685-5913
Attn: Richard Foppiano

W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Pre-hearing Statement
NMOCD Case No. 10214
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PROPOSED EVIDENCE

APPLICANT

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

Richard Foppiano

15 Min.

4

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

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KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10214

APPLICATION OF
Mowbourne

PRE-HEARING STATEMENT

This prehearing statement is submitted by _____
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

Oxy USA

Rick Faggiano

name, address, phone and
contact person

ATTORNEY

Jim Bruce

ATTORNEY

WK

STATEMENT OF CASE

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Rick Foppiano PE	15 Min.	4
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PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing)

Motion to ~~Fix~~ Dismiss OXY USA Inc from this case because
it has reached a voluntary agreement with the applicatn
in the ~~xxxxx~~ subject well.

Signature

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800
ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500

FAX (505) 768-1529

OF COUNSEL
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD

CLARENCE E. HINKLE (90-1985)
W. E. BONDURANT, JR. (9-1-1973)
ROY C. SNODGRASS, JR. (9-4-1987)

January 2, 1991

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACAR*
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PTTIS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
FRANKLIN H. MCCALLUM*
GREGORY J. NIBERT

DAVID T. MARKET*
MARK C. DOW
KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
JAMES M. HUDSON

RAYMOND HAMILTON
STANLEY K. KOTOVSKY
BETTY H. LITTLE*
JEFFREY S. BAIRD*
RUTH S. MUSGRAVE
HOWARD R. THOMAS
PATRICIA A. WATTS
NANCY AUGUSTUS
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
PAUL R. NEWTON
WILLIAM R. JOHNSON
ELLEN S. CASEY
S. BARRY FAISNER
MARGARET CARTER LUDEWIG
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JERRY D. WORSHAM II
JOHN R. KULSETH, JR.
TONY CONNERS*

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA NATIONAL BANK BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554

*NOT LICENSED IN NEW MEXICO

Ms. Florene Davidson
New Mexico Oil Conservation
Division
P. O. Box 2088
Santa Fe, New Mexico 87504

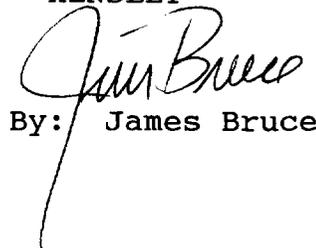
Dear Florene:

Enclosed for filing are pre-hearing statements for the following cases:

10,175 (Maralex);
10,141 (Samuel Gary Jr. & Associates);
10,209 (Petroleum Corp.);
10,210 (Santa Fe);
10,211 (Santa Fe);
10,212 (Santa Fe);
10,213 (Mewbourne); and
10,214 (Mewbourne).

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY


By: James Bruce

JB:le
Enclosures

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

March 12, 1991

OIL CONSERVATION DIVISION
RECEIVED
MAR 14 9 36

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Catanach
DAL
File
Coex 10/14

Attention: Mr. William J. LeMay
Director

RE: Federal "Z" #1 Well
Case No. 10214
Order No. R-9414

Gentlemen:

In reference to paragraph 15 of the captioned order, the following are the known heirs at law of the Estate of Myrtle Stubblefield, Deceased, who were named in the testimony presented in the above recited Case No. 10214:

The Heirs at Law of Myrtle Stubblefield, who apparently are the following:

Alma Johnson Hoyt, as
her separate property
(Leased)-----1/32

Kathryn Sheats Johnson, as
her separate property
(Leased)-----1/32

Marie Cleveland George,
as her separate property
(Leased)-----1/80

Edna Laura Criswell Blankenship,
as her separate property
(Leased)-----1/80

Mary Josephine Criswell Lee,
as her separate property
(Leased)-----1/80

John Claude Criswell,
as his separate property
(Leased)-----1/80

Jesse Harold Criswell,
as his separate property
(Leased)-----1/80

The Heirs or Devisees of
John C. Moore, presumably
being Charles B. Moore and
William C. Moore
(Unleased, Uncommitted)-----1/80

Velma Walters Moore, as
her separate property
(Leased)-----1/120

Billie Beth Moore, as
her separate property
(Leased)-----1/240

John M. Russell, as
his separate property
(Leased)-----1/160

Olive Aileen Mantooth,
as her separate property
(Leased)-----1/160

M. Josephine Moore Hamilton,
as her separate property
(Leased)-----1/80

Marjorie O. Moore Harper,
as her separate property
(Leased)-----1/80

Hettie Patton Davis, as
her separate property
(Leased)-----1/256

The Heirs or Devisees of
Donald Carlos Davis
(Leased)-----3/256

Carol Mae Davis, as
her separate property
(Leased)-----1/64

Lena Mae Ellis, as
her separate property
(Leased)-----1/32

Of the above named heirs, the following are the only known heirs who would not voluntarily commit their interest to Mewbourne's Federal "Z" #1 well located in the E/2 of Section 29, T20S, R27E, Eddy County, New Mexico:

- (1) The Heirs or Devisees of John C. Moore, presumably being Charles B. Moore and William C. Moore

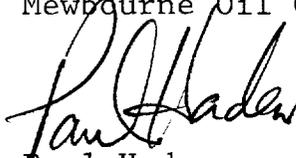
Regarding the above, Mewbourne Oil Company hereby exercises its rights granted under the provisions of the captioned compulsory pooling order to force pool the above stated uncommitted interest owners and unknown heirs of the Estate of Myrtle Stubblefield, Deceased as the time period for voluntary commitment has long since expired.

Enclosed for your file in connection with the above are copies of our correspondence and copies of the certified mail return receipts effecting the above forced pooled owners.

Please advise should you require anything further regarding the above.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

PH/nb
enclosures

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

February 15, 1991

Charles B. Moore
Box 6 Stump Road
Southampton, PA 18966-0006

RE: T20S, R27E
Section 29: SW/4NE/4,
NE/4SW/4 and W/2SE/4
Eddy County, New Mexico

Dear Mr. Moore:

As instructed this date by Richard Moore, enclosed for your further handling is an oil and gas lease with bank draft covering your 1/160 mineral interest under the captioned 160 acre tract of land. As agreed, we are purchasing a lease from you on the basis of \$100.00 per net mineral acre for a three (3) year paid-up lease providing for a 3/16 royalty interest in the event oil and/or gas production is established under the captioned land or land pooled therewith.

Regarding the above, please execute the lease in the following procedure:

- (1) In the presence of a Notary Public, please sign your name exactly as typed on the front of the lease.
- (2) Have the notary complete the acknowledgement on the back of the lease and affix notary seal.
- (3) Endorse the bank draft and have your bank forward the executed lease with the bank draft to our bank in Tyler, Texas for collection. If your bank requires a collection fee, we will pay it as a part of the transaction.
- (4) Keep the copy of the lease for your file.

As we now have a lease from you covering your mineral interest under the captioned land, you can now disregard the provisions of the compulsory pooling order previously sent to you as your interest is no longer subject to it, as explained to your son.

Your cooperation in connection with this trade is greatly appreciated. Please call collect if you should have any further questions regarding the above or if I can be of further service to you.

Sincerely,

Mewbourne Oil Company

A handwritten signature in cursive script, appearing to read "Paul Haden".

Paul Haden
Landman

PH/nb
enclosures

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the mail from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Charles B. Moore Box 6, Stamp Road Southampton, Pa 18966 Avalon lease		4. Article Number P. 764.696.066	
		Type of Service: <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	
		Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X <i>[Signature]</i>		8. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent X <i>[Signature]</i>			
7. Date of Delivery 2-19-9			

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

January 18, 1991

CERTIFIED MAIL

Charles B. Moore
Box 6, Stump Road
Southampton, PA 18966-0006

RE: Est. John C. Moore and
Lila B. Moore, Deceased
T20S, R27E
Section 29: SW/4NE/4,
NE/4SW/4 and W/2SE/4
Eddy County, New Mexico

Dear Mr. Moore:

Thank you for your letter of December 27, 1990 wherein you responded to certain information requested regarding the captioned estates.

Regarding the captioned land, our Drilling Title Opinion dated December 26, 1990 credits The Heirs or Devisees of John C. Moore, presumably being Charles B. Moore and William C. Moore a 1/80 mineral interest (2 net mineral acres) under the captioned 160 acre tract of land. This interest apparently was inherited by your father from the Estate of Myrtle Stubblefield, Deceased.

In the above connection, Mewbourne Oil Company hereby offers you \$100.00 per net mineral acre for a three (3) year paid up oil and gas lease providing a 3/16 royalty interest.

The above offer is subject to immediate acceptance and approval of title. If the above offer is acceptable, please respond immediately and indicate the name of the bank you wish to be used in the lease and your social security number.

By copy of this letter, I am offering William C. Moore the same offer as described above which is also subject to immediate acceptance.

Your cooperation in connection with the above is greatly appreciated.
Please call should you have any questions regarding the above.

Sincerely,

Mewbourne Oil Company

A handwritten signature in cursive script, appearing to read "Paul Haden".

Paul Haden
Landman

PH/nb

cc: William C. Moore
154 West Hanover Drive
Randolph, NJ 07869

Tom Hamilton
LaFont, Tunnell, Formby and Hamilton
Box 1510
Plainview, Texas 79073-1510

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent mail from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 William C. Moore
 54 West Hanover Drive
 Randolph, New Jersey 07864

4. Article Number
 0-555-754-693

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Registered Receipt for International Use

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature of Addressee
 X *William C. Moore*

6. Signature of Agent
 X

7. Date of Delivery
 1-29-91

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

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

January 25, 1991

CERTIFIED MAIL

Charles B. Moore
Box 6, Stump Road
Southampton, PA 18966-0006

RE: Federal "Z" #1 Well
E/2 of Section 29,
T20S, R27E
Eddy County, New Mexico
Order No. R-9414

Dear Mr. Moore:

Regarding the captioned well, enclosed for your further handling is a copy of the captioned order issued by the New Mexico Oil Conservation Division authorizing compulsory pooling. Also enclosed for your consideration in the event you do not wish to lease your interest to Mewbourne is a copy of our Authorization for Expenditure (AFE) which is an estimated well cost of the above well.

If you do not wish to be forced pooled under the captioned land you must do one of the following within thirty (30) days of receipt of the enclosed order:

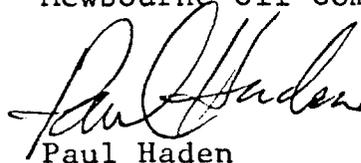
- (1) Lease your interest to us as offered in my letter to you dated January 18, 1991, or
- (2) Sign the enclosed AFE and pay your proportionate part of the well costs regarding the captioned well.

In the event you choose option number two (2) above, an operating agreement will be forwarded to you for execution after we have received your signed AFE.

Regarding the above, your immediate response and decision would be greatly appreciated.

Sincerely,

Mewbourne Oil Company

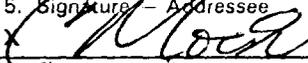
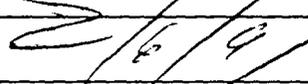


Paul Haden
Landman

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Charles B. Moore BOx 6, Stump Road Southampton, PA 18966-0006 Avalon- Federal "Z"		4. Article Number P-764-696-013	
		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature - Addressee X 		8. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent X			
7. Date of Delivery 			

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715
December 4, 1990

CERTIFIED MAIL

Mr. Charles B. Moore
Box 6, Stump Road
Southampton, PA 18966

RE: Est. of John C. Moore, Deceased
and Est. of Lila B. Moore, Deceased
T20S, R27E, N.M.P.M.
Section 29: SW/4NE/4, NE/4SW/4 and
W/2SE/4
Eddy County, New Mexico

Dear Mr. Moore:

Please be advised, we are attempting to locate the heirs at law of Myrtle Stubblefield, deceased who died without leaving a valid Will. In this connection, your father apparently was a nephew of Mrs. Stubblefield. For reference, Mrs. Stubblefield owned a $\frac{1}{2}$ mineral interest under the captioned land which we are attempting to secure leases on to drill a well.

Regarding the above, title research indicates John C. Moore died on or about December 9, 1978 leaving Charles B. Moore and William C. Moore, his sons as his sole surviving heirs. Records further indicate Lila B. Moore, his wife, pre-deceased John C. Moore. We would appreciate your cooperation in confirming this. With your cooperation we will be able to establish your inheritance of your father's apparent mineral ownership under the captioned land. After this is accomplished, we would be interested in buying an oil and gas lease covering William C. Moore's and your mineral interest under the captioned land to allow us to drill a well to explore for gas under the subject Section 29.

If you are willing to cooperate with us regarding the above, please furnish us the following:

- 1) Certified copy of the Death Certificate of Lila B. Moore, or the County name where we can secure copy of same.
- 2) If Lila B. Moore had a Will, we would appreciate receiving a certified copy of same or the name of the county where the estate was administered or probated so we can obtain the appropriate information.

- 3) Please also confirm my assumption of the following facts:
- a) Your father was married one time only during his lifetime and that was to Lila B. Moore. They lived together as husband and wife until the death of Lila B. Moore on _____.
 - b) Charles B. Moore and William C. Moore were the only children born during the course of marriage of John C. Moore and Lila B. Moore and no other children were adopted during this marriage.

As we would like to drill our well under the captioned land the first quarter of next year, your immediate response and cooperation in connection with the above will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

PH/nb
enclosure

<p>● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
<p>3. Article Addressed to: Charles B. Moore Box 6 Stump Road Southampton, Pa</p>	<p>4. Article Number P-124-762-239</p> <p>Type of Service: <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</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature of Addressee X <i>C. Moore</i></p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent X</p>	
<p>7. Date of Delivery 12-8-90</p>	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

February 8, 1991

William C. Moore
154 West Hanover Road
Randolph, New Jersey 07869

RE: T20S, R27E
Sec. 29: SW/4NE/4, NE/4SW/4
and W/2SE/4
Eddy County, New Mexico

Dear Mr. Moore:

As discussed, enclosed for your further handling is an oil and gas lease with bank draft covering your 1/160 mineral interest under the captioned 160 acre tract of land. As agreed, we are purchasing a lease from you on the basis of \$100.00 per net mineral acre for a three (3) year paid-up lease providing a 3/16 royalty. Under the terms of this lease, you will be paid your proportionate part of the 3/16 royalty interest in the event oil and/or gas production is established under the captioned land or land pooled therewith.

Regarding the above, please sign the lease in the following procedure:

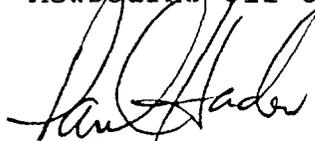
- (1) In the presence of a Notary Public, sign your name exactly as typed on the front of the lease.
- (2) Have the notary complete the acknowledgement on the back of the lease and affix notary seal.
- (3) Endorse the bank draft and have your bank forward the signed lease with the bank draft to our bank in Tyler, Texas for collection. If your bank requires a collection fee for this transaction, we agree to pay it.
- (4) Keep the copy of the lease for your records.

As we now have a lease from you covering your mineral interest under the captioned land, you can now disregard the provisions of the compulsory pooling order previously sent to you as your interest is no longer subject to it.

Your cooperation in connection with this trade is greatly appreciated. Please call collect if you should have any further questions regarding the above or if I can be of further service to you.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

PH/nb
enclosures

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: William C. Moore 154 West Hanover Road Randolph, New Jersey 07869	4. Article Number P-764-696-083
Type of Service: <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	
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature of Addressee X <i>William C. Moore</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery <i>2-16-91</i>	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

January 25, 1991

CERTIFIED MAIL

William C. Moore
154 West Hanover Road
Randolph, NJ 07869

RE: Federal "Z" #1 Well
E/2 of Section 29,
T20S, R27E
Eddy County, New Mexico
Order No. R-9414

Dear Mr. Moore:

Regarding the captioned well, enclosed for your further handling is a copy of the captioned order issued by the New Mexico Oil Conservation Division authorizing compulsory pooling. Also enclosed for your consideration in the event you do not wish to lease your interest to Mewbourne is a copy of our Authorization for Expenditure (AFE) which is an estimated well cost of the above well.

If you do not wish to be forced pooled under the captioned land you must do one of the following within thirty (30) days of receipt of the enclosed order:

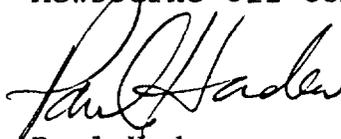
- (1) Lease your interest to us as offered in my letter to you dated January 18, 1991, or
- (2) Sign the enclosed AFE and pay your proportionate part of the well costs regarding the captioned well.

In the event you choose option number two (2) above, an operating agreement will be forwarded to you for execution after we have received your signed AFE.

Regarding the above, your immediate response and decision would be greatly appreciated.

Sincerely,

Mewbourne Oil Company


Paul Haden
Landman

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: William C. Moore 154 West Hanover Drive Randolph, NJ 07869 Avalon - Federal "2"	4. Article Number P-764-696-014 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Addressee X <i>William C. Moore</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery - 2-8-91	

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

January 25, 1991

CERTIFIED MAIL

Estate of Myrtle Stubblefield,
Deceased, and/or her Heirs at Law
C/O Josephine Hamilton
Box 547
Matador, Texas 79244

RE: Federal "Z" #1 Well
E/2 of Section 29,
T20S, R27E
Eddy County, New Mexico
Order No. R-9414

Dear Mrs. Hamilton:

Enclosed for your further handling and information is a copy of Order No. R-9414 issued by the New Mexico Oil Conservation Division regarding compulsory pooling for the captioned well to be drilled by Mewbourne. Also enclosed in this regard is a copy of Mewbourne's Authorization for Expenditure (AFE) for the captioned well which is an estimated well cost.

The above is furnished to you as you are the surviving executrix of the Estate of Myrtle Stubblefield, Deceased. The enclosed pooling order does not effect your individual interest under the captioned land, since we have a lease with you.

Although Mrs. Stubblefield left a Last Will and Testament dated December 11, 1967, we are treating the Will as inoperative and are treating her estate as an intestate estate. As set out in paragraph four (4) of her Will, she apparently left verbal instructions for her executrices to distribute the residue of her property to her nieces as designated by her. We can find no evidence that these instructions were in writing and that the residue of her property was properly distributed to the nieces intended.

Since there are many heirs involved in the Estate of Myrtle Stubblefield, most of whom we are in contact with, have leased their interest or are in the process of leasing their interest, there always is the possibility that there may be some unknown heirs or heirs we cannot locate or lease.

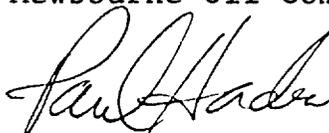
As we are contractually bound under the terms of an operating agreement with OXY USA Inc. (a working interest owner in the captioned well) to commence drilling operations on or before March 31, 1991, we had to initiate compulsory pooling actions against all the heirs and unknown heirs we do not have a lease with.

In addition to furnishing you a copy of the captioned order and AFE, I have furnished all the known unleased heirs a copy of same for their consideration.

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

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

PH/nb
enclosure
cc: Tom Hamilton
C/O LaFont, Tunnell,
Formby and Hamilton
Box 1510
Plainview, Texas 79073-1510

Case No. 10214

MEWBOURNE OIL COMPANY

FEDERAL Z #1

PAY-OUT STATUS REPORT
FROM INCEPTION THRU 3/31/91

EXPENDITURES	CURRENT MONTH	INCEPTION TO DATE	RECOVER %	BALANCE TO BE RECOVERED
INTANGIBLE DRILLING & COMPLETION COSTS	0.00	192,545.73	300%	577,637.19
LEASE & WELL EQUIPMENT	0.00	142,570.00	300%	428,010.00
LEASE OPERATING EXPENSES	0.00	0.00	100%	0.00
TOTAL EXPENDITURES				<u>\$1,005,647.19</u>

INCOME	CURRENT MONTH VOLUME	INCEPTION TO DATE VOLUME	CURRENT MONTH DOLLARS	INCEPTION TO DATE DOLLARS
OIL SALES	0.00	0.00	0.00	0.00
GAS SALES	0	0	0.00	0.00
OIL PRODUCTION TAX			0.00	0.00
GAS PRODUCTION TAX			0.00	0.00
TOTAL INCOME			0.00	0.00
LESS ROYALTIES @ .125				0.00
NET INCOME APPLICABLE TO PAYOUT				<u>\$0.00</u>
BALANCE TO BE RECOVERED				<u>\$1,005,647.19</u>

CHARLES B. MOORE
WILLIAM C. MOORE
STATE OF NEW MEXICO

PROPERTY 042833-000 10 FEDERAL Z #1
 LOCATION EDDY NEW MEXICO

MARCH 1991

ACCOUNT	DESCRIPTION	VENDOR	INVOICE	VOUCHER	GROSS AMOUNT
INTANGIBLE DRILLING COST					
180-301	LQC, ROADS, SITE PREP, DA	MAD-A-BAC INC	1637	32235	2,001.03
180-304	FUEL, WATER & OTHER	I/W INC	20590	31865	3,764.88
180-304	FUEL, WATER & OTHER	I/W INC	2110	31866	330.54
180-304	FUEL, WATER & OTHER	I/W INC	2111	31867	5,194.63
180-306	MUD & CHEMICALS	SOUTHWESTERN	38722	32241	18,028.81
180-306	MUD & CHEMICALS	SOUTHWESTERN	38779	32242	2,592.97
180-310	MUD LOGGING	QUALITY LOGGT	1382	32236	3,416.54
180-311	TESTING	SAFETY TEST D	6313	31878	738.50
180-311	TESTING	PERMIAN TESTE	6950	32237	1,913.10
180-320	TRANSPORTATION	FORKLIFT ENTF	C25039	32245	3,179.51
180-321	WELDING & CONSTRUCTION LA	WEILER WELDIN	78286	31895	135.68
180-321	WELDING & CONSTRUCTION LA	MAD-A-BAC INC	1645	32234	344.09
180-330	EQUIPMENT RENTAL	SAMCO	816	32244	793.13
180-365	WATER SUPPLY			30017	2,025.00
180-375	COMPANY SUPERVISION			30014	4,420.00
180-375	COMPANY SUPERVISION			30014	3,640.00
180-375	COMPANY SUPERVISION			30014	1,560.00
180-375	COMPANY SUPERVISION			30014	900.00
180-375	COMPANY SUPERVISION			30014	750.00
180-375	COMPANY SUPERVISION			30014	700.00
180-360	OVERHEAD - FIXED RATE			3012	5,602.14
TOTAL INTANGIBLE DRILLING COST					56,844.
TANGIBLE DRILLING COST					
181-797	CASING			30008	16,955.33
181-797	CASING			30008	6,978.18
TOTAL TANGIBLE DRILLING COST					23,933.
TOTAL GROSS JOINT INTEREST BILLING COSTS					80,778.

OWNER ----- OWNER'S NAME ----- INTEREST SHARE AMOUNT



ILLEGIBLE

PROPERTY 042633-000 10 FEDERAL Z #1
 LOCATION 000Y NEW MEXICO

FEBRUARY 1991

ACCOUNT	DESCRIPTION	VENDOR	INVOICE	VOUCHER	GROSS AMOUNT
INTANGIBLE DRILLING COST					
180-004	PROFESSIONAL SERVICES	NANCY A BARTO	PETTY CASH	2115	2.40
180-004	PROFESSIONAL SERVICES	HINKLE, COX,	81209	13193	625.30
180-300	PERMITS & SURVEYS	GENERAL SURVE	7260	91547	355.00
180-300	PERMITS & SURVEYS	NEW MEXICO AP	FEDERAL Z#	92498	172.01
180-301	LDC, ROADS, SITE PREP, DA	SWEATT CONST	19129	22230	14,041.00
180-301	LDC, ROADS, SITE PREP, DA	APEX GRAPHICS	801666	102949	49.64
180-304	FUEL, WATER & OTHER	COMMERCIAL HL	11460	22245	446.97
180-304	FUEL, WATER & OTHER	WALTON CONST	57510	22241	908.00
180-307	CEMENTING	HALLIBURTON S	87146	22246	7,641.11
180-307	CEMENTING	HALLIBURTON S	87401	22247	2,415.37
180-307	CEMENTING	HALLIBURTON S	981200	22248	16,669.84
180-309	CACING-TUBING SERVICES &	MATADOR CASIN	5449	22244	536.40
180-320	TRANSPORTATION	FORKLIFT ENTE	024552	22240	894.79
180-321	WELDING & CONSTRUCTION LA	WELLES WELDM	78201	22249	440.96
180-321	WELDING & CONSTRUCTION LA	WELLES WELDM	78209	22708	272.12
180-321	WELDING & CONSTRUCTION LA	WELLES WELDM	78216	22709	169.60
180-300	INTANGIBLE SUPPLIES	BEARING SERVI	3438	22242	35.88
180-300	INTANGIBLE SUPPLIES	BEARING SERVI	3420	22243	158.81
180-300	INTANGIBLE SUPPLIES	UNION SUPPLY	00691401	22707	241.11
180-360	RIGHT-OF-WAYS, EASEMENTS, L			100017	3,200.00
180-375	COMPANY SUPERVISION			20014	700.00
180-375	COMPANY SUPERVISION			20014	150.00
180-375	COMPANY SUPERVISION			80014	520.00
180-375	COMPANY SUPERVISION			90014	2,160.00
180-375	COMPANY SUPERVISION				520.00
180-375	COMPANY SUPERVISION			120014	520.00
180-375	COMPANY SUPERVISION			10014	450.00
180-375	COMPANY SUPERVISION			10014	670.00
180-375	COMPANY SUPERVISION			10014	335.00
TOTAL INTANGIBLE DRILLING COST					55,402.
TANGIBLE DRILLING COST					
181-798	TUBING			20008	13,540.94
TOTAL TANGIBLE DRILLING COST					13,540.
TOTAL GROSS JOINT INTEREST DRILLING COSTS					68,942.

OWNER ----- OWNER'S NAME ----- INTEREST SHARE AMOUNT

[REDACTED]

ILLEGIBLE

PROPERTY 042803-000 20 FEDERAL I #1
 LOCATION EDDY NEW MEXICO

MARCH 1991

ACCOUNT	DESCRIPTION	VENDOR	INVOICE	VOUCHER	GROSS AMOUNT
INTANGIBLE DRILLING COST					
130-304	FUEL, WATER & OTHER	I/W INC	27773	31970	15,817.09
130-307	CEMENTING	HALLIRUPTON S	87528	32239	39,348.98
130-308	LOGGING AND WIRELINE SERV	HALLIRUPTON L	HLL63104	32238	19,823.63
130-309	CASING-TUBING SERVICES S	MATADOR CASIN	5609	32240	1,829.18
130-309	CASING-TUBING SERVICES S	B-C TONG SERV	20540	32243	1,488.43
TOTAL INTANGIBLE DRILLING COST					78,307.
TANGIBLE DRILLING COST					
181-797	CASING			30008	28,881.60
181-797	CASING			30008	47,690.55
181-798	TUBING			30008	28,623.40
TOTAL TANGIBLE DRILLING COST					105,195.
TOTAL GROSS JOINT INTEREST BILLING COSTS					183,502.

OWNER ----- OWNER'S NAME ----- INTEREST SHARE AMOUNT

[REDACTED]

ILLEGIBLE

MEWBOURNE OIL COMPANY

P.O. BOX 7698
TYLER, TEXAS 75711
903 - 561-2900
FAX 903 - 561-1870

OIL CONSERVATION DIVISION
RECEIVED
'91 OCT 22 AM 9 01

October 18, 1991

*Case 10214
Catanach
DUC
Catanach*

Mr. William J. LeMay, Director
State of New Mexico
Oil Conservation Division
Box 2088
Santa Fe, NM 87504

RE: Federal "Z" No. 1 Well
E/2 Section 29-20S-27E
Eddy County New Mexico

Dear Mr. LeMay:

Pursuant to Order No. R-9414 approving the Compulsory Pooling of the E/2 of Section 29 for drilling the Federal "Z" #1 well, Mewbourne Oil Company is providing you with an itemized schedule of actual well costs for the Federal "Z" #1 well.

The Federal "Z" #1 well was plugged on September 15, 1991.

If you have any questions regarding this matter, please call (903-561-2900) or write me at the letterhead address.

Sincerely,

MEWBOURNE OIL COMPANY

Steph L. Sanson

Stephen L. Sanson
Accountant

SLS:las

MEWBOURNE OIL COMPANY

Federal "Z" #1

Actual Drilling Costs

DESCRIPTION	AMOUNT
INTANGIBLE DRILLING COSTS:	
RIGHT OF WAY	3,525.00
PROFESSIONAL SERVICES	783.70
PERMITS & SURVEYS	1,010.60
LOCATION, ROADS, DAMAGES	17,356.41
WELL INSURANCE	4,308.29
CASING/TUBING SERVICES	40,972.28
TREATING	116,231.26
FOOTAGE DRILLING	216,875.24
DAY WORK DRILLING	14,862.60
COMPANY SUPERVISION	54,545.00
EQUIPMENT RENTAL	10,163.52
OVERHEAD-FIXED RATE	26,878.52
FUEL, WATER, & OTHER	34,821.77
COMPLETION/WORKOVER RIG	90,206.84
CEMENTING	72,253.49
MUD & CHEMICALS	15,435.94
MUD LOGGING	3,748.96
LOGGING & WIRELINE SERVICE	40,839.21
TESTING	13,030.80
WELDING & CONSTR LABOR	1,722.09
TRANSPORTATION	12,294.69
INTANGIBLE SUPPLIES	855.46
WATER SUPPLY	2,025.00
TOTAL	<u>794,744.65</u>
TANGIBLE DRILLING COSTS:	
DRILLING HEAD	2,408.89
SUBSURFACE EQUIPMENT	9,632.66
UPPER SECTION, WELLHEAD	3,139.35
MISC FITTINGS & ACCESS.	381.32
CASING	93,998.48
TUBING HEAD	2,291.50
TUBING	22,048.34
METERING EQUIPMENT	118.58
TOTAL	<u>134,019.12</u>
LEASE OPERATING EXPENSE:	
OVERHEAD, FIXED RATE	771.84
LEASE & WELL ABANDONMENT	2,724.22
TOTAL	<u>3,496.06</u>
GRAND TOTAL	<u><u>\$932,259.83</u></u>