



August 22, 2012

Kenneth L. Hewitt  
50 Lamsden Lane SW  
Atlanta, Georgia 30327

Re: TJG Federal 3 1#H Well  
Township 19 South, Range 35 East  
Section 3: S/2  
Lea County, New Mexico, limited from  
9157' subsurface down to 13,107' as  
identified in the compensated  
neutron-formation density log for  
the Marshall & Winston, Inc. -  
Federal 3 #2 Well located in the  
SE/4 of Section 3, Township 19 South,  
Range 32 East, Lea County, New Mexico

Oil Conservation Division  
Case No. 413  
Exhibit No. 413

Mr. Hewitt:

Marshall & Winston, Inc. is proposing the drilling of a second Bone Spring formation horizontal well in the above described lands. From the information available to us in the federal records and the Lea County, New Mexico records, you appear to own a working interest in the lands.

Enclosed you will find:

1. Operating Agreement dated August 20, 2012, along with an extra set of signature pages.
2. Two copies of Memorandum of Operating Agreement and Notice of Lien and Mortgage.
3. Two copies of an AFE covering the TJG Federal 3 #1H Well.
4. Copy of Drilling Opinion dated October 24, 2011.

Kenneth L. Hewitt  
August 22, 2012  
Page 2

If you want to participate, we ask that you sign the extra copy of the signature page, one copy of the Memorandum of Operating Agreement and one copy of the AFE before returning them to us. Please note that your signatures will need acknowledgments from a notary public on the operating agreement and Memorandum. You should also include a drilling information letter in the packet so drilling reports and documentation on the well can be delivered properly. Because of the significant cost of the well, it is possible we may require prepayment of dry hole expenses.

However, if you do not want to participate, you need to get in touch with me and we can discuss a trade for your interest. Should you have any questions regarding this matter, please do not hesitate to contact us. Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Kevin Hammit".

Kevin Hammit  
Vice President - Land

KH/glb

Enclosures

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. 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.</p> <p>Article Addressed to:</p> <p>Kenneth L. Hewitt Lamsden Lane SW Atlanta, GA 30327</p>		<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee  <i>X [Signature]</i> </p> <p>B. Received by (Printed Name) C. Date of Delivery            SAMUEL S. CONNOR 8-25-12         </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"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.         </p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
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<p>Form 3811, February 2004</p>		<p>Domestic Return Receipt 102595-02-M-1540</p>	

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<p>U.S. Form 3800, August 2006 See Reverse for Instructions</p>	





August 31, 2012

Mr. Kenneth L. Hewitt  
50 Lamsden Lane SW  
Atlanta, Georgia 30327

Re: TJG Federal 3 1#H Well  
Township 19 South, Range 32 East  
Section 3: S/2  
Lea County, New Mexico, limited from  
9157' subsurface down to 13,107' as  
identified in the compensated  
neutron-formation density log for  
the Marshall & Winston, Inc. -  
Federal 3 #2 Well located in the  
SE/4 of Section 3, Township 19 South,  
Range 32 East, Lea County, New Mexico

Dear Mr. Hewitt: ,

In the packet sent to you by Marshall & Winston, Inc. containing the letter dated August 22, 2012, it has been discovered that there was an error in the description of lands on certain pages of the operating agreement. Please be advised the above acreage is the correct description for the lands on which we will drill the new well. The range is 32 East, not 35 East.

Enclosed are replacement pages for the operating agreement to be substituted in your copy:

1. Cover Page.
2. First page of Exhibit "A".
3. Exhibit "A" of Memorandum of Operating Agreement.

*Huddleston & Co., Inc.*  
*Petroleum and Geological Engineers*

I HOUSTON CENTER

1221 MCKINNEY, SUITE 3700

HOUSTON, TEXAS 77010

PHONE (713) 209-1100 • FAX (713) 752-0828

September 6, 2012

Via Federal Express

Mr. Kevin Hammit  
Vice President – Land  
Marshall & Winston, Inc.  
6 Desta Drive, Suite 3100  
Midland, Texas 79705

Re: Elizabeth Hewitt Taylor  
TJG Federal 3 1#H Well  
Lea County, New Mexico

Dear Kevin:

I have been retained by Mrs. Taylor to review the Marshall & Winston proposal to drill a Bone Spring well at an AFE 100% working interest cost of \$6,009,656; \$75,120 to the Taylor share. I have had a relationship with some Taylor associates for over 40 years.

Mrs. Taylor is not at all familiar with the oil business and I probably will not recommend her participation for the .012500 working interest.

I have Division Orders for two wells sent by Bluestem Energy (August 16, 2012), both with small interests and high royalty burdens. I do not have the revenue interest for the Federal 3. Could you provide an approximate NRI?

	<u>Working Interest</u>	<u>Revenue Interest</u>
Amoco State #1	.00333300	.00113340
Union State #2	.01000000	.00580000

I assume one or both wells may be pooled into the Federal #3. Make a simple offer ASAP and we will respond quickly.

Yours véry truly,



B. P. Huddleston, P.E.

BPH:lal

cc: Robert J. Taylor  
Five Concourse Parkway, Suite 2120  
Atlanta, Georgia 30328

Elizabeth Hewitt Taylor  
Email: b9755@bellsouth.net



September 10, 2012

Huddleston & Company, Inc.  
1221 McKinney, Suite 3700  
Houston, Texas 77010

Attention: Mr. B. P. Huddleston

Re: Elizabeth Hewitt Taylor  
Township 19 South, Range 32 East,  
SW/4 of Section 3,  
Lea County, New Mexico, limited  
to depths between 5000' subsurface  
and 13,107' subsurface

Dear Mr. Huddleston:

Right off I want to thank you for responding to our well proposal. The leasehold ownership in the SW/4 of Section 3 is rather cut up and we do not know many of the owners.

We are not familiar with the Bluestem Energy wells you referenced in your letter of September 6, 2012. If they are in Section 3, it is possible they produce from depths lower or deeper than what we are interested in.

From the title opinion we had prepared on the lands, the 2.5% working interest held by Kenneth L. Hewitt is at a .835 net revenue rate giving a net revenue interest of 2.0875%.

Marshall & Winston, Inc. offers to purchase the leasehold interest for \$3,750.00 per net acre for a total of \$15,000.00. This offer is contingent on our being provided acceptable title that moves the interest from Kenneth L. Hewitt to Elizabeth Hewitt Taylor.

You are welcome to contact me anytime on this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin Hammit", is written over a horizontal line.

Kevin Hammit  
Vice President - Land

KH/mtb



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
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.		A. Signature <i>x Sarah Limerick</i> <div> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee         </div>	
Article Addressed to: Huddleston & Co., Inc. Attention: Mr. B. P. Huddleston 21 McKinney, Ste. 3700 Houston, TX 77010		B. Received by (Printed Name) <i>Sarah Limerick</i> C. Date of Delivery <i>SEP 12 2012</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <div> <input type="checkbox"/> Certified Mail    <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered       <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail     <input type="checkbox"/> C.O.D.         </div>	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
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Sent To *Mr. B.P. Huddleston*  
 Street, Apt. No.,  
 or PO Box No.  
 City, State, ZIP+4

PS Form 3800, June 2002      See Reverse for Instructions



October 26, 2012

Mr. Kenneth L. Hewitt  
50 Lamsden Lane SW  
Atlanta, Georgia 30327

Re: TJG Federal 3 #1H Well  
Township 19 South, Range 32 East  
Section 3: S/2  
Lea County, New Mexico, limited from  
9157' subsurface down to 13,107' as  
identified in the compensated  
neutron-formation density log for  
the Marshall & Winston, Inc. -  
Federal 3 #2 Well located in the  
SE/4 of Section 3, Township 19 South,  
Range 32 East, Lea County, New Mexico

Dear Mr. Hewitt:

Previously, along with a letter dated August 22, 2012, you were mailed a packet concerning the drilling of the above captioned well. So far, we have not received any signed paperwork from you. If this is a drilling opportunity you do want to be in, Marshall & Winston asks that you sign the necessary documentation and return that to us. However, should you not want to participate, it will be appreciated for you to contact me so a trade can be discussed for your interest.

Another of the working interest owners, COG Operating, LLC, had concerns with certain provisions in the operating agreement. Marshall & Winston is agreeable to their requested changes. We ask that you substitute the enclosed pages for the corresponding pages in your possession.



Mr. Kenneth L. Hewitt  
October 26, 2012  
Page 2

Replacement Page 2 to the operating agreement substitutes "one-eighth (1/8)" for "those existing" in Line 15. Replacement Page 10 modifies the casing point election in Lines 1-13 to accommodate the differences between vertical wells and horizontal wells.

Marshall & Winston appreciates your attention to this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Kevin Hammit".

Kevin Hammit  
Vice President - Land

KH/mtb

Enclosures




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Article Addressed to:  
r. Kenneth L. Hewitt  
0 Lamsden Lane SW  
Atlanta, GA 30327

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B. Received by (Printed Name) C. Date of Delivery  
SAMUEL L. CONNOR 10/30/12  
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December 12, 2012

Mr. Kenneth L. Hewitt  
50 Lamsden Lane SW  
Atlanta, Georgia 30327

Re: TJG Federal 3 #1H Well  
Township 19 South, Range 32 East  
Section 3: S/2  
Lea County, New Mexico, limited from  
9157' subsurface down to 13,107' as  
identified in the compensated  
neutron-formation density log for  
the Marshall & Winston, Inc. -  
Federal 3 #2 Well located in the  
SE/4 of Section 3, Township 19 South,  
Range 32 East, Lea County, New Mexico

Dear Mr. Hewitt:

Marshall & Winston, Inc. has two times earlier contacted you about the planned drilling of the above captioned well. Be advised that we are proceeding with those plans. Should you want to be involved in this drilling activity, we need you to sign and return the paperwork provided with the letter dated August 22, 2012. If you no longer have that paperwork but are interested in participating, let us know and we will replace that documentation.


Should you not wish to participate, you are asked to contact me so we can discuss a trade for your working interest. Marshall & Winston appreciates your attention to this situation.

Very truly yours,

Kevin Hammit  
Vice President - Land

KH/mtb

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. 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.</p> <p>Article Addressed to:</p> <p>Mr. Kenneth L. Hewitt            10 Lamsden Lane SW            Atlanta, GA 30327</p>		<p>A. Signature  <b>X</b> <i>Susan Hewitt</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Susan Hewitt</i> C. Date of Delivery <i>12/19/12</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No            If YES, enter delivery address below:</p>	
		<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
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<p>Sent To <i>Mr. Kenneth L. Hewitt</i></p> <p>Street, Apt. No., or PO Box No.</p> <p>City, State, ZIP+4</p>	
<p>PS Form 3800, June 2002 See Reverse for Instructions</p>	

## Kevin's Mail

---

**From:** susan hewitt <hew6632@msn.com>  
**Sent:** Thursday, December 20, 2012 9:07 PM  
**To:** Kevin's Mail; whewitt@gmlj.com; b9755@bellsouth.net  
**Subject:** RE: TJG Fed. 3 #1H, Lea Co., NM

Thank you for sending this. My sister and brother and I will talk about this over the holidays and get back to you. In the meantime, here are my brother and sister's email addresses:

William Davis Hewitt  
[whewitt@gmlj.com](mailto:whewitt@gmlj.com)

Elizabeth Hewitt Taylor  
[b9755@bellsouth.net](mailto:b9755@bellsouth.net)

Thank you!  
Happy Holidays!  
Susan Hewitt

---

**From:** [khammit@mar-win.com](mailto:khammit@mar-win.com)  
**To:** [hew6632@msn.com](mailto:hew6632@msn.com)  
**Subject:** TJG Fed. 3 #1H, Lea Co., NM  
**Date:** Thu, 20 Dec 2012 10:50:55 -0600

Ms. Hewitt,

Thanks again for contacting us. Marshall & Winston remains interested in getting the captioned well drilled next year, and your response is helpful.

Attached is the letter sent in response to Mr. Huddleston's letter of 9/6/12. The cash offer made in the letter remains open should you and your brother and sister prefer to go that route.

In any case it will be necessary to record documentation in Lea Co., NM that gets the leasehold interest conveyed to your father on to you and your siblings. I am hopeful he had a probate, and we can quickly determine the succession to his children. As I mentioned to you on the phone, New Mexico is a community property state. If your mother was living at the time your father acquired the leasehold interest, she would have been entitled to ½ of the interest. We may need to determine if she had a probate. Should there not be one, there are other ways to resolve the matter.

Kevin Hammit





February 8, 2013

Mr. Kenneth L. Hewitt  
50 Lamsden Lane SW  
Atlanta, Georgia 30327

Re: TJG Federal 3 #1H Well  
S/2 of Section 3,  
Township 19 South, Range 32 East,  
Lea County, New Mexico

Dear Mr. Hewitt:

As Marshall & Winston, Inc. moves closer to getting the TJG 3 #1H commenced, we want to clarify a point. The well unit will be the S/2 of Section 3, T19S, R32E, Lea County, New Mexico. Should the well be successful, we will have the opportunity for additional drilling in the unit.

Very truly yours,

Kevin Hammit  
Vice President - Land

KH/mtb

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Article Addressed to:  
Mr. Kenneth L. Hewitt  
50 Lamsden Lane SW  
Atlanta, GA 30327

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☐ Agent  
☐ Addressee

B. Received by (Printed Name)

SAMUEL L. CONNOR

C. Date of Delivery

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PS Form 3800, August 2005

See Reverse for Instructions