STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION

CASE #: 14305

EXHIBIT 1

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

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14,305

VERIFIED STATEMENT OF KEN GRAY

Ken Gray, being duly sworn upon his oath, deposes and states:

- 1. I am a landman for Devon Energy Production Company, L.P., and have personal knowledge of the matters stated herein.
- 2. Pursuant to Division Rule NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) No opposition is expected because the working interest owners being pooled have simply not responded to lease offers and well proposals.
 - (b) A plat outlining the spacing unit being pooled, and marking the location of the subject well, is attached as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Upper Pennsylvanian formation underlying the W/2 of Section 13, Township 24 South, Range 28 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent.

The unit is dedicated to the Craft Well No. 1, re-entered at an orthodox location 1980 feet from the north line and 660 feet from the west line of Section 13. The recompletion report filed with the Division is attached as Exhibit B. It is a gas well.

(c) The parties being pooled, their addresses, and their working interests in the well unit are as follows:

Harry Richardson 5093 East Highway 82 Gainesville, Texas 76240

0.004883%

| Oil Conserv | atio | on Divisior |
|-------------|------|-------------|
| Case No. | 14 | 1305 |
| Exhibit No. | | |

| Edna Mae Watt 400 Holland Drive West Sacramento, California 95605 | 0.012601% |
|--|-----------|
| Dale M. Richardson 5093 East Highway 82 Gainesville, Texas 76240 | 0.004883% |
| Denise McCoy 933 Fourth Street Calimesa, California 92320 | 0.052897% |
| Cheryl and Craig E. Collins 3209 SW Belle Avenue Topeka, Kansas 66614 | 0.016276% |
| Stephen A. Major, Trustee of the John Charles Major Trust Apartment 5209 7751 South Memorial Drive Tulsa, Oklahoma 74133 | 0.019531% |
| James A. Collier III 1113 Shady Oak Circle McKinney, Texas 75070 | 0.019531% |
| Cline Oil and Gas Company Suite 405 7144 East Stetson Drive Scottsdale, Arizona 85251 | 2.343750% |

- (d) To the best of our knowledge the addresses for all parties are current and correct. Harry Richardson may be deceased, but there is no probate of his estate in Eddy County. Cline Oil and Gas Company has picked up certified mail but does not answer phone calls, so my contact with it has been limited.
- (e) Lease offers and proposal letters sent to the uncommitted working interest owners are attached as Exhibit C. Applicant has made a good faith effort to locate current addresses and obtain the voluntary joinder of interest owners in the well.
- (f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against the non-consenting interest owner.
- (g) A copy of the actual well costs for the re-entry is attached as Exhibit D. The re-entry and re-completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth in this area of Eddy County.

- (h) Overhead charges of \$6000.00/month for a drilling well, and \$600.00/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for well of this depth. Applicant requests that the rates be adjusted pursuant to the COPAS accounting procedure.
- (i) Applicant requests that it be designated operator of the well.

| 1 | /ER | IFL | CA | TI | ON |
|---|-----|-----|----|----|----|
| | | | | | |

| STATE OF OKLAHOMA |) |
|--------------------|-------|
| |) ss. |
| COUNTY OF OKLAHOMA |) |

Ken Gray, being duly sworn upon his oath, deposes and states that: He is a landman for Devon Energy Production Company, L.P.; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Ken Gray

SUBSCRIBED AND SWORN TO before me this 13th day of April, 2009 by Ken Gray.

My Commission Expires: 9-23-2010

Motary Public ROBER TO Notary Public ROBER TO NOTARY PUBLIC ROBER TO NOTARY PUBLIC ROBERT PUBLIC ROB

MEXICO OIL CONSERVATION COMMIS. WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section

| Coquir | na Oil Company | 7 | Craft | Weil No. | |
|----------------------------|---------------------------------|--|--------------------------|---|--|
| E E | Section 13 | Township 24 South | 8cmqe 28 East | County Eddy | |
| 1980 | ation of West | north line and | 660 | et Irom the West | line |
| Found Lyvel Flev 2972.0 | Pro sucing For | | Undesignated | | Dedicated Acresques |
| | | ted to the subject w | ell by colored pencil | or hachure marks on t | ACIE 5 |
| | nan one lease is nd royalty) | dedicated to the we | ll, outline each and ide | entify the ownership t | hereof (both as to working |
| | | ifferen, ownership is unitization, force-pool | | have the interests of | f all owners been consoli- |
| X Yes | No If an | nswer is "yes;" type | of consolidation Vo | luntary Pooling | |
| this form i | f necessary.)ble will be assign | ed to the well until a | ll interests have been | consolidated (by com | nmunitization, unitization, approved by the Commis- |
| - 660' | | 2 SEE | ATTACHMENT | Name Billy M Position Operati | certify that the information con- erein is true and complete to the my knowledge and belief. M. Priebe Cons Superintendent Oil Corporation |
| 3 | | | | Dote | 5, 1982 |
| | | 5 6 | EXHIBIT A | I hernby shown an nates of under my is true (| certify that the well location is this plat was plotted from field actual surveys made by me or supervision, and that the same and correct to the best of my see and belief. |
| | 9 10 | 0 13 | (((8683) | 3-31-8 | |
| 7 | 8 11 | 12 10 | LANG SUA | Registered and or cap | well Komero |
| 130 660 | 90 1320 1680 108 | 2312 2646 205 | | Certificate | No JOHN W. WEST 676 PATRICK A ROMERO 6668 |

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV

State of New Mexico Energy Minerals and Natural Resources



Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 NOV 2 1 Submit to appropriate District Office

OCD-ARTESIA AMENDED REPORT

| | | Deve | Operator Nam on Energy Produc | tion Compa | ess any L.P. | | | | 6137 | OGRID Nu | | |
|--------------------------------|---|--|--|-----------------------------|---|------------|----------------|-------------|--|-------------------|--------------------------|--|
| | | | 20 North E OKC, OK 7: | | | | | | 30 -015-24 | 3 API Numl 129 | | |
| Prope | rty Code | | | | Property Craft | Name | | | | | Well No. | |
| | | | Proposed Pool 1 | · | 975 | 94 | | | ¹⁰ Prop | osed Pool 2 | | |
| ALT D | cow, | leppe | or Prom | <u> </u> | ⁷ Surface | Locati | on. | | ·· | ····· | <u> </u> | |
| UL or lot no. | Section | Township | Range | Lot | , | | North/Sc | outh line | Feet from the | East/West lin | e County | |
| E | 1 1 1 | | 28E | | 198 | - (| No | - 1 | 660 | West | Eddy | |
| | | | 8 Prop | osed Botto | om Hole Loca | tion If D | ifferen | t From S | Surface | *···· | | |
| JL or lot no | Section | Townslup | Range | Lot | y | | | outh line | Feet from the | East/West lun | e County | |
| | <u></u> | | <u> </u> | Ad | lditional We | ll Info | rmatio | on | | | | |
| 11 Work | Type Code | | 12 Well Type Co | | 13 Cable | /Rotary | | | Lease Type Code | 13 | Ground Level Elevation | |
| 16 h | fultiple | | G 17 Proposed De | nth | 1 | mation | | | Fee 19 Contractor | | 2972' GR 20 Spud Date | |
| | No | | 12,983 | | Upper Po | enn Shale |] | | ······································ | | 4/30/1982 | |
| 5 Depth t | o Groundwa | ter | | 6 D | istance from neare | st fresh w | ater well | | 6 Distan | ce from nearest | surface water | |
| Pit: Line | : Synthetic | | rals thick Clay | ☐ Pit V | olume:bbl | s | Dr | illing Met | hod: | | | |
| Clos | ed-Loop Sys | tem 🛚 | ······································ | | | | | | Brine D1 | esel/Oil-based | Gas/Air G | |
| | | | | Propos | sed Casing a | ınd Cei | ment l | Prograi | n | | | |
| Hole S | | | sing Size | | g weight/foot | S | etting De | | Sacks of Co | | | |
| 26 | | | 20" | 94.0# | | | 352' | | 800sx (| CIC | Surface | |
| 17 ½ | ′2" | 13 | 3 3/8" | 61 & 54.5# | | | 2654 | , | 2200 s | x C | Surface | |
| 12 ½ | 4" | 9 | 5/8 ' | 47 & 43# | | 9900' | | , | 2400 sx I | Lite H | 3675' (TS) | |
| | | 7 | 5/8" | | 39# | | 12,09 | 9 | 750 s | x | 9400' Tag | |
| | | | 5" | 18# | | 1 | 12,98 | 1 | 255 s | x [| 11,862' Tag | |
| MIUL strin MIRU Ensur | 11,100 ng. WSU. N re well WL serv | ' 2-3/8 TU BOP. is dead | Test per I. POH w/ | company 2-7/8" BOPE . | / EUE prod y guideline and LD WS. Test per o | uctiones. | n tbg y gui | , plum | | of 4%"/12 | n Shale75#/P-110 f | |
| best of my kr constructed | owledge an according t) alternativ | d belief. I fo o NMOCD e OCD-app | n given above is arther certify the guidelines , broved plan . | at the drill | ing pit will be | Approv | edby | OIL,C | ONSERVAT J.W. A FIL S | ION DIV | ISION | |
| Title: Regula | · | | prog 7 | Jan | rec/> | Annrov | al Date: | 12/1 | 0/065 E | xpiration Date | 12.11.11. | |
| E-mail Addre | | | | | | | | | | , | · - · / 0 VO | |
| Date:11/20/0 | 8 | | | | 4 | itie | ons of Ar | pproval At | tached [| | | |
| | | | | | | | | | | | | |

Page 2: Form C-101 CRAFT #1 API# 30-015-24129

11/20/08

C-144CLEZ submitted (11/14/08 under separate cover)

- 6. RIH w/4" csg gun perf U. Penn Shale 11,156-405' @1 SPF: 250 shots. 60° phased. Correlate CRC GR-CCL dated 8/12/1982 . RD WLSU.
- 7. RIH w/ treating pkr on 4%" frac string &set above new perfs @ ~11,100' Hydro-test tbg to 8000 psi.
- 8. RU B.J. services. FRAC w/ ~150k# 40/70, 20/40 prop in ~500k g linear gel, per BJ Services proposal (to follow). Tie into back side w/PT and pump @ 0.5 BPM during frac.
- 9. Record ISDP, then force close and flow well back immediately at % to 1 BPM through flowback separator and test until further notice. RD BJ.
- 10.PU & lubricate in a WL re-entry guide, 1.81" R-profile nipple w/ no-go and pump-out plug, pup joint, 7-5/8" WL-set, tbg retrievable production pkr (Arrowset) rated to 10k psi, and on/off tool w/ 1.87" F- profile on WL. Position end of assembly at ~11,100' & set pkr. POH w/ setting tool.
- 11. RIH w/ on/off shuck and 2-3/8"/4.7 ppf/ N-80/ EUE production tbg. Circ tbg-csg annulus w/ pkr fluid (2% KCl w/ oxygen scavenger), then latch onto on/off tool. NU 10,000 psi production tree.

(GAS) CRAF-_-:1 DEVON ENERGY CORP PIERCE CROSSING NORTHWEST Field, EDDY Co , NM Area: POTATO BASIN AF 1980' FNL, 660' FWL, Sec 13, 24S 28E. Elev: 2994.0' (22.0' AGL) Surface Casing Record Last updated by: 20.000"/ 94.00#/ /8RD @ 352' Jim Cromer 01/23/2007 Intermediate Casing Record 13.375"/54.50#/ / @ 2654' 61.00#/ / @ 2654' 2nd Intermediate Csq. Record 9 625"/ 47 00#/ / @ 0'- 9900' PARTIAL SCHEMATIC CATALON C SERVICE S (9000' - TD) TOC = 9500' () Production Casing Record 7.63"/ 39.00#/ S-95/ 8RD @ 12099' 39.00#/ P110 @ U, 9 625" csg @ 9900" Production Liner Record 5 00"/ 18 00#/ N80 / FL4S @ 11913'-12981' Tubing Record 2.875"/ 6.50#/ N-80/ EUE @ 10720' Well History (spudded 04/30/1982); 9/24/1982 - DC. Set 9.625" csg @ 9900' _cmt w/ 2400 sx. Set 7-5/8" production liner @ 12099' and 5" production liner fm 11913 - 12981'. Complete ATOKA 11868'- 11884'. (IP 0 BO, 3469 MCF, 0 BW). 2/18/97 - Pf MORROW 12536 - 12716', swab test 2 875" tbg @10720" (OE) (unsuccessful). 05/05/1997: complete WOLFCAMP 10828'-, 10975', ACDZ 10828'- 10975' w/ 2200 G 20% HCI (IP 0 BO, 238 MCF, 0 10828-10975 11/05 - TA'd w/ plug in packer @ 10695'. Conduct MIT OK, (WOLFCA) left well TA'd. 9/08 - Recompletion. Drilled out 7-5/8" CIBP @ 11,721" pushed on top of 5" liner. Drilled up CIBP. Dressed liner top. Hydrotest tbg in hole. Tag w/mill @ 11913' - taper 8" w/ mill. Pf ATOKA 11928 - 11940 2 SPF. ACDZ 11928 -11940 w/ 1500 G 15% + 40 BS. Ball action, no ball-out. AIR = 4 BPM @ 4000#. ISDP 3052#, vac in 3 min. 103 BLTR. Swab 94 bbl back, no gas. RIH open-ended tubing to 10698'. Install 2-7/8" screw-in gate valve 2-7/8" plug w/ ball valve press gauge. PF 11792-11797 (ATOKA) 11868-11884 (ATOKA) PF.11928-11940' (ATKA) 7 625" csg @12099" w/2400 sx PF 12536 -12716 (MORROW Plugs: Perf Detail CIBP @12265' FLTC @12883' Interval spf Date 10828-10834' 0 / / 5 000" Inr. 11913" 10970-10975' 0 // 11792-11797' 0 // -12981' w/ 0 sx 11868-11884 0 // 12536-12716 0 // TD = 12983*

| A de | | | | | | | | | , | 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - | | | | |
|---|----------------------|---------------|-----------------------|-----------------|--|-------------|---|--------------|--------------------------|--|--|---------------------------------------|--|--|
| Submit Yo Appropr | iate District O ; | ffice | | | State of Ne | | | | i ttt | 3 19 2009 | F | orm C-105 | | |
| District 1 1625 N. French Dr., | Hobbs NM 8 | 88240 | En | ergy, | Minerals and | i Natura | l Resource | S | July 17, 2008 | | | | | |
| District II | | | | | | | | | 30-015-24129 | | | | | |
| 13 01 W. Grand Ave District III | nue, Artesia, I | NM 88210 | | | l Conservat | | | | 2. Type of Le | ase | | - , | | |
| 1000 Rio Brazos Rd | ., Aztec, NM | 87410 | | 12 | 20 South St | | | | ⊠ STA | | ☐ FED/IN | DIAN | | |
| 1220 S. St. Francis I | | | | | Santa Fe, N | | | | 3. State Oil & | Gas Lease No. | Promonent management | THE PART OF EACH PARTY OF | | |
| | | TION C | OR RECC | MPL | ETION RE | PORT | AND LOG | | | 704 | and the second | | | |
| 4. Reason for filing: | | | | | | | | | 5. Lea | se Name or Un CRAF | _ | lame | | |
| ⊠ COMPLETI | | ` | | _ | | · | • | ., | 6. Well Numb | | | · · · · · · · · · · · · · · · · · · · | | |
| #33; attach this ar | id the plat to | the C-144 | Closure report | in acco | rough #9, #15 Da rdance with 19.1. | 5.17.13.K | nased and #32 a | and/or | | | <u></u> - | | | |
| ☐ NEW \ | VELL 🗆 V | WORKOVE | R 🗌 DEEP | ENING | ⊠ PLUGBACK | DIFF | ERENT RESE | RVO | | Recomplete to | Upper Penn Sh | ale | | |
| 8. Name of Opera | | TON COL | 40 4 N 15 / 1 D | - | | | | | 9. OGRID | | | | | |
| DEVON ENERG 10. Address of Or | | HON CON | APANY L.P. | | | | | | 6137 | or Wildcat | | | | |
| | / | | | | | | | | | | | | | |
| 20 N. Broadway | Oklal Unit Ltr | Section | OK 73102 Towns | hip | Range | Lot | Feet fro | m the | N/S Line | g Northwest (G Feet from the | | County | | |
| 12.Location Surface: | E | 13 | 248 | р | 28E | | 1980 | (110 | N N | 660 | W | EDDY | | |
| BH: | · | | | | | - | | | ļ · · | | | | | |
| 13. Date Spudded | 14. Date | T.D. Reach | cd 15.1 | Date Ris | Released | | 16. Date Cor | mplete | d (Ready to Prod | uce) 17 | 7. Elevations (E | OF and RKB. | | |
| 4/30/82 | | | | | | | 9/24/82 | | | | T, GR, etc.) 29 | | | |
| 18. Total Measure 12,983' | | | 12,9 | 15' | ck Measured Dep | th | 20. Was Dir N/A | ection | al Survey Made? | 21. Typ N/A | e Electric and | Other Logs Run | | |
| 22. Producing Into 11156-11405' | | | ion - Top, Bo | ttom, N | ame | | | | | | | | | |
| 23. | | | | CAS | ING RECO | ORD (| Report all | strin | gs set in we | ell) | | | | |
| CASING SIZ | CE | WEIGHT | | L | DEPTH SET | | HOLE SIZE | | CEMENTIN | | | T PULLED | | |
| 20" | | 94. | | ļ | 352' | | 26" | | 800 SX C Surface | | | | | |
| 13 3/8" | | 61.0 & | | | 2654' | | 17 ½" | | 2200 3 | | | rface | | |
| 9 5/8" 7 5/8" | | 47.0 & 39 | | | 9900' 12 1/4" | | | 2400 | | | o' (TS) | | | |
| / 3/6 | | | '# | | 12,099 | | | | 750 SX 9400' Tagged | | | | | |
| LINIT | R RECOR | <u> </u> | | L | | | | 125 | | UDDIO DEC | ODD | | | |
| SIZE | TOP | עב | воттом | | SACKS CEME | ENT SC | REEN | 25 SI | | UBING RECO | | KER SET | | |
| 5" | 11,193 | | 12,981' | | 255 SX | 100 | KEEN | | 7/8 | 10,695 | 10,6 | | | |
| | 1 | | , | | | | | - - | 7.0 | 10,075 | 1,0,0 | | | |
| 6. Perforation | record (inter | val, size, ar | nd number) | | ************************************** | 27. | ACID, SHO | T, FR | ACTURE, CE | MENT, SQUI | EEZE, ETC. | | | |
| 11,156-11,405' @ | 1 snf: 249 | total shots: | Unner Penn | Shale | | } | PTH INTERV | AL | | ND KIND MA' | | | | |
| , | | | оррен сели | | | 11 | 156-11405' | | | 2K g HCL, Ultra Prop i | | | | |
| | | | | | | } | *************************************** | | | | | | | |
| 28. | | | | | | PROD | UCTION | *P-171-1 | | | | <u></u> | | |
| Date First Product 2/7/09 | ion | | oduction Met owing | hod <i>(Fla</i> | owing, gas lift, pu | ımping - Sı | ze and type pur | np) | Well Status Producing | (Prod. or Shut- | in) | | | |
| | I tta # | | Tour or | | I b II. E | | 133.1 | | | | | | | |
| Date of Test | Hours Te | 2100 | Choke Size | | Prod'n For Test Period | | - Bbi | Ga | s - MCF | Water - Bbl. | Gas - | Oil Ratio | | |
| 2/7/09 | 24 | | | 7 | | | 113 | 8 | | 6,142 . | | | | |
| Flow Tubing Casing Pressure Calculated 24- Oil - Bbl. Gas - MCF Water - F Press. Hour Rate | | | | | | | | Water - Bbl. | Oil Grav | vity - API - (Co | orr.) | | | |
| 550 29. Disposition of | 550 Gas (Sold, 1 | | i | |] | | | | Т | 30. Test Witnes | ssed By | | | |
| Sold 31. List Attachme C-104 | nts | | | | | | | | | <u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u> | | | | |
| 32. If a temporary | | at the well | attach a mlat | with th | e location of the | emperar. | nit | | | | ·· | | | |
| | | | | | | | hir. | | | | | | | |
| 33. If an on-site bi N/A | ariai was use | a at the we. | n, report the c | xact loc | ation of the on-si | ne burial: | | | Longituda | | | AD 1022 1002 | | |

| I hereby certify that the information shown or be | oth sides of this form is true | and complete to the best of my kn | owledge and belief |
|---|--------------------------------|-----------------------------------|--------------------|
| Signature Ju Barnet | Printed | Title Regulatory Analyst | Date 2/17/09 |
| E-mail Address | | · | |

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Souther | astern New Mexico | Northv | Northwestern New Mexico | | | | | |
|--------------------|------------------------|--------------------|---------------------------|--|--|--|--|--|
| T. Anhy | T. Canyon_ | T. Ojo Alamo | T. Penn A" | | | | | |
| T. Salt | T. Strawn 11539' | T. Kirtland | T. Penn. "B" | | | | | |
| B. Salt | T. Atoka_11777' | T. Fruitland | T. Penn. "C" | | | | | |
| T. Yates | T. Miss | T. Pictured Cliffs | T. Penn. "D" | | | | | |
| T. 7 Rivers | T. Devonian | T. Cliff House | T. Leadville | | | | | |
| T. Queen | T. Silurian | T. Menefee | T. Madison | | | | | |
| T. Grayburg | T. Montoya | T. Point Lookout | T. Elbert | | | | | |
| T. San Andres | T. Simpson | T. Mancos | T. McCracken | | | | | |
| T. Glorieta | T. McKee | T. Gallup | T. Ignacio Otzte | | | | | |
| T. Paddock | T. Ellenburger | Base Greenhorn | T.Granite | | | | | |
| T. Blinebry | T. Gr. Wash | T. Dakota | | | | | | |
| T.Tubb | T. Delaware Sand 2675' | T. Morrison | | | | | | |
| T. Drinkard | T. Bone Springs 6365' | T.Todilto | | | | | | |
| T. Abo | T. | T. Entrada | | | | | | |
| T. Wolfcamp 9528' | T. | T. Wingate | | | | | | |
| T. Penn 11155' | T. | T. Chinle | | | | | | |
| T. Cisco (Bough C) | T. | T. Permian | | | | | | |
| | to10975' | N. 2. C | OIL OR GAS SANDS OR ZONES | | | | | |

| | | | | OR GAS OR ZONES |
|-----------------------------|---|--------------|---|-------------------------------------|
| No. 1, from10828' | to10975' | No. 3, from | to | |
| No. 2, from | to | No. 4, from | to | • • • • • • • • • • • • • • • • • • |
| | IMPORTANT WA | ATER SANDS | | |
| Include data on rate of wat | er inflow and elevation to which water re | ose in hole. | | |
| No. 1, from | to | feet | • | |
| No. 2, from | to | feet | | |
| | to., | | | |
| | LITHOLOGY RECORD (At | | | |

| | | | | · | | | | (CCCCCCA1) |
|------|----|----------------------|----------------------------------|---|------|----|----------------------|------------|
| From | То | Thickness In Feet | Lithology | | From | То | Thickness In Feet | Lithology |
| | | | (See original Completion Report) | | | | | |

PO Box 1980, Hobbs, NM 88241-1980

District II

Previous Operator Signature

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-104 Revised October 18, 1994

Instructions on back

OIL CONSERVATION DIVISION

| PO Drawer DD, Artesia, NM 88211-0719 OIL CONSERVATION DIVISION Submit to Appropriate District | | | | | | | Appropriate District Office | | | | | |
|---|--------------------|----------------------|-----------------|-----------------|--------------|--------------------|-----------------------------|--------------|---------------------|---------------|-----------|--------------------------|
| District III | | | | | | 2040 So | | | | | 5 Copies | |
| 1000 Rio Braz District IV | 205 Rd., A | ztec, NM | 8741 | 0 | | Santa F | e, NM | 87505F | EB 19 | 3 2009 | | AMENDED REPORT |
| 2040 South P: | | | | | | | | | | | | |
| <u>I.</u> | REQU | | | | | LE AND A | UTHC | RIZA | T MOL | O TRAI | NSPOR | <u>T</u> |
| | | | | Name and | | . n | | | | | ID Number | |
| | | n Energy . Broadw | | | | ıy, LP | | | 3 D | eason for Fil | 6137 | |
| | | homa Cit | - | | | | | | | eason (or F1) | RC | |
| ⁴ API | Number | ionia Cit | ,, 0 | 72.10 | 2 0200 | 3 | Pool Name | | | | | Pool Code |
| 30 | -015-24 | 129 | | | | Pierce Cre | | | | | | 96712 |
| Prop | erty Code | | | | | | Property N | ame | | 1 | • , | Well Number |
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Printed Name

Title

Date

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net

August 14, 2007

CM/RRR VIA:

7006 0810 0005 7584 5992

Denise McCoy 188 Bonita Court Mentone, CA 92359

Re:

T-24-S, R-28-E,

Section 13: E/2NE/4SW/4SW/4, containing 5.00 acres, more or less; and

T-24-S, R-29-E,

Section 17: N/2SW/4NW/4SE/4, containing 5.00 acres, more or less; and

Lot 14, Block No. 105, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico; and

Office: (432) 686.7485

Cell: (432) 413.8174

Lot 4, Block No. 32, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico,

all lands containing 10.32 acres, more or less; and

being the same lands conveyed by John Edward McCoy (formerly John Cox) to Vera Louise McCov in that certain Quit Claim Deed dated September 9,

1961, recorded i 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 X ☐ Agent so that we can return the card to you. Attach this card to the back of the mailpiece, MENTONE CA 92359 or on the front if space permits. 1. Article Addressed to: D. Is delivery address different from item 1? 0702 \$1.30 Postage If YES, enter delivery address below: □ No Certified Fee \$2.65 \$2.15 Denise McCoy \$0.00 188 Bonita Court Service Type Mentone, CA 92359 Total Postage & Fees Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail □ C.O.D.

Return Receipt Fee (Endersement Required) Restricted Delivery Fee (Endpreement Required) or PO Box No.

2. Article Number

(Transfer from service label) PS Form 3811, February 2004 7006 0810 0005 7584 5992

4. Restricted Delivery? (Extra Fee)

Domestic Return Receipt

102595-02-M-1540

☐ Yes

Denise McCoy August 14, 2007 Page 2.

Anna McCoy, his wife, and six (6) children, namely Louis McCoy, Daniel McCoy, Robert James McCoy, Dawn P. Schwartz, Laurie Birchfield and Judy Ann Harvey. Under New Mexico law of Descent and Distribution separate property (this property was the separate property of Robert D. McCoy, having been inherited from his mother) is inherited in the following percentages: Surviving Spouse receives one-fourth (1/4) and the surviving children or their descendants three-fourths (3/4), to be split equally.

The one-half (1/2) interest of Robert D. McCoy would have then been inherited by the following individuals:

| Anna McCoy- | $\frac{1}{4}$ of $\frac{1}{2}$ or $\frac{1}{8}$ th interest, |
|---------------------|---|
| Louis McCoy- | $1/6$ of $\frac{3}{4}$ of $\frac{1}{2}$ or $1/16$ th interest, |
| Daniel McCoy- | $1/6$ of $\frac{3}{4}$ of $\frac{1}{2}$ or $1/16$ th interest, |
| Robert James McCoy- | $1/6 \text{ of } \frac{3}{4} \text{ of } \frac{1}{2} \text{ or } 1/16 \text{ th interest,}$ |
| Dawn P. Schwartz- | $1/6 \text{ of } \frac{3}{4} \text{ of } \frac{1}{2} \text{ or } 1/16 \text{ th interest,}$ |
| Laurie Birchfield- | $1/6 \text{ of } \frac{3}{4} \text{ of } \frac{1}{2} \text{ or } 1/16 \text{ th interest,}$ |
| Judy Ann Harvey- | $1/6$ of $\frac{3}{4}$ of $\frac{1}{2}$ or $1/16$ th interest, |

I have been informed that Louis McCoy died (without leaving a will) five weeks after Robert D. McCoy. The interest of Louis McCoy would, therefore, be inherited by his surviving spouse and surviving children or their descendants, who are Rebecca McCoy and two daughters, Diane Candy Rabon and Denise McCoy.

I have been informed that Anna McCoy died in 2006, not having remarried and without leaving a will. Her interest in the subject lands would be inherited by the surviving children or their descendants. The individuals who own an interest and the interest they own in the lands now are as follows:

| Daniel McCoy- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
|---------------------|--|
| Robert James McCoy- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Dawn P. Schwartz- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Laurie Birchfield- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Judy Ann Harvey- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Rebecca McCoy- | ¹ / ₄ of 1/16 or 1/64th interest, |
| Diane Candy Rabon | $\frac{1}{2}$ of $\frac{3}{4}$ of $\frac{1}{16} + \frac{1}{2}$ of $\frac{1}{6}$ of $\frac{1}{8}$ or $\frac{13}{384}$, |
| Denise McCoy | $\frac{1}{2}$ of $\frac{3}{4}$ of $\frac{1}{16} + \frac{1}{2}$ of $\frac{1}{6}$ of $\frac{1}{8}$ or $\frac{13}{384}$, |
| | |

On behalf of my client, T. Verne Dwyer, I wish to make you an offer to purchase your 13/384ths interest in the lands described above under the following terms:

Sales Price: \$50.00 to you for 13/384th interest in the above captioned lands, plus we reimburse your cost of

paying a Notary Public.

Denise McCoy August 14, 2007 Page 3.

I have prepared and enclosed for your execution one original and one copy of a Quit Claim Deed made out from Denise McCoy, a single woman dealing in her sole and separate property, in favor of T. Verne Dwyer, and a Tax Affidavit.

Please execute the original Quit Claim Deed before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped envelope enclosed. Keep the Quit Claim Deed stamped COPY for your records.

Upon receipt of your executed, notarized and completed documents Mr. Dwyer's office will issue you a check in the amount of \$50.00 plus the cost of the Notary Public (please enclose a receipt for the cost of the Notary Public to receive reimbursement). Please note that it takes approximately three weeks for your check to be processed and mailed.

This offer is valid for 20 days from the date of this letter.

If you have any questions regarding this matter please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

May 7, 2008

VIA:

CM/RRR

7006 0810 0005 7584 6227

Denise McCoy 188 Bonita Court Mentone, CA 92359

COPY

Office: (432) 686.7485

Cell: (432) 413.8174

Re:

T-24-S, R-28-E,

Section 13: E/2NE/4SW/4SW/4, containing 5.00 acres, more or less; and

T-24-S, R-29-E,

Section 17: N/2SW/4NW/4SE/4, containing 5.00 acres, more or less; and

Lot 14, Block No. 105, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico; and

Lot 4, Block No. 32, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico,

all lands containing 10.32 acres, more or less; and

being the same lands conveyed by John Edward McCoy (formerly John Cox) to Vera Louise McCoy in that certain Quit Claim Deed dated September 9, 1961, recorded in Volume 172, Page 91, of the Deed Records of Eddy County,

| US: Postal Service: CERTIFIED WAIL: RECEIPT (Domestic Mail Only: No Insurance Coverage Provided) For delivery information visit our website at www.usps.com. MENGINE CA 92359 Postage \$ 40.41 Postage \$ 2.65 Return Receipt Fee (Endorsoment Required) Restricted Delivery Fee (Endorsement Required) \$ 2.15 | ims 1, 2, and 3. Also complete tricted Delivery is desired. Ime and address on the reverse an return the card to you. In art to the back of the mailpiece, not if space permits. Seed to: nise McCoy 3 Bonita Court | A. Signature X Agent Addressee B. (Beceived by (Printed Name) Deta of Delivery D. Is delivery address different from item 17 If YES, enter delivery address below: |
|--|---|--|
| Total Postage & Fees \$ \$5.21 05.00 2008 55 Sent To DENISE McCoc or PO Box No. City, State, ZIP+4 PS Form 3800, June 2002 See Reverse for Instructions | ntone, CA 92359 | 3. Seprice Type Government Certified Mail |

Denise McCoy May 7, 2008 Page 2.

Accordingly, on behalf of my client, I tender to you the following offers:

\$150.00 to purchase your 13/384ths interest in the 10.32 acres described above.

If you do not wish to sell your interest, Mr. Dwyer will lease your 13/384ths mineral interest in Section 13 as described above for \$20.00, 1/6th royalty, for a three year primary term lease.

Mr. Dwyer has been paying the ad valorem taxes on the property, and if you decide not to sell your interest he will forward to you an invoice for your pro rata share of those taxes and provide a complete list of the owners to the Eddy County, New Mexico taxing authority.

If you decide to retain your 13/384ths interest in the 10.32 acres and you decide not to lease your 13/384ths interest in the E/2NE/4SW/4SW/4 of Section 13 as described above your interest will be force pooled.

Force pooling is an action which is provided for by New Mexico law which allows an energy exploration company to go to court, show the actions taken with regard to efforts taken to lease a particular interest, and obtain a lease on that interest. If the actions taken prove to show the court a reasonable effort to obtain a lease or if they show a reasonable effort to make contact in order to make an offer to lease the court will grant a lease under terms similar to those above.

As Mr. Dwyer has purchased 61.72% of the 10.32 acres he obviously wishes to complete the transaction by purchasing the other 38.28%, as was promised by John F. McCoy.

This offer to purchase or lease your interest is valid for 20 days from the date of this letter.

Please contact me regarding this matter so that I can tell my client which way we should proceed.

Sincerely,

Dale E. Neagle

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA: CM/RRR

7006 0810 0005 7584 6319

Office: (432) 686.7485

Cell: (432) 413.8174

Denise McCoy 188 Bonita Court Mentone, CA 92359

May 14, 2008



Re:

T-24-S, R-28-E,

Section 13: E/2NE/4SW/4SW/4, containing 5.00 acres, more or less; and

T-24-S, R-29-E,

Section 17: N/2SW/4NW/4SE/4, containing 5.00 acres, more or less; and

Lot 14, Block No. 105, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico; and

Lot 4, Block No. 32, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico,

all lands containing 10.32 acres, more or less; and

being the same lands conveyed by John Edward McCoy (formerly John Cox) to Vera Louise McCoy in that certain Quit Claim Deed dated September 9, 1961, recorded in Volume 172, Page 91, of the Deed Records of Eddy County,

U.S. Postal Service™ GERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.c MENTONE-CA 92359 \$1.17 0710 Postage Certified Fee \$2.70 01MIDI Return Receipt Fee Endorsement Required) \$2.20 0870 Restricted Delivery Fee (Endorsement Required) \$0.00 \$6.07 Total Postage & Fees or PO Box No. City, State, ZIP+4 PS Form 3800, June 2002 See Reverse for In

Mail, Return Receipt Requested, number 7006 0810 ted May 7, 2008, to either purchase your 13/384ths d above for a purchase price of \$150.00, or to lease in Section 13, as detailed above for a lease bonus of

to Judy Harvey via telephone to discuss our offer to ne remaining members of the McCoy family in the Denise McCoy May 14, 2008 Page 2.

During my telephone conversation with Ms. Harvey, she told me that the rest of the family members who still own interest in the property above would sell their interest to my client. I am preparing and mailing the documents to them to finalize the transaction today.

Completing the above transaction with Judy Harvey, Robert McCoy, Dawn Schwartz, and Laurie Birchfield would leave you as the lone member of the McCoy family with an interest in the property above.

I have prepared and enclosed for your execution a Quit Claim Deed wherein you quit claim your 13/384ths interest in the above property to my client.

Upon receipt of your executed and notarized Quit Claim Deed, Mr. Dwyer's office will issue you a check in the amount of \$150.00, for your 13/384ths interest in the property.

This offer is valid for 20 days from the date of this letter.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net

Office: (432) 686.7485

Cell: (432) 413.8174

102595-02-M-1540

June 17, 2008

VIA: CM/RRR

7007 2560 0002 4786 6233

Denise McCoy 35138 Avenue E Yucaipa, CA 92399



Re: T-24-S, R-28-E,

Section 13: E/2NE/4SW/4SW/4, containing 5.00 acres, more or less; and

T-24-S, R-29-E,

Section 17: N/2SW/4NW/4SE/4, containing 5.00 acres, more or less; and

Lot 14, Block No. 105, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico; and

Lot 4, Block No. 32, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico,

all lands containing 10.32 acres, more or less; and

| being the same land to Vera Louise McC SENDE U.S. Postal Service in CERTIFIED MAIL: RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.comp Postage \$ \$1.17 Postage \$ \$2.70 Return Receipt Fee (Englorsoment Required) Restricted Delivery Fee (Englorsoment Required) Restricted Delivery Fee (Englorsoment Required) \$2.20 | Restricted Delivery is desired. If name and address on the reverse ye can return the card to you. It is card to the back of the mailpiece, front if space permits. Tressed to: Denise McCoy 35138 Avenue F | COMPLETE THIS SECTION ON DELIVERY A. Signature A. Signature A. Agent Address Address D. Is delivery address different from item 17 Yes If YES, enter delivery address below: |
|--|--|---|
| Total Postage & Fees \$ \$6.07 06/17/2008 | Yucaipa, CA 92399 | 3. Service Type G Certified Mail Registered Results Receipt for Merchandise C.O.D. |
| or PO Box No. 35138 AULU E | 7007 25L0 00 1. February 2004 Domestic Return | 4. Restricted Delivery? (Extra Fee) |

•

Denise McCoy June 17, 2008 Page 2.

Anna McCoy, his wife, and six (6) children, namely Louis McCoy, Daniel McCoy, Robert James McCoy, Dawn P. Schwartz, Laurie Birchfield and Judy Ann Harvey. Under New Mexico law of Descent and Distribution separate property (this property was the separate property of Robert D. McCoy, having been inherited from his mother) is inherited in the following percentages: Surviving Spouse receives one-fourth (1/4) and the surviving children or their descendants three-fourths (3/4), to be split equally.

The one-half (1/2) interest of Robert D. McCoy would have then been inherited by the following individuals:

| Anna McCoy- | 1/4 of 1/2 or 1/8th interest, |
|---------------------|---------------------------------------|
| Louis McCoy- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Daniel McCoy- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Robert James McCoy- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Dawn P. Schwartz- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Laurie Birchfield- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Judy Ann Harvey- | 1/6 of 3/4 of 1/2 or 1/16th interest, |

I have been informed that Louis McCoy died (without leaving a will) five weeks after Robert D. McCoy. The interest of Louis McCoy would, therefore, be inherited by his surviving spouse and surviving children or their descendants, who are Rebecca McCoy and two daughters, Diane Candy Rabon and Denise McCoy.

I have been informed that Anna McCoy died in 2006, not having remarried and without leaving a will. Her interest in the subject lands would be inherited by the surviving children or their descendants. The individuals who own an interest and the interest they own in the lands now are as follows:

| 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
|--|
| 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| 1/4 of 1/16 or 1/64th interest, |
| $\frac{1}{2}$ of $\frac{3}{4}$ of $\frac{1}{16} + \frac{1}{2}$ of $\frac{1}{6}$ of $\frac{1}{8}$ or $\frac{13}{384}$, |
| $\frac{1}{2}$ of $\frac{3}{4}$ of $\frac{1}{16} + \frac{1}{2}$ of $\frac{1}{6}$ of $\frac{1}{8}$ or $\frac{13}{384}$, |
| |

On behalf of my client, T. Verne Dwyer, I wish to make you an offer to purchase your 13/384ths interest in the lands described above under the following terms:

Sales Price: \$150.00 to you for 13/384th interest in the above captioned lands.

Denise McCoy June 17, 2008 Page 3.

I have prepared and enclosed for your execution one original and one copy of a Quit Claim Deed made out from Denise McCoy, a single woman dealing in her sole and separate property, in favor of T. Verne Dwyer, and a Tax Affidavit.

Please execute the original Quit Claim Deed before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped envelope enclosed. Keep the Quit Claim Deed stamped COPY for your records.

Upon receipt of your executed, notarized and completed documents Mr. Dwyer's office will issue you a check in the amount of \$150.00. Please note that it takes approximately three weeks for your check to be processed and mailed.

This offer is valid for 20 days from the date of this letter.

If you have any questions regarding this matter please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net Office: (432) 686.7485 Cell: (432) 413.8174

July 25, 2008

VIA: First Class Mail

Denise McCoy 35138 Avenue E Yucaipa, CA 92399

Re: Notary Expense for acknowledgment on documents.

Dear Ms. McCoy;

I am forwarding to you \$35.00, to cover the cost of the Notary Public so that you can execute the Quit Claim Deed on the property in New Mexico.

Please use these funds for the purpose of paying the Notary Public to acknowledge your signature on the documents.

Please, also, find enclosed my check number 1710, made out to Denise McCoy, in the amount of \$35.00, to cover the costs as explained above.

Please obtain a receipt from the Notary Public for the cost of their services and return the receipt with the executed and notarized Quit Claim Deed in the stamped return envelope in the packet you already have.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Califficação

Dale E. Neagle

Enclosu

DALE E. NEAGLE 01-04 SPECIAL 432-686-7485 POST OFFICE BOX 50832 MIDLAND, TX 79710

Date July 25, 2008

1710 32-2/1110 TX 2913

Pay to the DENISE MCCOU

J \$35, XX

_Dollars

Security features are included. Details on back.

Bankóf America

FOR NO POWLY CAPEUSE MANAGE

Daletleegle

1710

P. O. Box 50832 Midland, TX 79710

2002

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

November 19, 2008

VIA:

CM/RRR

7007 2560 0003 3689 6455

Denise McCoy 993 Fourth Street Calimesa, CA 92320



Re:

T-24-S, R-28-E,

Section 13: E/2NE/4SW/4SW/4,

containing 5.00 acres, more or less; and

T-24-S, R-29-E,

Section 17: N/2SW/4NW/4SE/4,

containing 5.00 acres, more or less; and

Lot 14, Block No. 105, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico; and

Lot 4, Block No. 32, of the Town of Malaga, as shown by the amended plat thereof, recorded in the Office of the County Clerk of Eddy County, New Mexico,

all lands containing 10.32 acres, more or less; and

being the same lands conveyed by John Edward McCoy (formerly John Cox) to Vera Louise McCoy in that certain Quit Claim Deed dated September 9,

1961, recorded in V

| U.S. Postal S CERTIFIED (Domestic Mail Co | Service | ECEIPT se Coverage Pro | 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 X B. Received by (Printed Name) C. Date of Delive (1/24/54 |
|---|------------------|---------------------------|--|---|
| CALLINESA CA | 92120CIA | L US | Article Addressed to: | D. Is delivery address different from item 19 Yes If YES, enter delivery address below: No |
| Postage Certified Fee | \$ \$1,17 | VANCONO - | Denise McCoy | No. |
| Return Receipt Fee (Endorsement Required) | \$2.70 \$2.20 | Postn | 993 Fourth Street | |
| Restricted Dalivery Fee (Endorsement Required) | \$0.00 | To a series of | Calimesa, CA 92320 | 3. Septice Type ID Certified Mail □ Express Mail □ Registered □ Return Receipt for Membandis |
| Total Postage & Fees | \$ \$6.07 | 17419/2005 | | ☐ Insured Mall ☐ C.O.D. |
| Sent To DEVI | se Mc Co | 94 | 2. Article Number | 4. Restricted Delivery? (Extra Fee) ☐ Yes |
| Street, Apt. No.; | 5 E J | | Cransfer from service labell 7007 254 | -0 0003 3684 6666 |

Domestic Return Receipt

102595-02-M-154

PS Form 3811, February 2004

Denise McCoy November 19, 2008 Page 2.

Anna McCoy, his wife, and six (6) children, namely Louis McCoy, Daniel McCoy, Robert James McCoy, Dawn P. Schwartz, Laurie Birchfield and Judy Ann Harvey. Under New Mexico law of Descent and Distribution separate property (this property was the separate property of Robert D. McCoy, having been inherited from his mother) is inherited in the following percentages: Surviving Spouse receives one-fourth (1/4) and the surviving children or their descendants three-fourths (3/4), to be split equally.

The one-half (1/2) interest of Robert D. McCoy would have then been inherited by the following individuals:

| Anna McCoy- | $\frac{1}{4}$ of $\frac{1}{2}$ or $\frac{1}{8}$ th interest, |
|---------------------|--|
| Louis McCoy- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Daniel McCoy- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Robert James McCoy- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Dawn P. Schwartz- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Laurie Birchfield- | 1/6 of 3/4 of 1/2 or 1/16th interest, |
| Judy Ann Harvey- | 1/6 of 3/4 of 1/2 or 1/16th interest, |

I have been informed that Louis McCoy died (without leaving a will) five weeks after Robert D. McCoy. The interest of Louis McCoy would, therefore, be inherited by his surviving spouse and surviving children or their descendants, who are Rebecca McCoy and two daughters, Diane Candy Rabon and Denise McCoy.

I have been informed that Anna McCoy died in 2006, not having remarried and without leaving a will. Her interest in the subject lands would be inherited by the surviving children or their descendants. The individuals who own an interest and the interest they own in the lands now are as follows:

| Daniel McCoy- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
|---------------------|--|
| Robert James McCoy- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Dawn P. Schwartz- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Laurie Birchfield- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Judy Ann Harvey- | 1/16 + 1/6 of $1/8$ or $1/12$ th interest, |
| Rebecca McCoy- | ¹ / ₄ of 1/16 or 1/64th interest, |
| Diane Candy Rabon | $\frac{1}{2}$ of $\frac{3}{4}$ of $\frac{1}{16} + \frac{1}{2}$ of $\frac{1}{6}$ of $\frac{1}{8}$ or $\frac{13}{384}$, |
| Denise McCoy | $\frac{1}{2}$ of $\frac{3}{4}$ of $\frac{1}{16} + \frac{1}{2}$ of $\frac{1}{6}$ of $\frac{1}{8}$ or $\frac{13}{384}$, |

On behalf of my client, T. Verne Dwyer, I wish to make you an offer to purchase your 13/384ths interest in the lands described above under the following terms:

Sales Price: \$150.00 to you for 13/384th interest in the above captioned lands,

Denise McCoy November 19, 2008 Page 3.

I have prepared and enclosed for your execution one original and one copy of a Quit Claim Deed made out from Denise McCoy, a single woman dealing in her sole and separate property, in favor of T. Verne Dwyer, and a Tax Affidavit.

Please execute the original Quit Claim Deed before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped envelope enclosed. Keep the Quit Claim Deed stamped COPY for your records.

Upon receipt of your executed, notarized and completed documents Mr. Dwyer's office will issue you a check in the amount of \$150.00. Please note that it takes approximately three weeks for your check to be processed and mailed.

This offer is valid for 20 days from the date of this letter.

If you have any questions regarding this matter please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.



Ken Gray Senior Advisor, Land

VIA CERTIFIED MAIL 7008-1140-0004-6107-8094 RETURN RECEIPT REQUESTED

January 23, 2009

Denise McCoy 933 Fourth Street Calimesa, California 92320

Re:

Craft #1

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Ms. McCoy:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 13/384 unleased mineral interest under the E/2 NE/4 SW/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation 20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

Oklahoma City, Oklahoma 73102-8260

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months Royalty: ¼ in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEYON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray

Senior Advisor, Land

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net

Dale E. Neagle

Office: (432) 686.7485 Cell: (432) 413.8174

October 24, 2006

VIA:

First Class Mail

Dale M. Richardson 48 Stone Ridge Circle Gainesville, TX 76240

Re:

T-24-S, R-28-E

Section 13: W/2SE/4SE/4SW/4 Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of a 1/320th mineral interest or 0.0156 net mineral acres in the above captioned land. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease that mineral interest under the following terms:

Lease Bonus:

\$50.00 flat rate,

Royalty:

One-fifth (1/5) in event of production,

Primary Term:

Five (5) years, paid up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease made out from Dale M. Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the Lease before a Notary Public, complete the Tax Affidavit and return the signed documents in the stamped return envelope enclosed. Please retain the copy for your records.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$50.00. It takes approximately three (3) weeks after receipt of your Lease for your check to be processed and mailed.

This offer is good for thirty (30) days from the date of this letter.

If you have any questions regarding this matter, please do not hesitate to contact me at any of the numbers listed above.

Sincerely,

Dale E. Neagle Enclosures

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

April 4, 2007

VIA:

CM/RRR

7006 0810 0005 7584 5947

Office: (432) 686.7485

Cell: (432) 413.8174

Dale M. Richardson 48 Stone Ridge Circle Gainesville, TX 76240

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of 1/320ths (0.3125%) mineral interest or 0.0156 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in the above captioned lands under the following terms:

Bonus:

\$50.00 flat rate.

Royalty:

One-fifth (1/5th) in event of production,

g Vell

Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of any Oil and Gas Lease covering your mineral interest in the above lands made out from Dale M. Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval, please execute the original Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return both documents to me in the stamped return envelope enclosed.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$50.00. It takes approximately three (3) weeks after receipt of your Oil and Gas Lease for your check to be processed and mailed.

This offer is valid for thirty (30) days from the date of this letter.

liETleagle

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA: CM/RRR

7006 0810 0005 7584 5947

Office: (432) 686.7485

Cell: (432) 413.8174

April 4, 2007

Dale M. Richardson 48 Stone Ridge Circle Gainesville, TX 76240

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico,

containing 5.00 acres, more or less.

COPY

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of 1/320ths (0.3125%) mineral interest or 0.0156 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in the above captioned lands under the following terms:

Bonus:

\$50.00 flat rate.

Royalty:

One-fifth (1/5th) in event of production,

Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of any Oil and Gas Lease covering your mineral interest in the above lands made out from Dale M. Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval, please execute the original Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return both documents to me in the stamped return envelope enclosed.

| 5947 | U.S. Postal Service M. CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Pro | 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 | A. Signature |
|---------|---|---|---|
| 7584 ! | For delivery information visit our website at www.usps. GAÎNÊSVÎLLETX 7600 A | 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. | B. Received by Printed Name) C. Date of Delive |
| . 5000_ | Postage \$ \$1.35 0710 Certified Fee \$2.40 Return Receipt Fee (Endorsement Required) \$1.85 | Article Addressed to: Dale M. Richardson | D. Is delivery address different from item 15 1951 If YES, enter delivery address below 1 No. |
| 0970 | Restricted Delivery Fee (Endorsement Required) \$0.00 Total Postage & Fees \$ \$5.60 04705/2000 | 48 Stone Ridge Circle 5097 Gainesville, TX 76240 | 3. Service Type Glocatified Mail Express Mail |
| 7006 | Street, Apt. No.; US STONE Ridge Circ | | ☐ Registered ☐ Return Receipt for Merchandis ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes |
| | City, State, ZIPU CANUES VILLE, TV. 76240 PS Form 3800, June: 2002 PS Form 3800, June: 2002 See Reverse | 2. Article Number (Transfer from service label) 7006 0810 | 0005 7584 5947 |

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

May 7, 2008

VIA: CM/RRR

7006 0810 0005 7584 6296

Office: (432) 686.7485

Cell: (432) 413.8174

Dale M. Richardson 48 Stone Ridge Circle Gainesville, TX 76240

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico,

containing 5.00 acres, more or less.

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of 1/320ths (0.3125%) mineral interest or 0.0156 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in the above captioned lands under the following terms:

Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of any Oil and Gas Lease covering your mineral interest in the above lands made out from Dale M. Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval please execute the original Oil and Gas Lease

| | | | -1-to the Tow Affidavit and | | | |
|-----------|--|----------------|--|----------------------|--|------------------|
| | | | and the second s | | .acumeurs, to me ut me | |
| ľ | U.S. Postal Service | S | ENDER: COMPLETE THIS SECTIO | N | COMPLETE THIS SECTION ON DELIV | ERY |
| -27E | CERTIFIED MAIL M. F. (Domestic Mail Only; No Insurar | nce Coverage F | Complete items 1, 2, and 3. Also co item 4 if Restricted Delivery is desire Print your name and address on the | ed. reverse | A Signature X 9 G le Knehow | ☐ Agent |
| 9 48 | For delivery information visit our well GATNESVILLE-TX 76230 | | so that we can return the card to yo Attach this card to the back of the n or on the front if space permits. | u. nailpiece, | The state of the s | Date on The |
| ۲. 12, | Postage \$ \$0.58 | CTAY 1. | Article Addressed to: | | D. Is delivery address different from term If YES, enter delivery address below: | |
| 0.5 | Certified Fee \$2.65 | A 101 P | | | 5093 ES | 321 |
| | Return Receipt Fee \$2.15 | MAY -8 | Dela Maria | m to supply of the t | DX (1 Gainesville Texas 7 | 6240 |
| | Restricted Delivery Fee (Endorsement Required) \$0.00 | | Dale M. Richardson 48 Stone Ridge Circle | H | VILEIKIENG rosse | 2 |
| □ | Total Postage & Fees \$ \$5.38 | 05/08/3 | Gainesville, TX 76240 | i | Service Type Certified Mail Express Mail | İ |
| 901 | Sent To Dak M. RIC | hadso | | | ☐ Registered ☐ Return Receipt ☐ Insured Mail ☐ C.O.D. | for Merchandise |
| 70 | Street, Apt. No.; or PO Box No. | *** | A | | 4. Restricted Delivery? (Extra Fee) | ☐ Yes |
| | City, State, ZIP+4 | | Article Number (Transfer from service label) | 7006 083 | LO 0005 7584 6296 | |
| | PS Form 3800, June 2002 | See Reve PS | Form: 3811, February 2004 | Domestic Retu | rn Receipt | 102595-02-M-1540 |

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA: CM/RRR

7007 2560 0003 3689 6479

Office: (432) 686.7485

Cell: (432) 413.8174

Dale M. Richardson 5093 E. Hwy. 82 Gainesville, TX 76240

November 20, 2008

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less. COPY

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of 1/320ths (0.3125%) mineral interest or 0.0156 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in the above captioned lands under the following terms:

Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

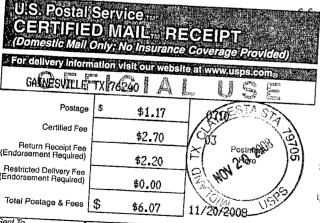
Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of any Oil and Gas Lease covering your mineral interest in the above lands made out from Dale M. Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval, please execute the original Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return both documents to me in the stamped return envelope enclosed.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$100.00. It takes approximately three (3) weeks after receipt of your Oil and Gas Lease for your check to be processed and mailed.



raing a unit in the W/2 of Section 13 and will pursue forced are full leasehold in the W/2 of Section 13. If you are force are consideration and your royalty will probably be less than

ng in any drilling operations conducted by my client in lieu of . If you wish to participate, please contact me at your earliest and they can forward to you an AFE, which will contain what

ivs from the date of this letter.

ig this matter, please do not hesitate to contact me.

Sent To

Street, Apt. No.,
or PO Box No.
City, State, ZiP+4

PS Form 3800: August 2006.



Ken Gray Senior Advisor, Land

VIA CERTIFIED MAIL 7008-1140-0004-6107-8162 RETURN RECEIPT REQUESTED

January 23, 2009

Dale M. Richardson 5093 East Highway 82 Gainesville, Texas 76240

Re: Craft #1

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. Richardson:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 1/320 unleased mineral interest under the W/2 SE/4 SE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Oldahoma City, Oldahoma 73102-8260

20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months Royalty: ¼ in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEYON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray

Senior Advisor, Land

WANTS TO LEASE

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net Office: (432) 686.7485 Cell: (432) 413.8174

October 9, 2006

Harry Richardson 5615 East 39th Terrace Kansas City, MO 64126

Re: Oil and Gas Lease dated October 1, 2006

Dear Mr. Richardson,

Attached, please find two original copies of an Oil & Gas Lease dated October 1, 2006. This Lease replaces the previously mailed Lease which is also dated October 1, 2006.

Though the terms and agreements remain the same, we discovered the wrong county was included after it was mailed. This error was an over-site and we apologize for any inconvenience that this may have caused.

Upon receipt of the attached, please destroy the incorrect Oil & Gas Lease with the wrong county. In the event that you have already executed and mailed the incorrect document, we will return it to you along with the signed Tax Affidavit for you to destroy.

Please execute the corrected Lease before a Notary Public, complete the new Tax Affidavit and return the signed documents in the stamped return envelope enclosed. As before, please retain the copy for your records.

Should you have questions, please feel free to contact me at any of the phone numbers in the above letterhead.

Sincerely,

Dale E. Neagle By: Chris C. Estep

Attachments

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net

Dale E. Neagle

Office: (432) 686.7485 Cell: (432) 413.8174

October 24, 2006

VIA:

First Class Mail

Harry Richardson 48 Stone Ridge Circle Gainesville, TX 76240

Re:

T-24-S, R-28-E

Section 13: W/2SE/4SE/4SW/4 Eddy County, New Mexico.

containing 5.00 acres, more or less.

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of a 1/320th mineral interest or 0.0156 net mineral acres in the above captioned land. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease that mineral interest under the following terms:

Lease Bonus:

\$50.00 flat rate.

Royalty:

One-fifth (1/5) in event of production,

Primary Term:

Five (5) years, paid up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease made out from Harry Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the Lease before a Notary Public, complete the Tax Affidavit and return the signed documents in the stamped return envelope enclosed. Please keep the Oil and Gas Lease stamped COPY for your records.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$50.00. It takes approximately three (3) weeks after receipt of your Lease for your check to be processed and mailed.

This offer is good for thirty (30) days from the date of this letter.

If you have any questions regarding this matter, please do not hesitate to contact me at any of the numbers listed above.

Sincerely,

Dale E. Neagle Enclosures

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

April 4, 2007

VIA: CM/RRR

7006 0810 0005 7584 5947

Harry Richardson 48 Stone Ridge Circle Gainesville, TX 76240 MAILE IN ENVOLUPEISON)

Office: (432) 686.7485

Cell: (432) 413.8174

Re:

T-24-S. R-28-E.

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of 1/320ths (0.3125%) mineral interest or 0.0156 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in the above captioned lands under the following terms:

Bonus:

\$50.00 flat rate.

Royalty:

One-fifth (1/5th) in event of production,

Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of any Oil and Gas Lease covering your mineral interest in the above lands made out from Harry Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval, please execute the original Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return both documents to me in the stamped return envelope enclosed.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue vou a check in the amount of \$50.00. It takes approximately three (3) weeks after receipt of your Oil and Gas Lease for your check to be processed and mailed.

This offer is valid for thirty (30) days from the date of this letter.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710 Dale E. Neagle

Office: (432) 686.7485 Cell: (432) 413.8174

May 7, 2008

Email: dneagle@sbcglobal.net

Deceased

VIA: CM/RRR

7006 0810 0005 7584 6302

Harry Richardson 48 Stone Ridge Circle Gainesville, TX 76240

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less. COPY

Dear Mr. Richardson;

According to the records of Eddy County, New Mexico, you are the owner of 1/320ths (0.3125%) mineral interest or 0.0156 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in the above captioned lands under the following terms:

Bonus:

\$100.00 flat rate.

Royalty:

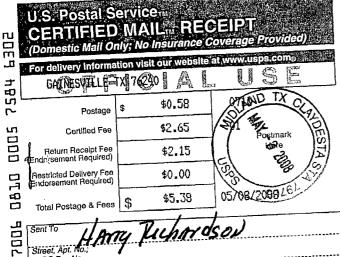
One-fifth (1/5th) in event of production,

Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of any Oil and Gas Lease covering your mineral interest in the above lands made out from Harry Richardson, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval, please execute the original Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return both documents to me in the



Street, Apt. No.; or PO Box No. City, State, ZIP+4 nd notarized Oil and Gas Lease Mr. Dwyer's office will .00. It takes approximately three (3) weeks after receipt to be processed and mailed.

lays from the date of this letter.

ag this matter, please do not hesitate to contact me.



VIA CERTIFIED MAIL 7008-1140-0004-6107-8155 RETURN RECEIPT REQUESTED

January 23, 2009

Harry Richardson 48 Stone Circle Gainesville, Texas 76240

Re:

Craft #1

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. Richardson:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 1/320 unleased mineral interest under the W/2 SE/4 SE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Oklahoma City, Oklahoma 73102-8260

20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months

Royalty: 1/4 in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEWON ENERGY PRODUCTION COMPANY, L.P.

Ken Grav

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

October 9, 2006

Craig E. and Sheryl Collins 3209 SW Belle Avenue Topeka, KS 66614

Re: Oil and Gas Lease dated October 1, 2006

Dear Mr. and Mrs. Collins,

Attached, please find two original copies of an Oil & Gas Lease dated October 1, 2006. This Lease replaces the previously mailed Lease which is also dated October 1, 2006.

Though the terms and agreements remain the same, we discovered the wrong county was included after it was mailed. This error was an over-site and we apologize for any inconvenience that this may have caused.

Upon receipt of the attached, please destroy the incorrect Oil & Gas Lease with the wrong county. In the event that you have already executed and mailed the incorrect document, we will return it to you along with the signed Tax Affidavit for you to destroy.

Please execute the corrected Lease before a Notary Public, complete the new Tax Affidavit and return the signed documents in the stamped return envelope enclosed. As before, please retain the copy for your records.

Should you have questions, please feel free to contact me at any of the phone numbers in the above letterhead.

Sincerely,

Dale E. Neagle By: Chris C. Estep

In Clater

Attachments

-P-G-Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net Office: (432) 686.7485 Cell: (432) 413.8174

September 19, 2007

CM/RRR VIA: 7006 0810 0005 7584 6135

Sheryl Collins and husband, Craig E. Collins 3209 SW Belle Avenue Topeka, KS 66614

Re:

T-24-S, R-28-E

Section 13: W/2SE/4SE/4SW/4 Eddy County, New Mexico,

containing 5.00 acres, more or less.

Dear Mr. and Mrs. Collins;

According to the records of Eddy County, New Mexico, you are the owner of a 1/96th (1.0417%) mineral interest or 0.0521 net mineral acres in the above captioned land. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease that mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5) in event of production,

Primary Term:

Five (5) years, paid up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease made out from Sheryl Collins and husband, Craig E. Collins, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the Lease before a Notary Public, complete the Tax Affidavit and return the signed documents in the stamped return envelope enclosed. Please retain the copy for your records.

Upon receipt of your executed and notorized Oil and Gas Lease Mr. Duwer's office will

| 0 0005 7584 6135 | Postage Certifled Fee Return Receipt Fee (Endo: sement Required) Restricted Delivery Fee | Service in Di MAIL in RE inly; No insurance into visit our website in A | CEIPT
Coverage 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. | COMPLETE THIS SECTION ON DELIVERY A. Signature X B. Received by (Printed Name) C. Date of Deliven
|------------------|---|---|------------------------------|--|---|
| 7006 081 | Street, Apt. No.; or PO Box No. 32 | \$ \$5.94 Hg E Coll | 1 v s 1 le pu 6 6 6 15 | Craig E. Collins 3209 SW Belle Avenue Topeka, KS 66614 | 3. Service Type Cortified Mail Registered Insured Mail C.O.O. 4. Restricted Delivery? (Extra Fee) Yes |
| | PS Form 3800, June 200 |)2 | See Rever | (Transfer from service label) 7006 083 | LO 0005 7584 6135 |

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net Office: (432) 686.7485 Cell: (432) 413.8174

November 6, 2007

Sheryl Collins and Craig E. Collins 3209 SW Belle Avenue Topeka, KS 66614

Re:

<u>T-24-S, R-28-E</u>,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less. COPY

Dear Mr. and Mrs. Collins;

On September 19, 2007, I mailed to you, via Certified Mail/Return Receipt Requested, an offer to lease your mineral interest in the above referenced lands.

I have reason to believe that you received my offer letter as I received back the return card indicating receipt of same.

My purpose for writing is to request that you contact me either by mail or telephone to let me know your intentions regarding my offer to lease your mineral interest.

Please let me know if you are interested in leasing at different terms, wish to participate or prefer to be force pooled.

My client is anxious to resolve this and drill a well.

You may contact me at either of the numbers above or by US Mail at the address above. Thank you for attention to this matter.

Sincerely,

Dale E. Neagle

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net Office: (432) 686.7485 Cell: (432) 413.8174

May 8, 2008

VIA: CMRRR

7006 0810 0005 7584 6289

Shervl Collins and husband, Craig E. Collins 3209 SW Belle Avenue Topeka, KS 66614

Re:

T-24-S, R-28-E

Section 13: W/2SE/4SE/4SW/4 Eddy County, New Mexico,

containing 5.00 acres, more or less.

Dear Mr. and Mrs. Collins;

According to the records of Eddy County, New Mexico, you are the owner of a 1/96th mineral interest or 0.0521 net mineral acres in the above captioned land. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease that mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5) in event of production,

Domestic Return Receipt

102595-02-M-1540

Primary Term:

Five (5) years, paid up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease made out from Sheryl Collins and husband, Craig E. Collins, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the Lease before a Notary Public, complete the Tax Affidavit and return the signed documents in the stamped return envelope enclosed. Please retain the copy for your records.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will مواد شاء علم ماء ما ما ما ما ما ما ما ما ما ما ما

| | | issue you a check in the al | ** Nebusan semana | | |
|------------|--|--|---|--|--|
| 584 4749 | For delivery inform | D MAIL THE RECEIPT Only; No Insurance Coverage Processing to the second | 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, | A. Signature A. Signature A. Signature A. Signature Addresser B. Received by (Printed Name) C. Date of Deliven | |
| 810 0005 7 | Postage Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) | Postage \$ \$0.58 0710 T | Sheryl Collins/Craig E. Collins | D. Is delivery address different from item 12 | |
| 7005 08 | Total Postage & Fees Sent To Street, Apt. No.; or PO Box No. | | | 3. Service Type Certified Mail Registered Insured Mail C.O.D. Express Mail C.O.D. | |
| - 1 | City, State, ZIP+4 | N. Z. W. W. M. Director | | 0810 0005 7584 6289 | |
| • | 3 rorm 3800, June 2002 | See Reverse to | PS Form 3811, February 2004 Domestic Ret | urn Receint | |

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA: CM/RRR

7007 2560 0003 3689 6509

Sheryl Collins and Craig E. Collins 3209 SW Belle Avenue Topeka, KS 66614

ms

6

COPY

Office: (432) 686.7485

Cell: (432) 413.8174

Re:

November 20, 2008

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. and Mrs. Collins;

According to the records of Eddy County, New Mexico, you are the owner of 1/96th (1.0417%) mineral interest or 0.0521 net mineral acres in the above referenced tract. On behalf of my client, Devon Energy Production Company, LP, I would like to make you an offer to lease your mineral interest in that tract under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

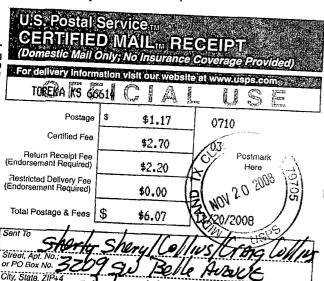
Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your interest in the above referenced tract, made out from Sheryl Collins and husband, Craig E. Collins, as Lessor, in favor of Devon Energy Production Company, LP, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the original before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped return envelope enclosed. Please retain the Oil and Gas Lease stamped COPY for your records.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$100.00. It takes approximately three (3) weeks after receipt of your Lease for your check to be processed and mailed.



650

3689

2560-0003

ning a unit in the W/2 of Section 13 and will pursue forced ure full leasehold in the W/2 of Section 13. If you are force us consideration and your royalty will probably be less than

Ig in any drilling operations conducted by my client in lieu of If you wish to participate, please contact me at your earliest and they can forward to you an AFE.

ys from the date of this letter,

g this matter, please do not hesitate to contact me.



VIA CERTIFIED MAIL 7008-1140-0004-8107-8124 RETURN RECEIPT REQUESTED

January 23, 2009

Cheryl Collins and Craig E. Collins 3209 SW Belle Avenue Topeka, Kansas 66614

Re: Craft #1

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. and Mrs. Collins:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 1/96 unleased mineral interest under the W/2 SE/4 SE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Oklahoma City, Oklahoma 73102-8260

20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months

Royalty: 1/4 in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEWON ENERGY PRODUCTION COMPANY, L.P.

Ken Grav

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

October 9, 2006

James A. Collier, III 1113 Shady Oak Circle McKinney, TX 75070

Re: Oil and Gas Lease dated October 1, 2006

Dear Mr. Collier,

Attached, please find two original copies of an Oil & Gas Lease dated October 1, 2006. This Lease replaces the previously mailed Lease which is also dated October 1, 2006.

Though the terms and agreements remain the same, we discovered the wrong county was included after it was mailed. This error was an over-site and we apologize for any inconvenience that this may have caused.

Upon receipt of the attached, please destroy the incorrect Oil & Gas Lease with the wrong county. In the event that you have already executed and mailed the incorrect document, we will return it to you along with the signed Tax Affidavit for you to destroy.

Please execute the corrected Lease before a Notary Public, complete the new Tax Affidavit and return the signed documents in the stamped return envelope enclosed. As before, please retain the copy for your records.

Should you have questions, please feel free to contact me at any of the phone numbers in the above letterhead.

Sincerely,

Dale E. Neagle By: Chris C. Estep

Attachments

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net Office: (432) 686.7485 Cell: (432) 413.8174

September 19, 2007

VIA: CM/RRR

7006 0810 0005 7584 6128

James A. Collier, III 1113 Shady Oak Circle McKinney, TX 75070

Re:

T-24-S, R-28-E

Section 13: W/2SE/4SE/4SW/4 Eddy County, New Mexico,

containing 5.00 acres, more or less.



7006 0810 0005 7584 6128

102595-02-M-154

Domestic Return Receipt

Dear Mr. Collier;

According to the records of Eddy County, New Mexico, you are the owner of a 1/80th (1.25%) mineral interest or 0.0625 net mineral acres in the above captioned land.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease that mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5) in event of production,

Primary Term:

Five (5) years, paid up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease made out from James A. Collier, III, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the Lease before a Notary Public, complete the Tax Affidavit and return the signed documents in the stamped return envelope enclosed. Please retain the copy for your records.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will Postal Service SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY CERTIFIED MAIL RECEIPT Complete items 1, 2, and 3. Also complete Signature 1 item 4 if Restricted Delivery is desired. ☐ Agent Print your name and address on the reverse ☐ Addresse 7584 so that we can return the card to you. MOKINNEY TX-75070 B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. \$1.14 D. Is delivery address different from item 1? ☐ Yes 1. Article Addressed to: 000 If YES, enter delivery address below: Certified Fee \$2.65 Return Receipt Fee (Endorsement Required) \$2.15 James A. Collier, III 0610 Restricted Delivery Fee (Endorsement Required) 1113 Shady Oak Circle \$0.00 McKinney, TX 75070 Total Postage & Fees | \$ 3. Septice Type \$5.94 ☑ Certified Mail ☐ Express Mall 7006 ☐ Registered ☐ Return Receipt for Merchandise Insured Mail ☐ C.O.D. Street, Apt. No. 4. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

November 6, 2007 ≠

James A. Collier, III 1113 Shady Oak Circle McKinney, TX 75070



Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Teddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Collier;

On September 19, 2007, I mailed to you, via Certified Mail/Return Receipt Requested, an offer to lease your mineral interest in the above referenced lands.

I have reason to believe that you received my offer letter as I received back the return card indicating receipt of same.

My purpose for writing is to request that you contact me either by mail or telephone to let me know your intentions regarding my offer to lease your mineral interest.

Please let me know if you are interested in leasing at different terms, wish to participate or prefer to be force pooled.

My client is anxious to resolve this and drill a well.

You may contact me at either of the numbers above or by US Mail at the address above. Thank you for attention to this matter.

Sincerely,

Dale E. Neagle

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

May 8, 2008

VIA: **CMRRR**

7006 0810 0005 7584 6272

James A. Collier, III 1113 Shady Oak Circle McKinney, TX 75070

Re:

T-24-S, R-28-E

Section 13: W/2SE/4SE/4SW/4 Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Collier;

According to the records of Eddy County, New Mexico, you are the owner of a 1/80th mineral interest or 0.0625 net mineral acres in the above captioned land. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease that mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate.

Royalty:

One-fifth (1/5) in event of production,

Primary Term:

Five (5) years, paid up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease made out from James A. Collier, III, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the Lease before a Notary Public, complete the Tax Affidavit and return the signed documents in the stamped return envelope enclosed. Please retain the copy for your records.



\$2.65

\$2.15

\$0.00

01

Bostmark

Certified Fee

Return Receipt Fee forsement Required)

Restricted Delivery Fee (Endorsement Required)

and notarized Oil and Gas Lease Mr. Dwyer's office will).00. It takes approximately three (3) weeks after receipt of ed and mailed.

days from the date of this letter.

ling this matter, please do not hesitate to contact me.

0830 \$5.38 Total Postage & Fees \$ 100 Street, Apt. No.,

P. O. Box 50832

Dale E. Neagle

Office: (432) 686.7485 Cell: (432) 413.8174

Midland, TX 79710 Email: dneagle@sbcglobal.net

November 20, 2008

VIA: CM/RRR

7007 2560 0003 3689 6493

James A. Collier, III 1113 Shady Oak Circle McKinney, TX 75070

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less. COPY

Dear Mr. Collier;

According to the records of Eddy County, New Mexico, you are the owner of a 1/80th (1.25%) mineral interest or 0.0625 net mineral acres in the above captioned land.

On behalf of my client, Devon Energy Production Company, LP, I would like to make you an offer to lease your mineral interest in the above lands under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th), in event of production,

Primary Term:

Three (3) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease made out from James A. Collier, III, dealing in his sole and separate property, as Lessor, in favor of Devon Energy Production Company, LP, as Lessee, and a tax affidavit.

If the Oil and Gas Lease meets with your approval, please execute the Oil and Gas Lease before a Notary Public, complete the tax affidavit, and return the executed and notarized documents in the stamped return envelope enclosed. Please retain the Oil and Gas Lease stamped COPY for your records.

Upon receipt of your executed and notarized Oil and Gas Lease we will issue you a check in the amount of \$100.00, to cover the bonus consideration. Please note that it takes approximately three (3) weeks for your check to be processed and mailed.



ning a unit in the W/2 of Section 13 and will pursue forced are full leasehold in the W/2 of Section 13. If you are force as consideration and your royalty will probably be less than

g in any drilling operations conducted by my client in lieu of If you wish to participate, please contact me at your earliest md they can forward to you an AFE.

's from the date of this letter.

this matter, please do not hesitate to contact me.

'007 256<u>0 00</u>03 3689 6493

Street, Apt. No., or PO Box No. City, State, ZIP-



VIA CERTIFIED MAIL 7008-1140-0004-6107-8100 RETURN RECEIPT REQUESTED

January 23, 2009

James A. Collier III 1113 Shady Oak Circle McKinney, Texas 75070

Craft #1

Re:

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. Collier:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 1/80 unleased mineral interest under the W/2 SE/4 SE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Oklahoma City, Oklahoma 73102-8260

20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months

Royalty: 1/4 in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

October 9, 2006

Edna Mae Watt 400 Holland Drive Broderick, CA 95605

Re: Oil and Gas Lease dated October 1, 2006

Dear Mrs. Watt,

Attached, please find two original copies of an Oil & Gas Lease dated October 1, 2006. This Lease replaces the previously mailed Lease which is also dated October 1, 2006.

Though the terms and agreements remain the same, we discovered the wrong county was included after it was mailed. This error was an over-site and we apologize for any inconvenience that this may have caused.

Upon receipt of the attached, please destroy the incorrect Oil & Gas Lease with the wrong county. In the event that you have already executed and mailed the incorrect document, we will return it to you along with the signed Tax Affidavit for you to destroy.

Please execute the corrected Lease before a Notary Public, complete the new Tax Affidavit and return the signed documents in the stamped return envelope enclosed. As before, please retain the copy for your records.

Should you have questions, please feel free to contact me at any of the phone numbers in the above letterhead.

Sincerely,

Dale E. Neagle By: Chris C. Estep

Mil Lety

Attachments

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net Office: (432) 686.7485 Cell: (432) 413.8174

April 27, 2007

VIA:

First Class Mail

Edna Mae Watt — 400 Holland Drive West Sacramento, CA 95605

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Ms. Watt;

According to the records of Eddy County, New Mexico, you are the owner of 1/64th (1.5625%) mineral interest or 0.0781 net mineral acres in the above captioned lands. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest under the following terms:

Lease Bonus:

\$50.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your above mentioned mineral interest, made out from Edna Mae Watt, dealing in her sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval please execute the Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return the executed, notarized and signed documents to me in the stamped return envelope enclosed.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$50.00. Please note that it takes approximately three (3) weeks for your check to be processed and mailed.

This offer is valid for 30 days from the date of this letter.

If you have any questions regarding this matter please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

September 19, 2007

VIA: CM/RRR 7006 0810 0005 7584 6074

Edna Mae Watt 400 Holland Drive West Sacramento, CA 95605



Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Ms. Watt;

According to the records of Eddy County, New Mexico, you are the owner of 1/64th (1.5625%) mineral interest or 0.0781 net mineral acres in the above captioned lands. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate.

Royalty:

One-fifth (1/5th) in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your above mentioned mineral interest, made out from Edna Mae Watt, dealing in her sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval please execute the Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return the executed, notarized and signed documents to me in the stamped return envelope enclosed.

| - | U.S. Postal S | Service D MAIL RECEIPT | 5 | SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | |
|----------|--|---|---|--|--|--|
| בחם בסרט | (Domestic Mail O. For delivery informa | (Domestic Mail Only; No Insurance Coverage Pr For delivery information visit our website at www.usps | | 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 X. A. Signature X. A. Signature Addresse B. Received by (Printed Name) C. Date of Deliver 9-24-07 | |
| | Certified Fee Return Receipt Fee (#Indorsement Required) Restricted Delivery Fee (#Indorsement Required) | \$2.65 \$2.18 \$0.6 | 1 | Article Addressed to: | D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No | |
| | Total Postage & Fees Sent To Street, Apt. No., or PO Box No. 400 | \$ \$5.92 09/1 200 M. WATT Holland DRIVE | | 400 Holland Drive West Sacramento, CA 95605 | 3. Service Type Certified Mall | |
| | FS Form 3800, June 200 | SACIA MENTO CA | 2 | Article Number (Transfer from service label) 7006 081 | | |

Office: (432) 686.7485 Cell: (432) 413.8174

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

November 6, 2007

Edna Mae Watt 400 Holland Drive West Sacramento, CA 95605

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Ms. Watt;

On September 19, 2007, I mailed to you, via Certified Mail/Return Receipt Requested, an offer to lease your mineral interest in the above referenced lands.

I have reason to believe that you received my offer letter as I received back the return card indicating receipt of same.

My purpose for writing is to request that you contact me either by mail or telephone to let me know your intentions regarding my offer to lease your mineral interest. I would contact by telephone, but I do not have a number for you.

Please let me know if you are interested in leasing at different terms, wish to participate or prefer to be force pooled.

My client is anxious to resolve this and drill a well.

Thagb

You may contact me at either of the numbers above or by US Mail at the address above. Thank you for attention to this matter.

Sincerely,

Dale E. Neagle

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485

Cell: (432) 413.8174

February 15, 2008

VIA: CM/RRR

7006 0810 0005 7558 0770

Edna Mae Watt 400 Holland Drive West Sacramento, CA 95605



Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Ms. Watt;

According to the records of Eddy County, New Mexico, you are the owner of 1/64th (1.5625%) mineral interest or 0.0781 net mineral acres in the above captioned lands. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your above mentioned mineral interest, made out from Edna Mae Watt, dealing in her sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval please execute the Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return the executed, notarized and signed documents to me in the stamped return envelope enclosed.

| Upon reco | المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة المحكمة | Ma Dunian's office will |
|--|---|---|
| U.S. Postal Service III RECEIPT CERTIFIED MAIL III RECEIPT (Doniestic Mail Only: No Insurance Coverage From Doniestic Mail Onl | 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 mallpiece, or on the front if space permits. | A. Signature X. A. |
| Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ \$5.94 02/15/20 | 400 Holland Drive West Sacramento, CA 95605 | 3CSenfice Type 1D Certified Mail |
| Siriet, Apt. No., 4w Helland or 190 Box No. City, State, ZiP+4 Sacramente, CA Sacramente Sacrament | | 4. Restricted Delivery? (Extra Fee) ☐ Yes |
| | PS Form 3811, February 2004 Domestic Bot | urn Receipt 102505-02-M-1540 . |

Domestic Return Receipt

102595-02-M-1540

PS Form 3811, February 2004

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA: CM/RRR

7006 0810 0005 7584 6265

Office: (432) 686.7485

Cell: (432) 413.8174

Edna Mae Watt 400 Holland Drive West Sacramento, CA 95605 COPY

Re:

May 8, 2008

<u>T-24-S, R-28-E,</u>

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Ms. Watt;

According to the records of Eddy County, New Mexico, you are the owner of 1/64th (1.5625%) mineral interest or 0.0781 net mineral acres in the above captioned lands. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your above mentioned mineral interest, made out from Edna Mae Watt, dealing in her sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval please execute the Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return the executed, notarized and signed documents to me in the stamped return envelope enclosed.

| | u | ocaments to | ine in the s | The state of the s | CONTRACTOR AND ADDRESS OF THE STATE OF THE S |
|----------------|--|--|-----------------|--|--|
| 0005 7584 6265 | Postage Certifled Fee Return Receipt Fee Endorsement Required) | MALTMENT AND CONTROL OF THE PROPERTY OF THE PR | osite at www.ti | 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: | A Signature X Land M. Watt Addressee B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery C-12-08 If YES, enter delivery address below: |
| 6 0810 | Restricted Delivery Fee Endorsement Required) Total Postage & Fees Sent To | \$ \$5.38 | 30/08 | | 3. Service Type ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. |
| 788 | Street, Apt. No.; | VA MAG | WATT | 2. Article Number | 4. Restricted Delivery? (Extra Fee) ☐ Yes |
| | or PO Box No. City, State, ZIP+4 | | | (Transfer from service label) | 810 0005 7584 6265 |
| | PS Form 3800 June 20 | 002 | See R | PS Form 3811, February 2004 Domestic Return | |

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

November 20, 2008

VIA: CM/RRR 7007 2560 0003 3689 6486 Office: (432) 686.7485

Cell: (432) 413.8174

Edna Mae Watt 400 Holland Drive West Sacramento, CA 95605

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Ms. Watt;

According to the records of Eddy County, New Mexico, you are the owner of 1/64th (1.5625%) mineral interest or 0.0781 net mineral acres in the above captioned lands. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your above mentioned mineral interest, made out from Edna Mae Watt, dealing in her sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval please execute the Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return the executed, notarized and signed documents to me in the stamped return envelope enclosed.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$100.00. Please note that it takes approximately three (3) weeks for your check to be processed and mailed.

My client is in the process of forming a unit in the W/2 of Section 13 and will pursue forced pooling procedures in the near future to ensure full leasehold in the W/2 of Section 13. If you are force pooled you will most likely receive no bonus consideration and your royalty will probably be less than

U.S. Postal Service ...

GERTIFIED MAIL: RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

WEST SACRAMENTO CA. 95505

0710

03

\$1.17

\$2.70

\$2,20

in any drilling operations conducted by my client in lieu of you wish to participate, please contact me at your earliest I they can forward to you an AFE.

e date of this letter.

nis matter please do not hesitate to contact me.

Certified Fee

Return Receipt Fee lorsement Required)

> ricted Delivery Fee sement Required)

Postage & Fees \$ \$6.07 11/20/2008

Self: 19: EGNA MAR WATT

or Fairly No. 400 Holland Drivb

City, Ville, 219-4

ESE-1111 3800 August 2006

See Reverse for Instructions



VIA CERTIFIED MAIL 7008-1140-0004-6107-8179 RETURN RECEIPT REQUESTED

January 23, 2009

Edna Mae Watt 400 Holland Drive West Sacramento, California 95605

Re:

Craft #1 1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mrs. Watt:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 1/64 unleased mineral interest under the W/2 SE/4 SE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Office: (405) 552-4633 Fax: (405) 552-8113

20 North Broadway Oklahoma City, Oklahoma 73102-8260

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months

Royalty: 1/4 in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

October 9, 2006

David B. Brown P.O. Box 2888 Houston, TX 77525

Re: Oil and Gas Lease dated October 1, 2006

Dear Mr. Brown,

Attached, please find two original copies of an Oil & Gas Lease dated October 1, 2006. This Lease replaces the previously mailed Lease which is also dated October 1, 2006.

Though the terms and agreements remain the same, we discovered the wrong county was included after it was mailed. This error was an over-site and we apologize for any inconvenience that this may have caused.

Upon receipt of the attached, please destroy the incorrect Oil & Gas Lease with the wrong county. In the event that you have already executed and mailed the incorrect document, we will return it to you along with the signed Tax Affidavit for you to destroy.

Please execute the corrected Lease before a Notary Public, complete the new Tax Affidavit and return the signed documents in the stamped return envelope enclosed. As before, please retain the copy for your records.

Should you have questions, please feel free to contact me at any of the phone numbers in the above letterhead.

Sincerely,

Dale E. Neagle By: Chris C. Estep

Attachments

P. O. Box 50832 Midland, TX 79710 Email: dneagle@sbcglobal.net

May 1, 2007

VIA:

First Class Mail

David B. Brown P. O. Box 690050 San Antonio, TX 78269

COPY

Office: (432) 686.7485

Cell: (432) 413.8174

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Brown;

According to the records of Eddy County, New Mexico, you are the owner of 1/320th (0.3125%) mineral interest or 0.0156 net mineral acres in the above referenced tract. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in that tract under the following terms:

Lease Bonus:

\$50.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your interest in the above referenced tract, made out from David B. Brown, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the original before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped return envelope enclosed. Please retain the Oil and Gas Lease stamped COPY for your records.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$50.00. It takes approximately three (3) weeks after receipt of your Lease for your check to be processed and mailed.

This offer is valid for thirty (30) days from the date of this letter,

If you have any questions regarding this matter please do not hesitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA: First Class Mail 7006 0810 0005 7584 6098

September 19, 2007

David B. Brown P. O. Box 690050 San Antonio, TX 78269



Office: (432) 686.7485

Cell: (432) 413.8174

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Brown;

According to the records of Eddy County, New Mexico, you are the owner of 1/320th (0.3125%) mineral interest or 0.0156 net mineral acres in the above referenced tract. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in that tract under the following terms:

Lease Bonus:

\$100.00 flat rate.

Royalty:

One-fifth (1/5th) in event of production.

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your interest in the above referenced tract, made out from David B. Brown, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the original before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped return envelope enclosed. Please retain the Oil and Gas Lease stamped COPY for your records.

natarized Oil and Gas Lease Mr. Dwyer's office will Upon receipt of yor SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY U.S. Postal Service Complete items 1, 2, and 3. Also complete CERTIFIED MAIL RECEID Signature item 4 if Restricted Delivery is desired. (Domestic Mail Only; No Insurance Covera Print your name and address on the reverse ☐ Agent so that we can return the card to you. ☐ Addre Received by (Printed Name) Attach this card to the back of the mailpiece, Date of Deli SAN ANTONID TX 78289 or on the front if space permits. 7581 1. Article Addressed to: D. Is delivery address different from item 1? \$1.14 Postage If YES, enter delivery address below: Ŋ \$2.65 Certifled Fee David B. Brown Return Receipt Fee dorsement Required) \$2.15 P. O. Box 690050 0870 Restricted Delivery Fee (Endorsement Required) \$0.00 San Antonio, TX 78269 Service Type \$5.94 Total Postage & Fees Certified Mail ☐ Express Mail ☐ Registered 900 ☐ Return Receipt for Merchan Insured Mail C.O.D. Street, Apt. No. Restricted Delivery? (Extra Fee) ☐ Yes or PO Box No. 2. Article Number City, State, ZIF (Transfer from service label) 7006 0810 0005 7584 6098 PS Form 3811, February 2004

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

20PY

November 6, 2007

David B. Brown P. O. Box 690050 San Antonio, TX 78269

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico,

containing 5.00 acres, more or less.

Dear Mr. Brown;

On September 19, 2007, I mailed to you, via Certified Mail/Return Receipt Requested, an offer to lease your mineral interest in the above referenced lands.

I have reason to believe that you received my offer letter as I received back the return card indicating receipt of same.

My purpose for writing is to request that you contact me either by mail or telephone to let me know your intentions regarding my offer to lease your mineral interest.

Please let me know if you are interested in leasing at different terms, wish to participate or prefer to be force pooled.

My client is anxious to resolve this and drill a well.

You may contact me at either of the numbers above or by US Mail at the address above. Thank you for attention to this matter.

Sincerely,

Dale E. Neagle

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

May 8, 2008

David B. Brown P. O. Box 690050

San Antonio, TX 78269

VIA:

First Class Mail

7006 0810 0005 7584 6258

Office: (432) 686.7485

Cell: (432) 413.8174

COPY

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Brown;

According to the records of Eddy County, New Mexico, you are the owner of 1/320th (0.3125%) mineral interest or 0.0156 net mineral acres in the above referenced tract. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in that tract under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your interest in the above referenced tract, made out from David B. Brown, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the original before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped return envelope enclosed. Please retain the Oil and Gas Lease stamped COPY for your records.

| U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Proceeding Coverage Proceeding Coverage Proceeding Proceeding Coverage Proceedi | 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. Article Addressed to: David B. Brown P. O. Box 690050 | A. Signature A. Signature A. Signature A. Agent Addresse B. Received by (Printed Name) C. Date of Deliver S-10 D. Is delivery address different from item 1? Yes If YES, enter delivery address below: |
|--|---|---|
| Total Postage & Fees \$ \$5.38 05/08/2 | San Antonio, TX 78269 2. Article Number | 3. Service Type Certified Mail Registered Return Receipt for Merchandise C.O.D. 4. Restricted Delivery? (Extra Fee) |
| See Rev | (Transfer from service label) 7 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 | ログロロ5 7584 6258 rn Receipt 102595-02-M-1540 |

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA: CM/RRR

7007 2560 0003 3689 6462

Office: (432) 686.7485

Cell: (432) 413.8174

David B. Brown P. O. Box 690050 San Antonio, TX 78269

Re:

November 20, 2008

tonio, TX 78269

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4,

Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Brown;

According to the records of Eddy County, New Mexico, you are the owner of 1/320th (0.3125%) mineral interest or 0.0156 net mineral acres in the above referenced tract. On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease your mineral interest in that tract under the following terms:

Lease Bonus:

\$100.00 flat rate,

Royalty:

One-fifth $(1/5^{th})$ in event of production,

Primary Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your interest in the above referenced tract, made out from David B. Brown, dealing in his sole and separate property, as Lessor, in favor of T. Verne Dwyer, as Lessec, and a Tax Affidavit.

If the Oil and Gas Lease meets with your approval, please execute the original before a Notary Public, complete the Tax Affidavit and return the executed, notarized and completed documents to me in the stamped return envelope enclosed. Please retain the Oil and Gas Lease stamped COPY for your records.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$100.00. It takes approximately three (3) weeks after receipt of your Lease for your check to be processed and mailed.

My client is in the process of forming a unit in the W/2 of Section 13 and will pursue forced pooling procedures in the near future to ensure full leasehold in the W/2 of Section 13. If you are force pooled you will most likely receive no bonus consideration and your royalty will probably be less than



g in any drilling operations conducted by my client in lieu of If you wish to participate, please contact me at your earliest and they can forward to you an AFE.

ys from the date of this letter,

g this matter, please do not hesitate to contact me.



VIA CERTIFIED MAIL 7008-1140-0004-6107-8117 RETURN RECEIPT REQUESTED

January 23, 2009

David B. Brown P.O. Box 690050 San Antonio, Texas 78269

Re: Craft #1

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. Brown:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 1/320 unleased mineral interest under the W/2 SE/4 SE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Oklahoma City, Oklahoma 73102-8260

20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months Royalty: ¼ in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

VIA:

First Class Mail

Office: (432) 686.7485

Cell: (432) 413.8174

April 10, 2007

Stephen A. Major Trustee of John Charles Major Trust 7751 South Memorial Drive, Apt. 5209 Tulsa, OK 74133

COPY

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less.

Dear Mr. Major;

According to the records of Eddy County, New Mexico, you, as Sole Trustee of the John Charles Major Trust, are the owner of 1/80th (1.2500%) mineral interest or 0.0625 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease the mineral interest described above in the above captioned lands under the following terms:

Bonus:

\$50.00 flat rate.

Royalty:

One-fifth (1/5th) in event of production,

Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your mineral interest in the above lands made out from Stephen Alfred Major, Sole Surviving Trustee of the John Charles Major Trust, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval, please execute the original Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return both documents to me in the stamped return envelope enclosed.

Upon receipt of your executed and notarized Oil and Gas Lease Mr. Dwyer's office will issue you a check in the amount of \$50.00. It takes approximately three (3) weeks after receipt of your Oil and Gas Lease for your check to be processed and mailed.

This offer is valid for thirty (30) days from the date of this letter.

If you have any questions regarding this matter, please do not he sitate to contact me.

Sincerely,

Dale E. Neagle Enclosures.

P. O. Box 50832 Midland, TX 79710 Dale E. Neagle

Office: (432) 686.7485 Cell: (432) 413.8174

102595-02-M-15

Email: dneagle@sbcglobal.net

September 19, 2007

Stephen A. Major Trustee of John Charles Major Trust 7751 South Memorial Drive, Apt. 5209 Tulsa, OK 74133 VIA: First Class Mail 7006 0810 0005 7584 6104

Re:

T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less.



Dear Mr. Major;

According to the records of Eddy County, New Mexico, you, as Sole Trustee of the John Charles Major Trust, are the owner of 1/80th (1.2500%) mineral interest or 0.0625 net mineral acres in the above captioned lands.

On behalf of my client, T. Verne Dwyer, I would like to make you an offer to lease the mineral interest described above in the above captioned lands under the following terms:

Bonus:

\$100.00 flat rate,

Royalty:

One-fifth (1/5th) in event of production,

Term:

Five (5) years, paid-up.

I have prepared and enclosed for your review and execution one original and one copy of an Oil and Gas Lease covering your mineral interest in the above lands made out from Stephen Alfred Major, Sole Surviving Trustee of the John Charles Major Trust, as Lessor, in favor of T. Verne Dwyer, as Lessee, and a Tax Affidavit.

If the documents meet with your approval, please execute the original Oil and Gas Lease before a Notary Public, complete the Tax Affidavit, and return both documents to me in the stamped return envelope en

| 584 6104 | (Domestic Mail C | D.MAIL RECEIP inly; No Insurance Coverage ation visit our website at www.u | 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. | A. Signature A. Signature A. Signature Agent Addressee B. Received by (Printed Name) C. Date of pelivery C. Date of pelivery |
|-----------|---|--|---|---|
| 0.0005 75 | Postage Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee | \$ \$1.14 \S0710 \$2.65 \S 6002 \$2.15 | 1. Article Addressed to: Stephen A. Major Trustee of John Charles Major | D. Is delivery address different from item 1? LJ Yes If YES, enter delivery address below: D No |
| 7006 0816 | (Endorsement Required) Total Postage & Fees Sent To Street, Apt. No.; | \$ \$5.94 09/1972 EN A. MAJON | 7751 South Memorial Drive, Apt. 5209 Tulsa, OK 74133 | 3. Service Type Certified Mail |
| | UIV. SIBIR. ZIP+A I | SOUTH NEWYDIAN | 2. Article Number (Transfer from service label) 7006 | 0810 0005 7584 6104 |

Domestic Return Receipt

PS Form 3811, February 2004

P. O. Box 50832 Midland, TX 79710

Email: dneagle@sbcglobal.net

Office: (432) 686.7485 Cell: (432) 413.8174

November 6, 2007

Stephen A. Major
Trustee of John Charles Major Trust
7751 South Memorial Drive, Apt. 5209
Tulsa, OK 74133

Re: T-24-S, R-28-E,

Section 13: W/2SE/4SE/4SW/4, Eddy County, New Mexico, containing 5.00 acres, more or less.

COPY

Dear Mr. Major;

On September 19, 2007, I mailed to you, via Certified Mail/Return Receipt Requested, an offer to lease your mineral interest in the above referenced lands.

I have reason to believe that you received my offer letter as I received back the return card indicating receipt of same.

My purpose for writing is to request that you contact me either by mail or telephone to let me know your intentions regarding my offer to lease your mineral interest.

Please let me know if you are interested in leasing at different terms, wish to participate or prefer to be force pooled.

My client is anxious to resolve this and drill a well.

You may contact me at either of the numbers above or by US Mail at the address above. Thank you for attention to this matter.

Sincerely,

Dale E. Neagle



VIA CERTIFIED MAIL 7008-1140-0004-6107-8131 RETURN RECEIPT REQUESTED

January 23, 2009

Stephen A. Major, Trustee John Charles Major Trust 7751 South Memorial Drive, Apt. 5209 Tulsa, Oklahoma 74133

Re:

Craft #1 1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. Major:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 1/80 unleased mineral interest under the W/2 SE/4 SE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. You have previously been contacted by Mr. Dale Neagle on Devon's behalf, attempting to enter into an oil and gas lease without success. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Office: (405) 552-4633 Fax: (405) 552-8113

20 North Broadway Oklahoma City, Oklahoma 73102-8260

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable oil and gas lease covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre Primary Term: Six (6) months

Royalty: 1/4 in the event of production

I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Grav



VIA CERTIFIED MAIL 7008-1140-0004-6107-8070 RETURN RECEIPT REQUESTED

January 23, 2009

Cline Oil and Gas Company
7144 East Stetson Drive, Suite 405
Scottsdale, Arizona 85251
Attn: W. Geoffrey Cline
President

Re:

Craft #1

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. Cline:

Devon Energy Production Company, L.P., ("Devon") as operator proposes to recomplete the referenced well to the Upper Penn Shale formation in accordance with the attached recompletion procedure. Devon's records reflect that you are the owner of an undivided 25% leasehold interest under the E/2 NE/4 NW/4 & W/2 SE/4 NE/4 SW/4 & E/2 NE/4 SW/4 of Section 13 which is included in the dedicated drilling and spacing unit being the W/2 of said Section 13. Enclosed you will find Devon's authority for expenditure ("AFE") estimating the dryhole costs of the procedure to be approximately \$781,000 with completed well costs estimated to be approximately \$907,000.

Devon Energy Corporation

Oklahoma City, Oklahoma 73102-8260

20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

In the event you elect to participate in the above proposal, please so indicate by executing and returning one (1) copy of the enclosed AFE to the undersigned along with your well requirements including your email address. Upon receipt of an executed AFE I will forward a Joint Operating Agreement for your review.

In the event you elect not to participate, Devon would be willing to enter into a mutually acceptable term assignment covering your interest under the following general terms:

Bonus: \$500.00 per net mineral acre

Term: Six (6) months

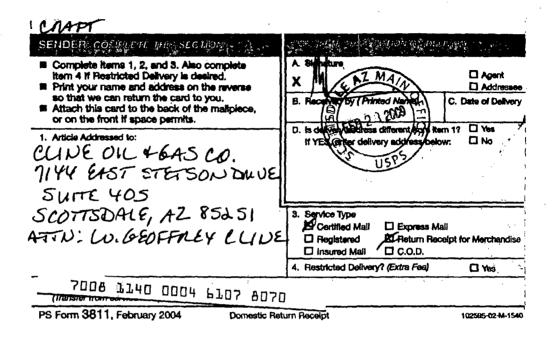
Reserved ORRI: Difference between existing burdens and 25%

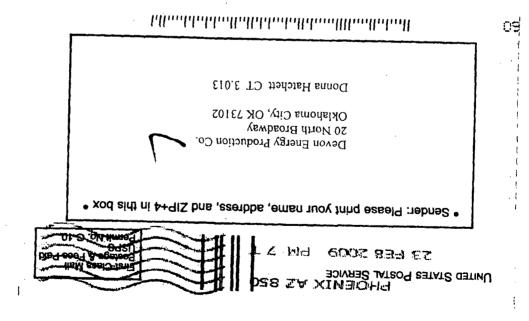
I look forward to your response at the earliest possible time. Feel free to contact me at (405) 552-4633 if there are any questions or if additional information is required.

Yours very truly,

DEYON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray







VIA CERTIFIED MAIL #7008-1140-0004-6107-8209 RETURN RECEIPT REQUESTED

March 23, 2009

Cline Oil and Gas Company 7144 East Stetson Drive, Suite 405 Scottsdale, Arizona 85251 Attn: W. Geoffrey Cline President

Re: Craft #1

1980' FNL & 660' FWL W/2 Section 13-T24S-R28E Eddy County, New Mexico

Dear Mr. Cline:

By letter dated January 23, 2009 Devon Energy Production Company, L.P. ("Devon") proposed to recomplete the referenced well to the Upper Penn formation and dedicating the W/2 of said section 13 as the drilling and spacing unit. A recompletion procedure, along with an Authority for Expenditure ("AFE"), in duplicate, was submitted reflecting estimated total costs of the project to be approximately \$907,000. Additionally, Devon proposed to enter into a mutually acceptable term assignment covering your leasehold interest in lieu of participation.

Devon Energy Corporation 20 North Broadway

Office: (405) 552-4633 Fax: (405) 552-8113

Oldahoma City, Oldahoma 73102-8260

To date, Devon has not received a response to such proposal. Again, Devon respectfully requests your prompt evaluation and election. An election to participate should be accompanied by an executed AFE, and your well requirement sheet including email address.

Please contact the undersigned at 405-552-4633 if there are any questions or if additional information is required.

I look forward to your response at the earliest possible time.

Yours very truly,

DEMON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray

| | Inquire (| Gross AFE Bu | udgets | 4/13/09 09:49:59 |
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| AFE number | st : | 100511 002 20 3/31/2009 1.00000000 1.00000000 | CRAFT 1 RECOMPLETIONS | 030.131.03 |
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AFE Totals

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| COMPL-DIRT WORK & HEAVY | EQUIPN Comment: | 2.1.2.23 | 111616 |
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| _ 216 265 COMPL-STIMULA Net | 550000 391183. 550000 391183. | |
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| _ 216 281 COMPL-COMMUNI Net | | | 15.16 15.16 | |
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| _ 216 552 COMPL-SAFETY Net COMPL-SAFETY EQPMT & TRA | | 2939.25 2939.25 | |
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| Opt Gen Sub Account Title 216 711 COMPL-COMPANY Net | | Costs Date Costs 5953.32 5953.32 5953.32 5953.32 |
| COMPL-COMPANY SUPERVI | SION Comment: | |
| 216 721 COMPL-COMPLET Net | | 13984.20 13984.20 13984.20 13984.20 |
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| 216 805 COMPL-REPAIR Net | | 3098.72 3098.72 | |
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| _ 216 895 COMPL-TAXES - Net | | | 92.36 92.36 | |
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| COMPL-WELLHEAD VALVES & 217 941 COMPL-TANKS Net | EQUIPT Comment: | 16053.45 16053.45 16053.45 |
| COMPL-TANKS | Comment: | 10000.40 |
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| COMPL-TREATING EQUIPMENT 217 962 COMPL-STEEL L Net | Comment: | 60778.20 60778.20 | 60778.20 |
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F12=Previous

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