

Summary of Communications
Pavo Macho 31 B2LI Federal No. 1H

Southwest Royalties, Inc.

- 1) Mailed Term Assignment offer letter via certified mail dated 6-4-2015.
- 2) Received green card signed by T Parnell.
- 3) Emailed Mark Tisdale with Southwest Royalties, Inc. 6-4-2015.
- 4) Larry Cunningham with Mewbourne Oil Company had several phone conversations and emails with Mark Tisdale about the acreage. Mark claimed it was not high priority for Southwest at the moment.
- 5) Mailed well proposal letter with AFE via certified mail dated 10-30-2015.
- 6) Received green card signed by K Bradley.
- 7) I have not heard back from Mark Tisdale or any Southwest representatives.

Oil Conservation Division
Case No. 2
Exhibit No. 2



Date: June 5, 2015

Simple Certified:

The following is in response to your June 5, 2015 request for delivery information on your Certified Mail™/RRE item number 9414810699945009565790. The delivery record shows that this item was delivered on June 5, 2015 at 10:37 am in MIDLAND, TX 79705. The scanned image of the recipient information is provided below.

Signature of Recipient :

T Parnell

Address of Recipient :

6 DESTA DR 3000

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Mr. Mark Tisdale
Southwest Royalties, Inc.
6 DESTA DR STE 6500
MIDLAND, TX 79705
Reference #: MOC's Triton Prospect
Item ID: MOC's Triton Prospect

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 4, 2015

Via Email and Certified Mail

Southwest Royalties, Inc.
6 Desta Drive, Suite 6500
Midland, Texas 79705
Attn: Mr. Mark Tisdale

Re: MOC's Triton Prospect
Township 18 South, Range 29 East
Eddy County, New Mexico

Dear Mr. Tisdale:

Mewbourne Oil Company ("Mewbourne") as Operator is interested in drilling one or more wells under the captioned land.

According to our most recent title information, Southwest Royalties, Inc. ("SWR") appears to own 460.00 net acres in Section 29, 105.55 net acres in Section 30 and 369.78 net acres in Section 31, all in Township 18 South, Range 29 East. I have attached an Exhibit "A" that shows the ownership in more detail.

In reference to the above, Mewbourne hereby offers to purchase a two (2) year Term Assignment of Operating Rights from SWR on the basis of \$1,100.00 per net acre whereby Mewbourne would be delivered a 75% net revenue interest, subject to proportionate reduction ((460.00 net acres + 105.55 net acres + 369.78 net acres = 935.33 net acres X \$1,100.00 per net acre = \$1,028,863.00).

If the above offer is acceptable, please acknowledge your acceptance of same by signing and returning the copy of this letter to me within fifteen (15) days from the date of receipt.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell

Corey Mitchell
Landman

Southwest Royalties, Inc.
Triton Prospect
June 4, 2015
Page 2 of 2

Agreed and Accepted this _____ day of _____, 2015.

SOUTHWEST ROYALTIES, INC.

By: _____

Exhibit "A"

Section 29:

Acreage	Depths	Interest	Net Acres
NW/4SW/4	Surface to 11,404'	37.5% interest	15 acres
NW/4	4,000' to 11,400'	71.875% interest	115 acres
NE/4	4,000' to 11,400'	75% interest	120 acres
SE/4SE/4, SW/4SW/4, E/2SW/4, W/2SE/4, NE/4SE/4	4,000' to 11,490'	75% interest	210 acres
			460 acres

Section 30:

Acreage	Depths	Interest	Net Acres
SE/4NW/4	200' to 12,260'	10.1565% interest	4.06 acres
S/2NE/4	All Depths	75% interest	60 acres
Lots 1, 2, NE/4NW/4	3,350' to 12,260'	10.1565% interest	10.56 acres
Lots 3, 4 E/2SW/4	4,000' to 11,490'	10.1565% interest	14.68 acres
SE/4	4,000' to 11,490'	10.1565% interest	16.25 acres
			105.55 acres

Section 31:

Acreage	Depths	Interest	Net Acres
NW/4NE/4	Surface to 11,404'	37.5% interest	15 acres
NE/4SE/4, Lot 4	4,000' to 11,400'	34.375% interest	22.68 acres
NW/4, NE/4NE/4, SE/4NE/4, SW/4NE/4, NE/4SW/4, NW/4SE/4, Lots 5-7	4,000' to 11,404'	75% interest	332.10 acres
			369.78 acres

Corey Mitchell

From: Corey Mitchell
Sent: Thursday, June 04, 2015 2:00 PM
To: 'mtisdale@claytonwilliams.com'
Subject: Southwest Royalties - Term Assignment Offer
Attachments: Southwest Royalties Offer.pdf

Mr. Tisdale,

Mewbourne Oil Company is interested in purchasing a Term Assignment covering some interest Southwest Royalties, Inc. owns in T18S, R29E, Eddy County, New Mexico. Please see my attached offer letter. Let me know if you have any questions. I look forward to hearing back from you. Thanks. Have a great day.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus. (432) 682-3715
Fax (432) 685-4170



Date: November 3, 2015

Simple Certified:

The following is in response to your November 3, 2015 request for delivery information on your Certified Mail™/RRE item number 9414810699945011855117. The delivery record shows that this item was delivered on November 3, 2015 at 10:48 am in MIDLAND, TX 79705. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to read "K Buel".

Address of Recipient :

A handwritten address in black ink, appearing to read "(Pavesta)".

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Mark Tisdale
Southwest Royalties, Inc.
6 DESTA DR STE 6500
MIDLAND, TX 79705
Reference #: Pavo Macho cm

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

October 30, 2015

Via Certified Mail

Southwest Royalties, Inc.
6 Desta Drive, Suite 6500
Midland, Texas 79705
Attn: Mr. Mark Tisdale

Re: Pavo Macho 31 B2LI Fed #1H
1980' FSL & 185' FWL (SL)
1650' FSL & 330' FEL (BHL)
Section 31, T18S, R29E
Eddy County, New Mexico

Gentlemen:


Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,650 feet subsurface to evaluate the Second Bone Spring Sand in the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 12,100 feet. The N/2S/2 of the captioned Section 31 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated July 20, 2015 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow should you elect to participate.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman