

CHISOS, LTD.
670 Dona Ana Road, SW
Deming, New Mexico 88030
505 546-8802
505 546-7551 - Fax
sueanncraddock@zianet.com

July 6, 2004

Mr. Steven J. Smith
Mewbourne Oil Company
500 West Texas Avenue, Suite 1020
Midland, Texas 79701-4200

Sent Via Facsimile: 432 685-4170

Re: Falcon Keys 33 State Com No. 1
Eddy County, New Mexico

Dear Steven:

Pursuant to the Exploration Agreement ("Agreement") dated August 26, 2003 between Edge Petroleum Corporation ("Edge"), Pure Energy Group, Inc. and Chisos, Ltd. ("Chisos"), Chisos has agreed that the above referenced well, formerly called the Mewbourne Oil Co. Crow Flats "33" No. 1 Well, is to be included in the Agreement as an Edge Participation Well. Further, Edge has agreed to carry Chisos for its full 12.5% interest until casing point. At casing point, Edge's interest will be reduced to 6.25% working interest and Chisos will come in for a cost bearing interest of 6.25%.

Also included is an AFE for the above referenced well executed by Chisos. If you need additional information, please let me know.

Thank you.

Sincerely,



Sue Ann Craddock
Manager

cc: Jeff Sikora
Edge Petroleum
713 654-7722

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER 3A

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Crow Flats Well Name & No: Crow Flats 33 # 1
 Field: _____ Location: _____
 Section: 33 Block: _____ Survey: _____ Township 16S Range 28E
 County: Eddy State: NM Proposed Depth: 10,030'

	DESCRIPTION	Cost To Casing Point AFE NO.	Completion Cost AFE NO.
	INTANGIBLE COST 180		
300	Permits and Surveys	\$1,800	\$1,200
301	Location, Roads and Site Preparation	\$25,000	\$4,500
302	Footage or Turnkey Drilling		
303	Day Work 29 days @ \$8500 + 2 days Compl.	\$246,500	\$17,000
304	Fuel	\$30,000	\$2,000
305	Completion / Workover Rig		\$9,500
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$20,000	\$13,000
308	Logging, Wireline and Coring Services	\$25,000	\$10,000
309	Casing, Tubing & Snubbing Services	\$4,700	\$10,000
310	Mud Logging	\$7,000	
311	Testing		\$2,500
312	Treating 70Q Binary + 50K IP		\$95,000
313	Water & Other	\$17,000	\$1,000
314	Bits 1-17 1/2", 1-12 1/4", 4- 8 3/4"	\$40,000	
315	Inspection & Repair Services		
316	Misc. Air and Pumping Services		\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$2,500	
330	Equipment Rental	\$9,500	\$2,000
334	Well / Lease Legal	\$5,000	\$2,400
335	Well / Lease Insurance	\$15,500	
350	Intangible Supplies	\$500	\$2,500
355	Damages	\$10,000	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$22,000	\$2,800
380	Overhead Fixed Rate	\$6,000	\$1,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$55,800	\$17,300
	Total Intangibles	\$613,300	\$190,700
	TANGIBLE COST 181		
797	Conductor Casing 40' of 20" (included in location cost)		
797	Surface Casing 565' 13-3/8" 48# H-40 ST&C	\$16,500	
797	Intermediate Casing 2090' 9-5/8" 40# J-55 ST&C	\$39,800	
797	Intermediate Casing		
797	Production Casing 10,030' 5-1/2" 17# S95/N80 LT&C		\$90,500
798	Tubing 9,900' 2-7/8" 6.5# P-105 EUE 8rd		\$39,500
798	Tubing		
860	Drilling Head	\$8,000	
870	Tubing Head & Upper Section		\$12,000
875	Sucker Rods		
880	Packer Pump & Subsurface Equipment		\$7,300
884	Artificial Lift Systems		
885	Pumping Unit		
886	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$5,000
891	Tanks - Other		\$4,000
895	Separation Equipment		\$12,000
896	Gas Treating Equipment		
898	Metering Equipment		\$2,500
900	Line Pipe - Gas Gathering and Transportation		
901	Line Pipe - Production		\$1,500
906	Miscellaneous Fittings, Valves & Accessories		\$10,000
909	Electrical Installations		
910	Production Equipment Installation		\$10,000
920	Pipeline Construction		\$20,000
		\$84,300	\$214,300
		\$677,600	\$405,000
		\$1,082,600	

Date Prepared 03/09/04

Prepared by: R. Terrell

Company Approval: *m. whitte*

Date Approved: 03/10/04

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount:

Total Tangibles

SUBTOTAL

TOTAL WELL COST

Chessa, L.T.S.
Sue Ann Craddock
 Manager

07/06/2004

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 28, 2004

Yates Petroleum Corporation,
Yates Drilling Company,
ABO Petroleum Corporation &
MYCO Industries, Inc.
Attn: Mr. Robert Bullock
105 South Fourth
Artesia, NM 88210

Re: Joint Operating Agreement
Proposed Morrow Test
Falcon Keys "33" State COM #1
660' FNL & 1,980' FWL
Section 33, T-16-S, R-28-E
Eddy County, New Mexico
Crow Flats Prospect

*Talked to Robert K 7-21.
Told him we would be post-printing. Waiting to
sign if we still need the JOA signed. He
said they don't like the JOA. He also said that
with everyone out, he didn't think it would be
signed until after 8-5.*

Dear Robert:

In connection with the referenced, enclosed for your review is one partially executed 1989 Model Form JOA along with an extra set of signature pages. Once the JOA and extra signature pages have been properly executed on behalf of the various Yates entities, please return the extra set of signature pages to my attention. A copy of the fully executed JOA will be sent to you when available. Please also send me your well information requirements.

Please note that the name of the well has been changed to the "Falcon Keys 33 State COM #1".

Thank you for your cooperation. Please feel free to call me if you have any questions. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Attachments

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 28, 2004

Devon Energy Production Company, LP
Attn: Mrs. Meg Muhlinghaus
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Re: Joint Operating Agreement
Proposed Morrow Test
Falcon Keys "33" State COM #1
660' FNL & 1,980' FWL
Section 33, T-16-S, R-28-E
Eddy County, New Mexico
Crow Flats Prospect

Dear Meg:

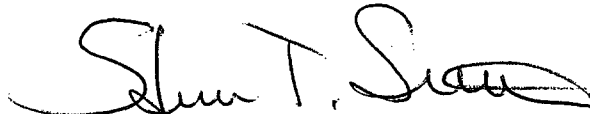
In connection with the referenced, enclosed for your review is one partially executed 1989 Model Form JOA along with an extra set of signature pages. Once executed on behalf of Devon Energy Production Company, LP, please return the extra set of signature pages to my attention. A copy of the fully executed JOA will be sent when available.

As I mentioned in one of our recent conversations, the name of the proposed well has been changed to the "Falcon Keys 33 State COM #1". Please note your files accordingly.

As always, it's a pleasure working with you. Call me if you have any questions. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Attachments

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 28, 2004

Chisos, Ltd.
670 Dona Ana Road, SW
Deming, NM 88030
Attn: Ms. Sue Ann Craddock

Re: Joint Operating Agreement
Proposed Morrow Test
Falcon Keys "33" State COM #1
660' FNL & 1,980' FWL
Section 33, T-16-S, R-28-E
Eddy County, New Mexico
Crow Flats Prospect

Dear Ms. Craddock:

In connection with the referenced, enclosed for your review is one partially executed 1989 Model Form JOA along with an extra set of signature pages. Per my conversation with Mr. Jeff Sikora with Edge Petroleum (Edge), the Exhibit "A" to the JOA reflects that Edge will carry Chisos, Ltd. (Chisos) to casing point in the Initial Well. At casing point, Chisos will then have the option to come into the well for a 6.25% working interest in the Initial Well. Chisos will also have a full 6.25% working interest in all subsequent operations and wells. If this is incorrect, please advise.

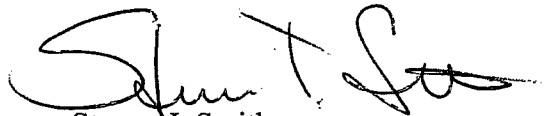
Once the JOA and extra signature pages have been properly executed on behalf of Chisos, please return the extra set of signature pages to my attention. A copy of the fully executed JOA will be sent to you when available. Please also send me your well information requirements.

Please note that the name of the well has been changed to the "Falcon Keys 33 State COM #1".

Thank you for your cooperation. Please feel free to call me if you have any questions. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Attachments

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 28, 2004

Edge Petroleum Corporation
Attn. Mr. Jeff Sikora
1301 Travis, Suite 2000
Houston, Texas 77002

Re: Joint Operating Agreement
Proposed Morrow Test
Falcon Keys "33" State COM #1
660' FNL & 1,980' FWL
Section 33, T-16-S, R-28-E
Eddy County, New Mexico
Crow Flats Prospect

Dear Jeff:

In connection with the referenced, enclosed for your review is one partially executed 1989 Model Form JOA along with an extra set of signature pages. Per our conversations, the Exhibit "A" to the JOA reflects EDGE Petroleum Exploration Co. (EDGE) as having a before casing point working interest in the Initial Well of 12.5% and an after casing point interest of 6.25% along with a 6.25% in all subsequent wells. If this is incorrect, please advise. Once the JOA and extra signature pages have been properly executed on behalf of EDGE, please return the extra set of signature pages to my attention. A copy of the fully executed JOA will be sent to you when available. Please also send me your well information requirements.

Please note that the name of the well has been changed to the "Falcon Keys 33 State COM #1".

Thank you for your cooperation. Please feel free to call me if you have any questions. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Attachments



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Office: (405) 235-3611
Fax: (405) 552-8113

CERTIFIED MAIL—RETURN RECEIPT REQUESTED
703 1680 0002 1822 3386

June 23, 2004

Mewbourne Oil Company
Attn: Steven J. Smith
500 West Texas, Suite 1020
Midland, TX 79701

RE: CROW FLATS STATE COM 33 #1
660' FNL 1980' FWL, SEC. 33, T16S, R28E
EDDY COUNTY, NEW MEXICO

Gentlemen:

Pursuant to your well proposal dated May 7, 2004, please be advised that DEPCO elects to participate in the drilling of the Crow Flats State Com "33" #1 well.

Attached are DEPCO's election and Well Information Requirement sheet. If you have questions, please call me at (405) 228-4416.

Very truly yours,

Meg Muhlinghouse
Land Advisor

Attachments (2)

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Crow Flats

Well Name & No: Crow Flats 33 # 1

Field: _____

Location: _____

Section: 33 Block: _____ Survey: _____

Township 16S Range 28E

County: Eddy

State: NM

Proposed Depth: 10,030'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$1,800	\$1,200
301	Location, Roads and Site Preparation	\$25,000	\$4,500
302	Footage or Turnkey Drilling		
303	Day Work 29 days @ \$8500 + 2 days Compl.	\$246,500	\$17,000
304	Fuel	\$30,000	\$2,000
305	Completion / Workover Rig		\$9,500
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$20,000	\$13,000
308	Logging, Wireline and Coring Services	\$25,000	\$10,000
309	Casing, Tubing & Snubbing Services	\$4,700	\$10,000
310	Mud Logging	\$7,000	
311	Testing		\$2,500
312	Treating 70Q Binary + 50K IP		\$95,000
313	Water & Other	\$17,000	\$1,000
314	Bits 1-17 1/2", 1-12 1/4", 4- 8 3/4"	\$40,000	
315	Inspection & Repair Services		
316	Misc. Air and Pumping Services		\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$2,500	
330	Equipment Rental	\$9,500	\$2,000
334	Well / Lease Legal	\$5,000	\$2,400
335	Well / Lease Insurance	\$15,500	
350	Intangible Supplies	\$500	\$2,500
355	Damages	\$10,000	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$22,000	\$2,800
380	Overhead Fixed Rate	\$6,000	\$1,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$55,800	\$17,300
	Total Intangibles	\$613,300	\$190,700
TANGIBLE COST 181			
797	Conductor Casing 40' of 20" (included in location cost)		
797	Surface Casing 565' 13-3/8" 48# H-40 ST&C	\$16,500	
797	Intermediate Casing 2090' 9-5/8" 40# J-55 ST&C	\$39,800	
797	Intermediate Casing		
797	Production Casing 10,030' 5-1/2" 17# S95/N80 LT&C		\$90,500
798	Tubing 9,900' 2-7/8" 6.5# P-105 EUE 8rd		\$39,500
798	Tubing		
860	Drilling Head	\$8,000	
870	Tubing Head & Upper Section		\$12,000
875	Sucker Rods		
880	Packer Pump & Subsurface Equipment		\$7,300
884	Artificial Lift Systems		
885	Pumping Unit		
886	Surface Pumps & Prime Movers		
890	Tanks - Steel		\$5,000
891	Tanks - Other		\$4,000
895	Separation Equipment		\$12,000
896	Gas Treating Equipment		
898	Metering Equipment		\$2,500
900	Line Pipe - Gas Gathering and Transportation		
901	Line Pipe - Production		\$1,500
906	Miscellaneous Fittings, Valves & Accessories		\$10,000
909	Electrical Installations		
910	Production Equipment Installation		\$10,000
920	Pipeline Construction		\$20,000
		\$64,300	\$214,300
		\$677,600	\$405,000
		\$1,082,600	

Date Prepared: 03/09/04

Total Tangibles

Prepared by: R. Terrell

SUBTOTAL

Company Approval: *m. white*

TOTAL WELL COST

Date Approved: 03/10/04

Joint Owner Approval:

DEVON ENERGY PRODUCTION COMPANY, L.P.

Joint Owner Interest:

Joint Owner Amount:

David Frank
Division Land Manager
For AFE Approval Only

Crow Flats 33 # 1.xls



105 South Fourth Street
Artesia, NM 88210

June 21, 2004

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

**RE: Crow Flats 33 St Com #1
Section 33, T16S, R28E
Eddy County, New Mexico**

Gentlemen:

Yates Petroleum Corporation agrees to participate in the drilling of the Crow Flats 33 St Com #1 well subject to receipt, acceptance and approval an Operating Agreement.

Enclosed is your AFE which has been executed on behalf of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and Myco Industries, Inc.

Should you have any questions please call Rob Bullock at 505-748-4351.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in cursive script that reads 'Barbara Nelson'.

Barbara Nelson
Land Associate

:bn
enclosure(s)

AUTHORIZATION FOR EXPENDITURE

Prospect: Crow Flats Well Name & No: Crow Flats 33 # 1
 Field: _____ Location: _____
 Section: 33 Block: _____ Survey: _____ Township 16S Range 28E
 County: Eddy State: NM Proposed Depth: 10,030'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	\$1,800	\$1,200
301	Location, Roads and Site Preparation	\$25,000	\$4,500
302	Footage or Turnkey Drilling		
303	Day Work 29 days @ \$8500 + 2 days Compl.	\$246,500	\$17,000
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305	Completion / Workover Rig		\$9,500
306	Mud and Chemicals	\$30,000	\$1,000
307	Cementing	\$20,000	\$13,000
308	Logging, Wireline and Coring Services	\$25,000	\$10,000
309	Casing, Tubing & Snubbing Services	\$4,700	\$10,000
310	Mud Logging	\$7,000	
311	Testing		\$2,500
312	Treating 70Q Binary + 50K IP		\$95,000
313	Water & Other	\$17,000	\$1,000
314	Bits 1-17 1/2", 1-12 1/4", 4- 8 3/4"	\$40,000	
315	Inspection & Repair Services		
316	Misc. Air and Pumping Services		\$2,000
320	Rig Mobilization & Transportation	\$25,000	\$1,000
321	Welding and Construction	\$2,500	\$2,000
322	Engineering & Contract Supervision	\$2,500	
330	Equipment Rental	\$9,500	\$2,000
334	Well / Lease Legal	\$5,000	\$2,400
335	Well / Lease Insurance	\$15,500	
350	Intangible Supplies	\$500	\$2,500
355	Damages	\$10,000	
360	Pipeline and Electrical ROW and Easements		\$3,000
367	Pipeline Interconnect		
375	Company Supervision	\$22,000	\$2,800
380	Overhead Fixed Rate	\$6,000	\$1,000
398	Well Abandonment	\$12,000	(\$12,000)
399	Contingencies 10% / 10%	\$55,800	\$17,300
Total Intangibles		\$613,300	\$190,700
TANGIBLE COST 181			
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896	Gas Treating Equipment		
898	Metering Equipment		\$2,500
900	Line Pipe - Gas Gathering and Transportation		
901	Line Pipe - Production		\$1,500
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909	Electrical Installations		
910	Production Equipment Installation		\$10,000
920	Pipeline Construction		\$20,000
		\$64,300	\$214,300
		\$677,600	\$405,000
		\$1,082,600	

Yates Petroleum Corporation
 Yates Drilling Company

12.25%
 1.75%

By: [Signature] Date 6-16-04

Abo Petroleum Corporation

1.75%

By: [Signature] Date 6-16-04

Myco Industries, Inc.

1.75%

By: [Signature] Date: 6-16-04



June 17, 2004

VIA FACSIMILE FOLLOWED BY U.S. MAIL

Mewbourne Oil Company
500 W. Texas Ave., Suite 1020
Midland, Texas 79701-4200

Attn: Steven J. Smith

**RE Well Election
Proposed Crow Flats State COM "33" #1
W/2 Section 33, T16S-R28E
Crow Flats Area
Eddy County, New Mexico**

Dear Mr. Smith:

Further to our conversation the other day, Edge Petroleum Exploration Company ("Edge"), acting pursuant to its rights in Exploration Agreement ("EA") dated August 26, 2003 with Pure Energy Group, Inc. and Chisos, Ltd., elects to participate in the referenced well as to the full 12.5% interest of Chisos, Ltd. in a W/2 Section 33 unit below 3000'. Attached is the AFE for this well approved by Edge. You should also be receiving an approved AFE from Chisos. Under the EA Edge will carry Chisos for their full 12.5% interest until casing point. At casing point Edge's interest will be reduced to 6.25% and Chisos will come in for a cost bearing interest of 6.25%. Please send dry hole cost invoices directly to my attention at Edge. If you have any questions or need additional information please call me at (713) 427-8843. Thank you very much.

EDGE PETROLEUM EXPLORATION COMPANY

Jeff A. Sikora, CPL
Senior Staff Landman
jsikora@edgepet.com

Sue Ann Craddock, Chisos, Ltd.
Larry Cochran, Pure Energy Group, Inc.

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Prospect: Crow Flats Well Name & No: Crow Flats 33 # 1
 Field: _____ Location: _____
 Section: 33 Block: _____ Survey: _____ Township 16S Range 28E
 County: Eddy State: NM Proposed Depth: 10,030'

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909	Electrical Installations		
910	Production Equipment Installation		\$10,000
920	Pipeline Construction		\$20,000
Total Tangibles		\$64,300	\$214,300
SUBTOTAL		\$677,600	\$405,000
TOTAL WELL COST		\$1,082,600	

Date Prepared 03/09/04

Prepared by: R. Terrell

Company Approval: *[Signature]*

Date Approved: 03/10/04

Joint Owner Approval:

Joint Owner Interest: 12.5%

Joint Owner Amount: \$84,700

Total Tangibles

SUBTOTAL

TOTAL WELL COST

Edge Petroleum Exploration Co.

for

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

CERTIFIED MAIL NO. 6460

May 12, 2004

Yates Petroleum Corporation
Yates Drilling Company
ABO Petroleum Corporation
MYCO Industries Inc,
105 South Fourth
Artesia, NM 88210
Attn: Mr. Robert Bullock

*Called 5-28-04 - left message
Per Robert Bullock, Yates probably in 5-30-04*

Re: Proposed Morrow Test
Crow Flats "33" State COM #1
660' FNL & 1,980' FWL
Section 33, T-16-S, R-28-E
Eddy County, New Mexico
Crow Flats Prospect

Gentlemen:

Mewbourne Oil Company ("Mewbourne") hereby proposes drilling a 10,030' Morrow at a location 660' FNL & 1,980' FWL of Section 33, T-16-S, R-28-E, Eddy County, New Mexico to be called the Crow Flats "33" State COM #1 well. Assuming a successful completion requiring 320 acre spacing, a W/2 communitized proration unit would be established. To facilitate drilling the well, Mewbourne also proposes the formation working interest unit consisting of the W/2 of said Section 33. Based upon our most current title information Yates Petroleum Corporation, Yates Drilling Company, ABO Petroleum Corporation and MYCO Industries Inc. ("Yates") collectively appear to own a 35% working interest in State of New Mexico Lease E-9197-3 insofar as it covers the N/2NW/4, SE/4NW/4 & SE/4SW/4 of said Section 33 limited to depths below 3,000'. If our title information is correct, Yates would have a 17.5% working interest in a W/2 working interest unit below 3,000'.

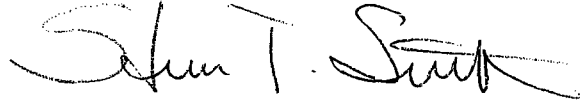
Should Yates choose to participate in the proposed well, please so indicate by executing and returning one of the enclosed AFE well cost estimates for each entity choosing to participate. Upon receipt of your election to participate, an AAPL 1989 Model Form JOA will be forwarded for your review and approval. Should you choose not to participate, Mewbourne hereby extends an offer to purchase a two (2) year Term Assignment covering all of your interests in the E/2 of said Section 33 for \$200.00 per net mineral acre based upon delivery of a 78% net revenue to Mewbourne and use of a mutually acceptable Term Assignment form.

Yates Petroleum Corporation, et .
Crow Flats "33" State COM #1 well proposal
May 12, 2004
Page 2 of 2

Feel free to call me if you have any questions or would like to discuss this proposal in greater detail. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read "Steven J. Smith", with a stylized flourish at the end.

Steven J. Smith
Senior Landman

Attachments

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:

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Mr. Robert Bullock

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Kathy Donaghe

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Kathy Donaghe

C. Date of Delivery

5-13-04

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 6460

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

Crow Flats 33 State Corn #1

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

CERTIFIED MAIL

May 7, 2004

Devon Energy Production Company, LP
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102
Attn: Mrs. Meg Muhlinghouse

Re: Proposed Morrow Test
Crow Flats State COM "33" #1
660' FNL & 1,980' FWL
Section 33, T-16-S, R-28-E
Eddy County, New Mexico
Crow Flats Prospect

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") hereby proposes drilling a 10,030' Morrow at a location 660' FNL & 1,980' FWL of Section 33, T-16-S, R-28-E, Eddy County, New Mexico to be called the Crow Flats "33" State COM #1 well. Assuming a successful completion requiring 320 acre spacing, a W/2 communitized proration unit would be established. Based upon our most current title information Devon Energy Production Company, LP (Devon) appears to own a 27.34375% working interest in State of New Mexico Lease E-9197-3 insofar as it covers the N/2NW/4, SE/4NW/4 & SE/4SW/4 of said Section 33 limited to depths below 3,000'. If our title information is correct, Devon would have a 13.671875% working interest in a W/2 unit below 3,000'.

To indicate an election to participate in the proposed well, please sign and return one of the enclosed AFE well cost estimates. Upon receipt of your election to participate, an AAPL 1989 Model Form JOA will be forwarded for review, approval and execution on behalf of Devon. Should Devon choose not to participate, Mewbourne hereby withdraws any previous trade offers made and in lieu thereof extends an offer to purchase a two (2) year Term Assignment covering all of Devon's interest in the E/2 of said Section 33 for \$200.00 per net mineral acre based upon delivery of a 78% net revenue to Mewbourne and use of a mutually acceptable Term Assignment form.

Feel free to call me if you have any questions or would like to discuss this proposal in greater detail. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Attachments

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

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

2. Article Number
(Transfer from service label)

7003 1680 0006 6283 6408

PS Form 3811 August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

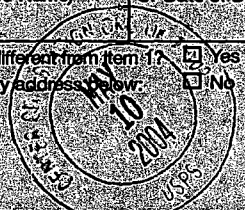
X *H. J. ...*

☐ 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

Crow Flats 33#1

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

CERTIFIED MAIL

May 7, 2004

Chisos, Ltd.
670 Dona Ana Road, SW
Deming, NM 88030

Re: Proposed Morrow Test
Crow Flats State COM "33" #1
660' FNL & 1,980' FWL
Section 33, T-16-S, R-28-E
Eddy County, New Mexico
Crow Flats Prospect

Bill & Sue Craddock (505) 546-8802

*Called 5-28-04 - left message
Mrs Craddock calls 6-8-04 talked w/Larry. Larry told her
I would return her call 6-9.*

*6-9 - Called & left message. Gave work # & cell #
6-10 - Spoke w/ Mrs Craddock. She informed me that Chisos has
Exploration Agreement w/ Edge & that she would forward proposal to them.
6-11 - Jeff Sikora w/ Edge called. He had just received our proposal. Afters app.
He said they would recommend participation & should have us a answer
w/fore pooling date.*

Ladies and Gentlemen:

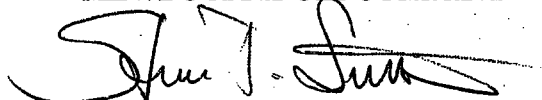
Mewbourne Oil Company ("Mewbourne") hereby proposes drilling a 10,030' Morrow at a location 660' FNL & 1,980' FWL of Section 33, T-16-S, R-28-E, Eddy County, New Mexico to be called the Crow Flats "33" State COM #1 well. Assuming a successful completion requiring 320 acre spacing, a W/2 communitized proration unit would be established. Based upon our most current title information Chisos, Ltd. ("Chisos") appears to own a 25% working in Federal Lease NM-048342 insofar as it covers the SW/4NW/4, N/2SW/4 & SW/4SW/4 of said Section 33 limited to depths below 3,000'. If our title information is correct, Chisos would have a 12.5% working interest in a W/2 unit below 3,000'.

To indicate your election to participate in the proposed well, please sign and return one of the enclosed AFE well cost estimates. Upon receipt of your election to participate, an AAPL 1989 Model Form JOA will be forwarded for your review and approval. Should Chisos choose not to participate, Mewbourne hereby extends an offer to purchase a two (2) year Term Assignment covering all of Chisos' interest in the 160-acre lease for \$200.00 per net mineral acre based upon delivery of a 75% net revenue to Mewbourne and use of a mutually acceptable Term Assignment form.

Feel free to call me if you have any questions or would like to discuss this proposal in greater detail. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Attachments

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:

Chisos, Ltd.
670 Dona Ana Road, SW
Deming, NM 88030

2. Article Number

(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent☒ Addressee

B. Received by (Printed Name)

B. Craddock

C. Date of Delivery

5-11-09

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

7003 1680 0006 6283 6392

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

Chas. Heats 33 #1