

## Summary of Communications

### Yates Energy Corporation: Shari Hamilton

- 1) 5-30-01: Proposed well via certified mail with AFE and JOA enclosed for execution. Sent to Shari's attention:
- 2) 6-08-01: Per Shari's request, I forwarded her a copy of our Drilling Title Opinion for her review as to the Yates interest.
- 3) 6-14-01: Advised Shari in telephone conversation that we would be spudding our well late August or early September pending rig scheduling.
- 4) 6-19-01: Follow up letter to Shari, enclosed copy of JOA signature pages as to Tenison's and Marbob's interest in the spacing unit.
- 5) 7-11-01: Sent letter to Shari advising her that I would come to Roswell July 18<sup>th</sup> or 19<sup>th</sup> to meet with her to discuss our well proposal and title.
- 6) 7-18-01: Called Shari to let her know I would meet with her and the Heyco group at 11:30, July 19<sup>th</sup> to discuss their title and our well proposal.
- 7) 7-19-01: Went to Roswell July 19<sup>th</sup> and met with Heyco, Shari was not able to attend meeting.
- 8) 7-24-01: Follow up letter. Advised Shari how the meeting in Roswell went and advised her how I think their title could be straightened out between the respective parties.
- 9) 08-01-01 Follow up letter. Advised Shari that we would still acquire their interest under farmout agreement or term assignment under the terms stated therein. Such terms were available for their acceptance ending August 16<sup>th</sup>.
- 10) 08-14-01 Faxed Pooling Order and sent same via Certified Mail w/AFE for their further handling.
- 11) 08-31-01 Follow up call to Shari to see what their position was regarding the Pooling Order. Per Shari, they were still waiting to see what Heyco would do. I advised her that Heyco's farmout terms were unacceptable. She was to talk to Fred Yates to see what they wanted to do in lieu of being force pooled.

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT 2B

Called Shari this date to see what their position was since receiving the pooling order. She said they were still waiting to see if Heyco would make a trade, they would probably do the same. Advised her that Heyco wanted a  $\frac{1}{3}$  BTAPD, we were not agreeable but I would go for a  $\frac{1}{4}$  BTAPD. She said she'd talk to Fred Yates next Tues., Sept. 4 to see what they wanted to do. She's to get back w/me.

PH  
8/31

2001-15 State Com #1

**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.
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**1. Article Addressed to:**

Yates Energy Corporation  
P.O. Box 2323  
Roswell, N.M. 88202-2323  
Attention: Shari Hamilton

**AUG 17 2001**

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

2471130682

**COMPLETE THIS SECTION ON DELIVERY**

**A. Received by (Please Print Clearly)**

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**C. Signature**

X *Cinder Stevens*

☐ Agent

☐ Addressee

**D. Is delivery address different from item 1?**

☐ Yes

If YES, enter delivery address below:

☐ No

**3. Service Type**

☒ Certified Mail

☐ Express Mail

☐ Registered

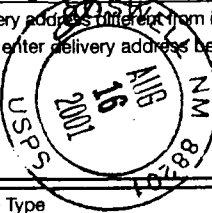
☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

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

☐ Yes



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(915) 682-3715  
FAX (915) 685-4170

August 14, 2001

Via Fax 505-623-4947 and  
Certified U.S. Mail-Return Receipt Requested

Yates Energy Corporation  
P.O. Box 2323  
Roswell, New Mexico 88202-2323

Attn: Shari Hamilton

Re: Order No. R-11636  
Esperanza "15" State Com. #1 Well  
E/2 of Section 15, T21S, R27E  
Eddy County, New Mexico

Ladies and Gentlemen:


Pursuant to the terms of Ordering Paragraph (6) of the referenced Order, enclosed for your further handling is a copy of our AFE dated May 31, 2001 (an estimated well cost) for the captioned well.

In the event you elect to participate in the drilling and completion of the captioned well, please forward the undersigned your proportionate part of the estimated well cost within thirty (30) days of receipt of this letter.

Enclosed for your information regarding the above is a copy of the referenced Order.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(915) 682-3715  
FAX (915) 685-4170

August 1, 2001

[Via Fax 505-623-4947 and First Class Mail]

Yates Energy Corporation  
P.O. Box 2323  
Roswell, New Mexico 88202-2323  
Attn: Shari Hamilton

Re: Esperanza "15" State Com. #1 Well  
E/2 of Section 15, T21S, R27E  
Eddy County, New Mexico

Dear Shari:

In the event Yates Energy Corporation (Yates) elects not to participate in the subject well and elects not to be force pooled, Mewbourne would be interested in acquiring the Yates interest by virtue of a term assignment as referenced in my previous letter dated May 30, 2001 or by virtue of a farmout agreement.

In the event Yates elects the farmout option, Mewbourne would be interested in acquiring a farmin of Yates' interest on the following terms:

- 1) 75% NRI delivered to MOC with Yates having the option APO to convert its retained ORI to a 25% WI, subject to proportionate reduction on a well by well basis.
- 2) Rights to be farmed out would include the Yates interest in the captioned land from the base of the Yates formation to the stratigraphic equivalent of a depth of 11,750 feet beneath the surface but in no event below the base of the Morrow formation.
- 3) MOC agrees to commence the captioned well by November 1, 2001.
- 4) In the event MOC completes the captioned well as a commercial producer, MOC would earn rights from the base of the Yates formation to 100' below TD drilled but in no event below the base of the Morrow formation.
- 5) The farmout agreement shall be on a form acceptable to MOC and the JOA to be used APO shall be on the form as previously furnished to you subject to reasonable revisions if necessary.

Esperanza "15" State Com. #1 Well  
August 1, 2001  
Page -2-

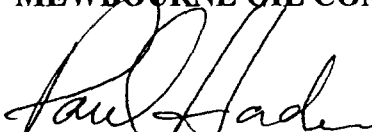
In the event Yates elects to grant Mewbourne a term assignment or a farmout agreement on the terms proposed above, please sign and return this letter within fifteen (15) days of receipt. Yates' failure to return same within such time period shall render the above offers voidable at Mewbourne's sole option.

Regarding the above, the above terms were offered to Harvey E. Yates Company, Shinnery Investment Company (if they own an interest), Jalapeno Corporation and Cibola Energy Corporation.

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

Sincerely yours,

**MEWBOURNE OIL COMPANY**

A handwritten signature in black ink, appearing to read "D. Paul Haden", is written over the company name.

D. Paul Haden  
Senior Landman

DPH/gb

Agreed and Accepted this \_\_\_\_\_ day of August, 2001.

**YATES ENERGY CORPORATION**

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

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(915) 682-3715  
FAX (915) 685-4170

July 24, 2001

Yates Energy Corporation  
P.O. Box 2323  
Roswell, New Mexico 88202-2323

Attn: Shari Hamilton

Re: Esperanza "15" State Com. #1 Well  
E/2 of Section 15, T21S, R27E  
Eddy County, New Mexico

Dear Shari:

I'm sorry you couldn't make it to the meeting last Thursday with Heyco. Currently, Heyco is reviewing their files to determine their ownership. Melissa Randle thinks they own a slightly different interest than what we credit them. Also, she thinks Shinnery Investments owns an interest, however we have to rely on ownership as filed of record.

Regarding Yates Energy's, Heyco's, Shinnery's, Cibola's and Jalapeno's ownership in the subject land, I think a Stipulation of Interest would cure the problem if all of said owners executed same whereby the agreed ownership would be cross-conveyed between the parties. However first of all, the referenced parties need to agree on their ownership.

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

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

Advised Shari this date that I would meet with her and the Heyco group @ 11:30, Thurs, July 19th to discuss any title questions they may have.

RH.  
7/18/01

7-19-01: Met with the Heyco group, Shari was not able to attend the meeting.



# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(915) 682-3715  
FAX (915) 685-4170

July 11, 2001

Yates Energy Corporation  
P.O. Box 2323  
Roswell, New Mexico 88202-2323  
Attn: Shari Hamilton

Re: Esperanza "15" State Com. #1 Well  
E/2 of Section 15, T21S, R27E  
Eddy County, New Mexico

Dear Shari:

Regarding the captioned proposed well, you should have received notice of our application for compulsory pooling by now. As indicated in Mr. James Bruce's letter of July 3, 2001, we have scheduled the pooling hearing for the July 26, 2001 Examiner's docket. Accordingly, we would appreciate receiving a decision from your firm regarding participation in the captioned proposed well in sufficient time prior to such hearing date.

In reference to the above, I tentatively have made plans to be in Roswell next week either Wednesday or Thursday (July 18<sup>th</sup> or 19<sup>th</sup>) to meet with you to discuss any title issues or concerns you might have regarding Yates Energy's participation in the subject well. In this regard, I will call you Monday, July 16<sup>th</sup> to set up a meeting time.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPII/gb

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(915) 682-3715  
FAX (915) 685-4170

June 19, 2001

Yates Energy Corporation  
P.O. Box 2323  
Roswell, New Mexico 88202-2323

Attn: Shari Hamilton

Re: Esperanza "15" State Com. #1 Well  
E/2 of Section 15, T21S, R27E  
Eddy County, New Mexico

Dear Shari:

Regarding the captioned proposed well, enclosed for your file is a copy of the signature pages of that certain JOA dated April 25, 2001 as executed by Marbob Energy Corporation and Tenison Oil Company.

In the event Yates Energy Corporation elects to participate in the subject well as proposed, we would appreciate receiving the executed JOA and AFE as was previously furnished you at the earliest possible date.

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

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

Advised Shari  
this date that we  
would be drilling  
this well in August  
or September depending  
on rig/prospect  
scheduling.

RF-  
6/14

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(915) 682-3715  
FAX (915) 685-4170

June 8, 2001

Yates Energy Corporation  
P.O. Box 2323  
Roswell, New Mexico 88202-2323

Attn: Shari Hamilton

Re: Esperanza "15" State Com. #1 Well  
E/2 of Section 15, T21S, R27E  
Eddy County, New Mexico

Dear Shari:

Per your request, enclosed for your information is a copy of our Drilling Opinion of Title dated March 28, 2001 for the captioned land and proposed well. Please call should you have any questions.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb

Esperanza "S" State Com. #1

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Energy Corporation  
P.O. Box 2323  
Roswell, N.M. 88202-2323  
Attention: Sharon Hamilton

JUN - 1 2001

2. Article Number (Copy from service label)

2147111301634

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

5-31-01

C. Signature

x *Andy Stevens*

☐ Agent

☐ Addressee

D. Is delivery address different from Item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(915) 682-3715  
FAX (915) 685-4170

May 30, 2001

[Certified Mail-Return Receipt Requested Z471130634]

Yates Energy Corporation  
P.O. Box 2323  
Roswell, N.M. 88202-2323  
Attn: Sharon Hamilton

Re: Esperanza "15" State Com. #1 Well  
2232' FSL & 1980' FEL  
Section 15, T21S, R27E  
Eddy County, New Mexico

Dear Shari:

Mewbourne Oil Company (Mewbourne), as Operator hereby proposes drilling the captioned well at the captioned location to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,800' beneath the surface. The E/2 of the captioned Section 15 will be dedicated to the well.

Enclosed for your further handling regarding the above well proposal are two (2) copies of our AFE dated April 23, 2001 and duplicate originals of our Operating Agreement dated April 25, 2001. In the event you elect to join Mewbourne in the proposed well, please sign and return one (1) copy of the enclosed AFE and one (1) original of the Operating Agreement to me at your earliest convenience.

In the event Yates Energy Corporation (Yates) elects not to participate in the proposed well, Mewbourne would be interested in acquiring a two (2) year term assignment from Yates on the basis of \$200.00 per acre wherein Mewbourne would be delivered a 80% net revenue interest. Should you have any questions regarding the above, please do not hesitate to call.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb