

## Summary of Communications

### EXHIBIT NO. 3

Nearburg Exploration Company, L.L.C. (4.09388% WI)

Bob Shelton and Duke Roush

(432) 686-8235

- 1) Proposed well via certified letter dated 2-9-04 with AFE, offered to purchase a term assignment if they didn't want to join.
- 2) Received Nearburg's letter dated 2-11-04 wherein Nearburg wanted to evaluate the Tombstone "5" Fed. Com #1 Well prior to making an election on the #2 Well.
- 3) Reproposed well per letter dated 4-27-04 for a location 1650' FNL & 1450' FWL with revised AFE because of surface concerns.
- 4) Received Nearburg's letter dated 5-7-04 wherein Nearburg elected to be a non-consenting party to our well proposal.
- 5) Bob Shelton called and wanted to know of status of well proposal. Told him we were evaluating results of #1 Well prior to proceeding.
- 6) Advised Bob that we had filed a pooling application and planned to pool them if they had no objection.

EOG Resources, Inc. (1.34330% WI)

Patrick Tower

(432) 686-3758

- 1) Proposed well via certified letter 2-18-04 with AFE and offered to purchase a term assignment if they didn't want to join.
- 2) Reproposed well via certified letter dated 4-27-04 with revised AFE enclosed.
- 3) Per phone conversation with Patrick 6-17-04, EOG was agreeable to giving us a term assignment after well was drilled or we could force pool them. They have small interest and low net revenue interest.
- 4) Per phone conversation with Patrick, they were agreeable to us force pooling their interest provided we were agreeable to furnishing them well information. Advised Patrick that we were agreeable, asked Patrick to send me a letter evidencing same with their well requirements.

Mr. Louis Berney (.00098% WI)

- 1) Proposed well via certified letter 2-17-04 with AFE.
- 2) Reproposed well via certified letter 4-27-04 with AFE.

Mr. David A. Metts (.76760% WI)

- 1) Proposed well via certified letter 2-12-04 with AFE.
- 2) Reproposed well via certified letter 4-7-04 with AFE.
- 3) Per phone conversation 5-13-04, Mr. Metts didn't want to join. He wanted \$500.00 per acre in lieu of the \$150.00 per acre we offered for a term assignment in lieu of his joining. Advised him we weren't paying \$500.00 per acre, we had taken leases and other assignments @ \$150.00 acre. He wasn't interested, advised me to pool him.

Leslea Ingram Cole (.05685% WI)

(520) 797-3572

- 1) Proposed well via certified letter 2-10-04 with AFE to Roswell address.
- 2) Proposed letter via certified letter 2-11-04 with AFE to Tucson address.
- 3) Per phone conversation 2-23-04 with Leslea, she would do the term assignment.
- 4) Sent term assignment with our check via letter 2-24-04.
- 5) Follow up letter 4-26-04 with AFE for revised location.

Joseph T. Ingram (.05685% WI)

- 1) Proposed well via certified letter 2-10-04 with AFE.
- 2) Sent term assignment with our check via letter 2-24-04.
- 3) Sent follow up letter via certified letter 4-26-04 with AFE. Letter was returned undeliverable.

Kaiser-Francis Oil Company (1.77523% WI)

Wayne Fields

(918) 491-4436

- 1) Proposed well via certified letter 2-10-04 with AFE.
- 2) Received K-F's letter 3-12-04 wherein K-F non-consented our well proposal.
- 3) Reproposed well 4-27-04 with revised AFE.
- 4) Faxed Wayne information regarding their ownership 4-30-04.
- 5) Received my 4-27-04 letter signed by K-F wherein K-F elected to participate in lieu of non-consent interest.
- 6) Sent K-F our JOA via letter 6-11-04 for their consideration and execution.
- 7) Sent K-F letter 6-16-04 with revised Page of JOA.

Advised Bob Shelton we had  
filed pooling application  
and planned to pool them  
if it was agreeable with  
them since their interest was  
small and their net revenue  
interest was small. Bob  
agreed it wasn't worth  
spending time on a trade  
or trade agreement. He agreed  
that we would carry them  
under the pooling order.

RS

6-11-04

~~Howard Energy Part~~

Per Bob Shelton -

they have a 73% NRI in  
N12 as to their 4+% (.0409388)

I told Bob we may not drill  
this - We'll put our trade on  
hold until we're serious about  
drilling

RB  
5/12/04

**Nearburg Exploration Company, L.L.C.**

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Exploration and Production  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
432/686-8235  
FAX: 432/686-7806

May 7, 2004

Mr. Allen Brinson  
Mcwbourne Oil Company  
P. O. Box 7698  
Tyler, Texas 75711

FAX: (903) 561-1515

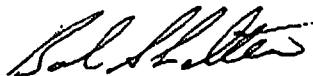
RE: Tombstone "5" Federal Com. #2  
1,650' FNL and 1,450' FWL  
Section 5, T-20-S, R-25-E  
Eddy County, New Mexico  
Covert 90 Prospect

Gentlemen:

Nearburg Exploration Company, L.L.C. ("NEC") hereby elects to be a non-consenting party in the captioned well. NEC would be interested in granting a mutually acceptable farmout as an alternative to the non-consent election. Enclosed please find NEC's well requirement list. Please provide NEC with drilling reports, mud and electric logs on the well.

Thank you for your consideration in this matter.

Very truly yours,



Bob Shelton  
Land Manager

BS/dw

cc: Kathie Craft  
Bill Fairhurst  
Fred White  
Bill Elton  
Carolyn McIver

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 27, 2004

Nearburg Exploration Company, L.L.C.  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
Attn: Duke Roush

Re: MOC's Tombstone "5" Fed. Com. #2 Well  
1650' FNL & 1450' FWL  
Section 5, T20S, R25E  
Eddy County, New Mexico

Gentlemen:

Please be advised, the name of the Tombstone "5" Fee Com. #2 Well has been renamed Tombstone "5" Federal Com. #2 Well and the proposed location has been moved to 1650' FNL & 1450' FWL in lieu of the previously proposed location 1650' FNL & 990' FWL due to topographic concerns relating to surface drainage issues.

In reference to the above, I've enclosed a revised AFE dated April 4, 2004 for your consideration and execution should you elect to participate in the captioned well at the revised location. Please sign and return same to me at your earliest convenience. We anticipate spudding same on or about June 15, 2004.

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

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

**Nearburg Exploration Company, L.L.C.**

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Exploration and Production  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
432/686-8235  
FAX: 432/686-7806

FEB 12 2004

February 11, 2004

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

ATTN: Mr. Paul Haden

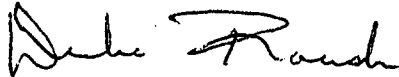
RE: Tombstone "5" Fee Com. #2  
N/2 Section 5, T-20-S, R-25-E  
Eddy County, New Mexico  
Covert Prospect

Gentlemen:

Pursuant to our telephone conversation of this date, Nearburg Exploration Company, L.L.C.'s (NEC) is participating in the Tombstone "5" Fee Com. #1 well and would like to see the results of said well prior to making an election on the captioned offset well. We will timely elect as to our participation in said well upon reviewing the results of the #1 well and ask that NEC not be named in any force pooling hearing should you feel the need to take this well proposal before the New Mexico Oil and Gas Conservation Division.

If we can be of further assistance, please feel free to contact the undersigned.

Very truly yours,



Duke Roush  
Senior Landman

DR/dw

cc: Bob Shelton  
Fred White w/att.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 9, 2004

Via Certified Mail-Return Receipt No. 5616

Nearburg Exploration Company  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated February 5, 2004.


In reference to the above, records indicate Nearburg Exploration Company (NEC) owns a 37.5% WI in the S/2SE/4NW/4, a 4.6875% WI in the SW/4NE/4 and a 9.375% WI in the SW/4NW/4 of the captioned Section 5.

In the event NEC elects to participate in the subject proposed well, please have the attached AFE executed and I will forward you our Operating Agreement for consideration and execution. In the event your firm elects not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your firm's right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call should you have any questions regarding the above.

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:

*Spaulding Exploration Company  
3300 North A Street  
Building 2, Suite 120  
Mesa, AZ 85205*

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*x rd. Walsten* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

*D. Walsten* ☐ C. Date of Delivery *2-10-04*

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

**FEB 11 2004**

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.
- 4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

2. Article Number  
(Transfer from service label)

**7003 1680 0006 6283 5616**

PS Form 3811, August 2001

Domestic Return Receipt

*Donbatare 57a Ln #2*

102595-02-M-1540

Per Patrick Tower w/EOG 686-3758

Per phone conversation, Patrick agreed to allow EOG to be force pooled (non-consent under pooling order) since their title wasn't clear and because of the small WI and low NRI. I assured him we wouldn't portray EOG at the hearing as being the non-cooperative bad guys. The force pooling option was the easiest to do for both of us considering the circumstances. He's to send me letter with their well requirements -

FF.  
6/18/04

Patrick Tower called this date. He said EOG would give us a free term assignment after well was drilled or we could pool them - whatever was easiest for us since this interest was so small. Advised him we would do it however they wanted but I told him it was just as easy for us to pool them since we were going to the hearing anyway. We'd give them well info either way. He's to let me know.

AP · 6-17-04

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 27, 2004

Via Certified Mail-Return Receipt No. 6347

EOG Resources, Inc.  
P.O. Box 2267  
Midland, Texas 79702  
Attn: Mr. Patrick J. Tower

Re: Tombstone "5" Federal Com. #2 Well  
(formerly Tombstone "5" Fee Com. #2 Well)  
1650' FNL & 1450' FWL  
Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Patrick:

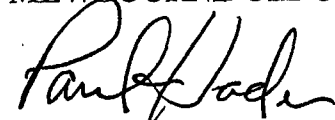
Reference is made to my previous letter dated February 10, 2004 (see copy enclosed) wherein Mewbourne Oil Company (Mewbourne) as Operator proposed drilling the Tombstone "5" Fee Com. #2 Well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation. Please be advised, the proposed location has been moved to a location 1650' FNL & 1450' FWL due to topographic concerns regarding drainage issues. The well name has also been revised as referenced above. Enclosed for your consideration and execution if you choose to participate in the proposed well is our revised AFE dated April 4, 2004. In the event you elect to participate in the proposed well at the revised location, please execute and return the AFE and I will forward you our Operating Agreement for execution.

As we anticipate spudding the above proposed well on or about June 15, 2004, we are compelled to file an Application for Compulsory Pooling regarding the uncommitted joint interest owners in the N/2 spacing unit. Accordingly, we would appreciate receiving a decision from you at the earliest possible date to avoid your interest being force pooled.

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

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

**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:

EOG Resources, Inc.  
P.O. Box 2267  
Midland, Texas 79702  
Attn: Mr. Patrick J. Tower

**COMPLETE THIS SECTION ON DELIVERY**

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

B. Received by (Printed Name) *Bob Bell* C. Date of Delivery *4/23/04*

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)

7003 1680 0006 6283 6347

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

*Delivered to Patrick J. Tower #2*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 18, 2004

Certified Mail-Return Receipt No. 5807

EOG Resources, Inc.  
P.O. Box 2267  
Midland, Texas 79702  
Attn: Mr. Patrick J. Tower

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Patrick:

As discussed, Mewbourne Oil Company (Mewbourne) as Operator, hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 5 will be dedicated to the well. Enclosed for your further handling is our AFE dated February 5, 2004.

In reference to the above, title examination reflects that Unicon Producing Company owns a leasehold interest in the S/2SE/4NW/4, the SW/4NE/4 and the SW/4NW/4 of the captioned Section 5. Through previous communications with Unicon in 1997, apparently the Unicon interest was divested to Union Texas Petroleum Company, then to Meridian, Inc. and then to Burlington Resources Oil & Gas Company. We assume EOG Resources, Inc. acquired the Burlington interest in the captioned land. In this regard, I've enclosed a copy of our previous Original Drilling Title Opinion dated November 7, 1997 for your information and file. We are currently updating the enclosed title opinion for drilling purposes.

As referenced in the enclosed title opinion, records indicate Unicon (now apparently EOG) owns 12.30469% in the S/2SE/4NW/4, 1.53809% in the SW/4NE/4 and 3.07617% in the SW/4NW/4 of the captioned Section 5 being 4.306642 net acres which corresponds to a 1.34159% unit interest in the captioned land which contains 321.01 acres.

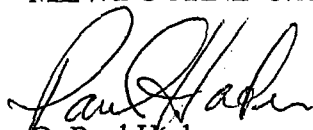
EOG Resources, Inc  
Tombstone "5" Fee Com. #2 Well  
February 18, 2004  
Page -2-

Please confirm EOG's ownership in the subject land. Should EOG elect to join in the proposed well, please have the enclosed AFE executed on behalf of EOG and I will forward you our Operating Agreement for EOG's consideration and execution. In the event EOG elects not to participate in the proposed well, Mewbourne would be interested in acquiring the EOG interest on the basis of \$150.00 per acre wherein Mewbourne would be delivered a 75% NRI in the EOG leases.

As Mewbourne anticipates drilling the referenced well in the 1<sup>st</sup> or 2<sup>nd</sup> quarter of this year, we would appreciate receiving an immediate response from EOG as to EOG's participation in the proposed well. Please call me should you have any questions regarding the above.

Sincerely yours,

**MEWBOURNE OIL COMPANY**

  
D. Paul Haden  
Senior Landman

DPH/gb

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**1. Article Addressed to:**

EOG Resources, Inc.  
P.O. Box 2267  
Midland, Texas 79702  
Attn: Mr. Patrick J. Tower

**2. Article Number**  
(Transfer from service label)

7003 1680 0006 6283 5807

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

X *J B Rigg*

- ☐ Agent  
☒ Addressee

**B. Received by (Printed Name)**

*J B Rigg*

**C. Date of Delivery**

*2-19-04*

**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

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

*Tombstones "5" Fee Corn #2*



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 27, 2004

Via Certified Mail-Return Receipt No. 6330

Mr. Louis Berney  
1797 15<sup>th</sup> Ave.  
Star Prairie, WI 54026-5502

Re: Tombstone "5" Federal Com. #2 Well  
(formerly Tombstone "5" Fee Com. #2 Well)  
1650' FNL & 1450' FWL  
Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Berney:

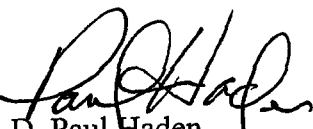
Reference is made to my previous letter dated February 10, 2004 (see copy enclosed) wherein Mewbourne Oil Company (Mewbourne) as Operator proposed drilling the Tombstone "5" Fee Com. #2 Well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation. Please be advised, the proposed location has been moved to a location 1650' FNL & 1450' FWL due to topographic concerns regarding drainage issues. The well name has also been revised as referenced above. Enclosed for your consideration and execution if you choose to participate in the proposed well is our revised AFE dated April 4, 2004. In the event you elect to participate in the proposed well at the revised location, please execute and return the AFE and I will forward you our Operating Agreement for execution.

As we anticipate spudding the above proposed well on or about June 15, 2004, we are compelled to file an Application for Compulsory Pooling regarding the uncommitted joint interest owners in the N/2 spacing unit. Accordingly, we would appreciate receiving a decision from you at the earliest possible date to avoid your interest being force pooled.

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

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. Louis Berney  
1797 15th Ave.  
Star Prairie, WI 54026-5502

**2. Article Number**  
(Transfer from service label)

7003 1680 0006 6283 6330

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

X *[Signature]*

☐ Agent

☐ Addressee

**B. Received by (Printed Name)**

Louis Berney

**C. Date of Delivery**

4/30/04

**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

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

1111 Jombotnu 51 Fedl 10m #2

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 17, 2004

Via Certified Mail-Return Receipt No. 5784

Mr. Louis Berney  
1797 15<sup>th</sup> Ave.  
Star Prairie, WI 54026-5502

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Berney:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated February 5, 2004.


In reference to the above, records indicate you own a .00902% WI in the S/2SE/4NW/4, a .00113% WI in the SW/4NE/4 and a .00225% WI in the SW/4NW/4 of the captioned Section 5 below a depth of 4500' beneath the surface. On a unit basis, you own a .00098% WI in the captioned spacing unit.

In the event you elect to participate in the subject proposed well, please sign and return the attached AFE and I will forward you our Operating Agreement for consideration and execution. In the event you elect not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call should you have any questions regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY

  
D. Paul Haden  
Senior Landman

DPH/gb

**SENDER: COMPLETE THIS SECTION**

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- 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. Louis Berney  
1797 15<sup>th</sup> Ave.  
Star Prairie, WI 54026-5502

**2. Article Number**

(Transfer from service label)

7003 1680 0006 6283 5784

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

X. *L. Berney*

☐ Agent

☐ Addressee

**B. Received by (Printed Name)**

*L. Berney*

**C. Date of Delivery**

*2-20-04*

**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

*Tombstone Bldg Com #2*

Per Dave Metz, this date,  
he is not interested in  
granting us a term assignment  
@ \$150.00/ac. - he wants  
at least \$500.00/ac. I told  
him we had purchased term  
assignments and leases on this  
spacing unit @ \$150.00/ac.  
Advised Mr. Metz we would not  
pay \$500/ac. He said fine,  
he didn't want to participate  
so he advised us to force  
pool him. I told him that  
was what we were going to  
do as we weren't paying  
\$500.00/ac.

RR  
5/13/04

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 7, 2004

Via Certified Mail-Return Receipt No. 6279

Mr. David A. Metts  
2609 Hodges  
Midland, Texas 79705

Re: Tombstone "5" Federal Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Metts:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 1450' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated April 4, 2004. We anticipate commencing the proposed well within 60 days.

In the event you elect to participate in the subject proposed well, please sign and return the attached AFE and I will forward you our Operating Agreement for consideration and execution. In the event you elect not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call should you have any questions regarding the above.

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. David A. Metts  
2609 Hodges  
Midland, Texas 79705

**2. Article Number**

(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

*[Handwritten Signature]*

☐ Agent

☒ Addressee

**B. Received by (Printed Name)**

*David A. Metts*

**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

☒ Restricted Mail ~~Merchandise~~

☐ Insured Mail

☒ C.O.D.

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

☐ Yes

7003 1680 0006 6283 6279

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

*Domestic 5 Fed Com #2*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 12, 2004

Via Certified Mail-Return Receipt No. 5746

Mr. David A. Metts  
2609 Hodges  
Midland, Texas 79705

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Metts:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated February 5, 2004.

In reference to the above, records indicate you own a 3.07617% WI in the S/2SE/4NW/4, a .38452% WI in the SW/4NE/4 and a .76904% WI in the SW/4NW/4 of the captioned Section 5 below a depth of 4500' beneath the surface. On a unit basis, you own a .7676% WI in the captioned spacing unit.

In the event you elect to participate in the subject proposed well, please sign and return the attached AFE and I will forward you our Operating Agreement for consideration and execution. In the event you elect not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call 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

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

April 26, 2004

Certified Mail-Return Receipt No. 6309

Leslea I. Cole  
832 West Ammandale Way  
Tucson, AZ 85737

Re: MOC's Tombstone "5" Prospect  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mrs. Cole:

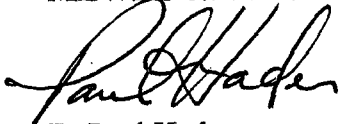
To date we have not received the executed Term Assignment of Oil and Gas Leases I sent to you February 24, 2004 (see enclosures). Regarding same, please have the referenced original term assignment executed and return same to me at your very earliest convenience.

As we plan to commence drilling the Tombstone "5" Federal Com. #2 Well at a location 1650' FNL & 1450' FWL of the captioned Section 5 on or about June 15, 2004, we will be filing an Application for Compulsory Pooling soon regarding the uncommitted joint interest owners as to the proposed well. Accordingly, I would appreciate your cooperation in signing and returning the referenced term assignment to avoid being named in the compulsory pooling application. However, in the event you have decided to participate in the referenced well, I've enclosed a revised AFE for your signature as to your .0005678 unit interest in the captioned land.

Should you have any questions regarding the above, please do not hesitate to call me at your convenience.

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. David A. Metts  
2609 Hodges  
Midland, Texas 79705

2. Article Number  
(Transfer from service label)

7003 1680 0006 6283 5746

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *[Signature]*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

*D Metts*

C. Date of Delivery

*2/19/04*

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

*Tombstone 5 Feb Com #2*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 24, 2004

Leslea Ingram Cole  
832 West Ammandale Way  
Tucson, AZ 85737

520-797-3572

Re: MOC's Tombstone "5" Fee Com #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Ms. Cole:

Pursuant to my phone conversation with Joan Ingram, enclosed for your further handling are duplicate originals of a Term Assignment of Oil and Gas Leases prepared for your execution. As previously discussed, you own a 0.52083% WI in the S/2SE/4NW/4, a 0.06510% WI in the SW/4NE/4 and a 0.13021% WI in the SW/4NW/4 of the captioned Section 5. Collectively you own 0.18229 net mineral acres in said land. Should you had elected to participate in the captioned well, your proportionate part of the estimated well cost would have been:

$\begin{aligned} &0.18229 \text{ (your net acres)} \div 321.01 \text{ acres (acres in spacing unit)} \\ &0.18229 \div 321.01 = .0005678 \text{ (your unit interest)} \\ &.0005678 \times \$962,600 \text{ (estimated well cost)} = \$546.56 \text{ (your part of well cost)} \end{aligned}$
---


In reference to the above, enclosed is our check for \$27.35 which represents the lease bonus consideration of \$150.00 per net acre for the enclosed assignment. As agreed, the term assignment is for a two (2) year term wherein you are delivering Mewbourne a 75% net revenue interest in the leases you are assigning to Mewbourne. In the event Mewbourne does not establish any production within two (2) years of the assignment, under the captioned land, Mewbourne or its successors and assigns will owe you a reassignment of such interest.

Regarding the above, please sign your name exactly as typed on the enclosed assignments in the presence of a Notary Public and return one (1) of same to me in the enclosed envelope provided for your convenience.

Should you have any questions regarding the above, please call me. Your cooperation in connection with this trade 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

February 11, 2004

Via Certified Mail-Return Receipt No. 5722

Leslea Ingram Cole  
832 W. Ammandale Way  
Tucson, AZ 85737

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated February 5, 2004.

In reference to the above, records indicate you own a .52083% WI in the S/2SE/4NW/4, a .06510% WI in the SW/4NE/4 and a .13021% WI in the SW/4NW/4 of the captioned Section 5 below a depth of 4500' beneath the surface. Or a unit basis, you own a .05685% WI in the captioned spacing unit.

In the event you elect to participate in the subject proposed well, please have the attached AFE executed and I will forward you our Operating Agreement for consideration and execution. In the event you elect not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call should you have any questions regarding the above.

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:

Leslea Ingram Cole  
832 W. Ammandale Way  
Tucson, AZ 85737

2. Article Number

(Transfer from service label)

7003 1680 0006 6283 5722

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

111 111 Tom With 115 Del Num #2

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

2/19/04

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

February 10, 2004

Via Certified Mail-Return Receipt No. 5678

Leslea Ingram  
P.O. Box 1757  
Roswell, NM 88202

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated February 5, 2004.


In reference to the above, records indicate you own a .52083% WI in the S/2SE/4NW/4, a .06510% WI in the SW/4NE/4 and a .13021% WI in the SW/4NW/4 of the captioned Section 5 below a depth of 4500' beneath the surface.

In the event you elect to participate in the subject proposed well, please have the attached AFE executed and I will forward you our Operating Agreement for consideration and execution. In the event you elect not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call should you have any questions regarding the above.

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:

Leslea Ingram  
P.O. Box 1757  
Roswell, NM 88202

2. Article Number  
(Transfer from service label)

7003 1680 0006 6283 5678

RS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Joan Ingram*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  
If YES, enter delivery address

☐ Yes

☐ No

FEB 19 2004

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

*Tombstone 57cc Com #2*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

April 26, 2004

Certified Mail-Return Receipt No. 6316

Joseph T. Ingram  
10204 Falconbridge Drive  
Richmond, VA 23233-3830

Re: MOC's Tombstone "5" Prospect  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Ingram:

To date we have not received the executed Term Assignment of Oil and Gas Leases I sent to you February 24, 2004 (see enclosures). Regarding same, please have the referenced original term assignment executed and return same to me at your very earliest convenience.

As we plan to commence drilling the Tombstone "5" Federal Com. #2 Well at a location 1650' FNL & 1450' FWL of the captioned Section 5 on or about June 15, 2004, we will be filing an Application for Compulsory Pooling soon regarding the uncommitted joint interest owners as to the proposed well. Accordingly, I would appreciate your cooperation in signing and returning the referenced term assignment to avoid being named in the compulsory pooling application. However, in the event you have decided to participate in the referenced well, I've enclosed a revised AFE for your signature as to your .0005678 unit interest in the captioned land.

Should you have any questions regarding the above, please do not hesitate to call me at your convenience.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X</p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Joseph T. Ingram 10204 Falconbridge Drive Richmond, VA 23233-3830</p>		<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7003 1680 0006 6283 6316</p>		<p>D. Is delivery address different from item 1? <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"/> Registered  <input type="checkbox"/> Insured Mail         </p>		<p> <input type="checkbox"/> Express Mail  <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> C.O.D.         </p>	
<p>4. Restricted Delivery? (Extra Fee)</p>		<p><input type="checkbox"/> Yes</p>	

PS Form 3811, August 2001 Domestic Return Receipt (02595-02-V-1540)

*Domestic Return Receipt*

<p><b>FROM</b></p> <p><b>MEWBOURNE OIL COMPANY</b></p> <p>500 WEST TEXAS, SUITE 1020 MIDLAND, TEXAS 79701</p>		<p><b>SHIP TO</b></p>
<p>Joseph T. Ingram 10204 Falconbridge Drive Richmond, VA 23233-3830</p>		<p><b>RETURN POSTAGE GUARANTEED</b></p>

**FIRST CLASS**

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 24, 2004

Joseph T. Ingram  
10204 Falconbridge Drive  
Richmond, VA 23233-3830

Re: MOC's Tombstone "5" Fee Com #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Ingram:

Pursuant to my phone conversation with Joan Ingram, enclosed for your further handling are duplicate originals of a Term Assignment of Oil and Gas Leases prepared for your execution. As previously discussed, you own a 0.52083% WI in the S/2SE/4NW/4, a 0.06510% WI in the SW/4NE/4 and a 0.13021% WI in the SW/4NW/4 of the captioned Section 5. Collectively you own 0.18229 net mineral acres in said land. Should you had elected to participate in the captioned well, your proportionate part of the estimated well cost would have been:

$\begin{aligned} &0.18229 \text{ (your net acres)} \div 321.01 \text{ acres (acres in spacing unit)} \\ &0.18229 \div 321.01 = .0005678 \text{ (your unit interest)} \\ &.0005678 \times \$962,600 \text{ (estimated well cost)} = \$546.56 \text{ (your part of well cost)} \end{aligned}$
---

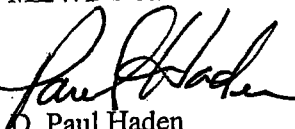
In reference to the above, enclosed is our check for \$27.35 which represents the lease bonus consideration of \$150.00 per net acre for the enclosed assignment. As agreed, the term assignment is for a two (2) year term wherein you are delivering Mewbourne a 75% net revenue interest in the leases you are assigning to Mewbourne. In the event Mewbourne does not establish any production within two (2) years of the assignment, under the captioned land, Mewbourne or its successors and assigns will owe you a reassignment of such interest.

Regarding the above, please sign your name exactly as typed on the enclosed assignments in the presence of a Notary Public and return one (1) of same to me in the enclosed envelope provided for your convenience.

Should you have any questions regarding the above, please call me. Your cooperation in connection with this trade 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

February 10, 2004

Via Certified Mail-Return Receipt No. 5685

Joseph T. Ingram  
10204 Falconbridge Drive  
Richmond, VA 23233-3830

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Mr. Ingram:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated February 5, 2004.

In reference to the above, records indicate you own a .52083% WI in the S/2SE/4NW/4, a .06510% WI in the SW/4NE/4 and a .13021% WI in the SW/4NW/4 of the captioned Section 5 below a depth of 4500' beneath the surface.

In the event you elect to participate in the subject proposed well, please have the attached AFE executed and I will forward you our Operating Agreement for consideration and execution. In the event you elect not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call should you have any questions regarding the above.

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:

Joseph T. Ingram  
10204 Falconbridge Drive  
Richmond, VA 23233-3830

2. A

PS

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X 

☐ Agent

☐ 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

102595-02-M-1540

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 16, 2004

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, OK 74121-1468  
Attn: Mr. Wayne Fields

Re: Tombstone "5" Federal Com. #2  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Wayne:

Attached hereto for your further handling is revised Page 5 of Exhibit "C" of the JOA dated May 12, 2004 for the captioned land and well. The producing well rate has been revised to \$600.00 in lieu of \$6,000.

Please have the JOA executed and return the signature page at your earliest convenience as previously requested.

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

June 11, 2004

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, OK 74121-1468  
Attn: Mr. Wayne Fields

Re: Tombstone "5" Federal Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Wayne:

Enclosed for your further handling is our JOA dated May 12, 2004 for the captioned well with an extra signature page. Please have the JOA and signature page executed on behalf of Kaiser-Francis and return the executed signature page to me. Retain the executed JOA for your file.

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

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

KF ENERGY, L.L.C.

P. O. BOX 2101

TULSA, OKLAHOMA 74101-2101

6733 South Yale Avenue, 74136  
(918) 491-4457 Fax: (918) 491-4459

FAX (432) 682-3715  
Certified Number 70032260000390223225

June 8, 2004

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

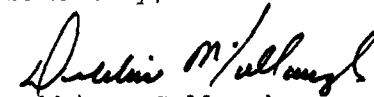
Re: Tombstone "5" Federal Com. #2 Well  
SE/4 NW/4 Section 5-T20S-R25E  
Eddy County, New Mexico

Dear Mr. Haden:

Pursuant to your letter dated April 27, 2004, and receipt of the notice of compulsory pooling received June 7, 2004, KF Energy, L.L.C. General Partner of KF Energy, Limited Partnership Individually and as Agent for Kaiser-Francis Oil Company hereby elects to be participate in the Tombstone "5" Federal Com. #2 well. Enclosed is the executed AFE along with a Well Requirement Sheet please forward it to the appropriate person in your company.

We would appreciate being dismissed from the Pooling. If you need anything further, do not hesitate to contact us.

Sincerely,

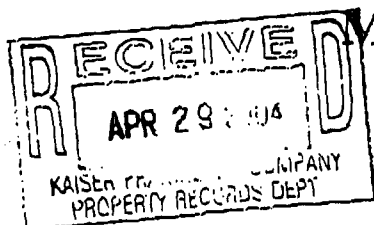


Debbie McCullough  
Senior Land Technician

/dym  
Encls

xc: Wayne Fields  
Jim Wakefield

D90:\ltr\tombstong5fcom2.Wpd



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

Theresa  
KF ENERGY, LLC MGF  
RECEIVED BY THW / ADD  
DATE 4-29-04

April 27, 2004

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468  
Attn: Mr. Jim Wakefield

Re: Tombstone "S" Federal Com. #2 Well  
1650' FNL & 1450' FWL  
Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Jim:

We acknowledge receiving Kaiser-Francis Oil Company's (Kaiser-Francis) letter dated March 12, 2004 (see copy enclosed) wherein Kaiser-Francis advised us of its election to be a non-consent joint interest owner in the Tombstone "S" Fee Com. #2 Well. Please be advised, the well name has been renamed Tombstone "S" Federal Com. #2 Well as the previous location 1650' FNL & 990' FWL was moved to 1650' FNL & 1450' FWL due to topographic concerns regarding surface drainage issues.

In the event Kaiser-Francis still elects to non-consent the revised proposed location under a Pooling Order, please indicate such election by having the copy of this letter signed on behalf of Kaiser-Francis and returned to me. In the event Kaiser-Francis elects to participate in the referenced well at the referenced revised location, enclosed for Kaiser-Francis' consideration is our revised AFE dated April 4, 2004.

As we anticipate spudding the captioned well on or about June 15, 2004, we will be filing an Application for Compulsory Pooling soon regarding all uncommitted joint interest owners.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden  
Senior Landman

DPH/gb

The undersigned joint interest owners elects to ~~non-consent~~ participate (JTW) in the captioned proposed well at the above referenced revised well location this 7 day of June, 2004, under the terms of a Pooling Order to be issued which provides for a non-consent penalty of the actual well cost plus 200% (JTW)

KAISER-FRANCIS OIL COMPANY

Name typed/printed: James T. Wakefield

KFSC - AFE Reg. 63381  
Mewbourne  
Osage  
MGF O.T. Corp. (9345)  
JTW, W.F. BM  
input 1/12  
du/i: 5-28-04 (JTW)



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

## FACSIMILE TRANSMITTAL COVER SHEET

DATE: 4-30-04  
PAGE 1 of 14 PAGES

TO: WAYNE FIELDS COMPANY: \_\_\_\_\_  
FACSIMILE NO.: (918) 491-4383 PHONE NO.: \_\_\_\_\_  
FROM: PAUL HADEN RE: TOMBSTONE "5" FED. Com #2  
MESSAGE: WAYNE - ACCORDING TO THE TITLE OPINION, K-F  
OWNS THE FOLLOWING:

<u>S/2 SE/4 NW/4</u>	<u>SW/4 NE/4</u>	<u>SW/4 NW/4</u>
<u>.0546328</u>	<u>.0068291</u>	<u>.0136582</u>
<u>.0708750</u>	<u>.0088594</u>	<u>.0177188</u>
<u>.0359912</u>	<u>.0044989</u>	<u>.0089978</u>
<u>.0011125</u>	<u>.0001391</u>	<u>.0002781</u>
<u>.1626115</u>	<u>.0203265</u>	<u>.0406529</u>
<u>N/A = 3.25223</u>	<u>N/A = .81306</u>	<u>N/A = 1.626116</u>

TOTAL N/A = 5.691406 K-F UNIT INTEREST = .0177523  
SPACING UNIT = 320.60 AC.

\*\*\*\*\*

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

April 27, 2004

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468  
Attn: Mr. Jim Wakefield

Re: Tombstone "5" Federal Com. #2 Well  
1650' FNL & 1450' FWL  
Section 5, T20S, R25E  
Eddy County, New Mexico

Dear Jim:

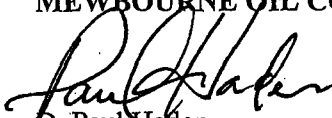
We acknowledge receiving Kaiser-Francis Oil Company's (Kaiser-Francis) letter dated March 12, 2004 (see copy enclosed) wherein Kaiser-Francis advised us of its election to be a non-consent joint interest owner in the Tombstone "5" Fee Com. #2 Well. Please be advised, the well name has been renamed Tombstone "5" Federal Com. #2 Well as the previous location 1650' FNL & 990' FWL was moved to 1650' FNL & 1450' FWL due to topographic concerns regarding surface drainage issues.

In the event Kaiser-Francis still elects to non-consent the revised proposed location under a Pooling Order, please indicate such election by having the copy of this letter signed on behalf of Kaiser-Francis and returned to me. In the event Kaiser-Francis elects to participate in the referenced well at the referenced revised location, enclosed for Kaiser-Francis' consideration is our revised AFE dated April 4, 2004.

As we anticipate spudding the captioned well on or about June 15, 2004, we will be filing an Application for Compulsory Pooling soon regarding all uncommitted joint interest owners.

Sincerely yours,

MEWBOURNE OIL COMPANY

  
D. Paul Haden  
Senior Landman

DPH/gb

The undersigned joint interest owners elects to non-consent the captioned proposed well at the above referenced revised well location this \_\_\_\_\_ day of \_\_\_\_\_, 2004 under the terms of a Pooling Order to be issued which provides for a non-consent penalty of the actual well cost plus 200%.

KAISER-FRANCIS OIL COMPANY

By: \_\_\_\_\_

Name typed/printed: \_\_\_\_\_

KAISER-FRANCIS OIL COMPANY

P.O. BOX 21468

TULSA, OKLAHOMA 74121-1468

6733 South Yale Ave.  
(918) 494-0000

FAX (432) 682-3715  
Certified Number 70032260000390223188

March 12, 2004

**MAR 18 2004**

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

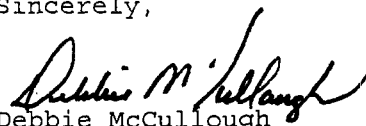
Re: Tombstone "5" Fee Com. #2 Well  
N/2 Section 5-T20S-R25E  
Eddy County, New Mexico

Dear Mr. Haden:

Pursuant to your letter dated February 10, 2004, Kaiser-Francis Oil Company hereby elects to be non-consent in the referenced well. We would appreciate receiving well information. Enclosed is our Well Requirement Sheet please forward it to the appropriate person in your company.

If you need anything further, do not hesitate to contact us.

Sincerely,

  
Debbie McCullough  
Land Assistant

/dym  
Enc.

xc: Wayne Fields  
Jim Wakefield

p90:\ltr\tombstong5fcom2n/c.Wpd

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

February 10, 2004

Via Certified Mail-Return Receipt No. 5623

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468  
Attn: Mr. Wayne A. Fields

Re: Tombstone "5" Fee Com. #2 Well  
N/2 of Section 5, T20S, R25E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes drilling the captioned well at a location 1650' FNL & 990' FWL of the captioned Section 5 to a depth sufficient to evaluate the Morrow formation, estimated total depth being 9,700' beneath the surface. The N/2 of the captioned Section 9 will be dedicated to the initial proposed well. Enclosed for your information and consideration is our AFE dated February 5, 2004.

In reference to the above, records indicate Kaiser-Francis Oil Company (Kaiser-Francis) owns a 16.26115% WI in the S/2SE/4NW/4, a 2.03265% WI in the SW/4NE/4 and a 4.06529% WI in the SW/4NW/4 of the captioned Section 5 below a depth of 4500' beneath the surface.

In the event Kaiser-Francis elects to participate in the subject proposed well, please have the attached AFE executed and I will forward you our Operating Agreement for consideration and execution. In the event your firm elects not to participate in the proposed well, Mewbourne would be agreeable to acquiring a two (2) year term assignment of all of your firm's right, title and interest in the referenced land on the basis of \$150.00 per net acre wherein Mewbourne would be delivered a 75% NRI, subject to proportionate reduction.

Please call should you have any questions regarding the above.

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:

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, OK 74121-1468  
Attn: Mr. Wayne A. Fields

2. Article Number

(Transfer from service label)

7003 1680 0006 6283 5623

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

Tom Hatcher 5 Feb 16 2004

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

x *Harley C. Fields*

- ☒ Agent
- ☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

2-12

D. Is delivery address different from item 1? If YES, enter delivery address below

- ☐ Yes
- ☒ No

FEB 16 2004

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

- ☐ Yes