

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170
June 4, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEKALB Energy Company
1625 Broadway
Denver, Colorado 80202

Attention: Mr. John S. Geyer

RE: Turkey Track "15" State #1
T18S, R28E
Section 35: NE/4NW/4 and
NW/4SW/4, below 500' beneath
the top of the San Andres
formation
Eddy County, New Mexico

Gentlemen:

In reference to my previous correspondence wherein Mewbourne requested a farmout and/or offered to purchase DEKALB's operating rights under the captioned land, among other lands, Mewbourne has not received a commitment from DEKALB as to Mewbourne's proposal.

Regarding the above, is DEKALB Energy Company interested in working out a trade with Mewbourne in support of Mewbourne's proposed Morrow test well? Please respond. As a reminder, Mewbourne's compulsory pooling hearing is to take place June 11, 1992 at the New Mexico Oil Conservation's office in Santa Fe, New Mexico. We would like to have a response from DEKALB prior to the hearing date.

| |
|---------------------------|
| BEFORE EXAMINER STOGNER |
| OIL CONSERVATION DIVISION |
| CASE NO. _____ |

Sincerely,

Mewbourne Oil Company

D. Paul Haden
D. Paul Haden
Landman

DPH/nb
CC: Gary L. Winter
Ken S. Waits

Called Joe Thomas
w/ Exxon - He wasn't
there. I left message
for him to call me
concerning our Farnout request
in Sec. 15, T18S, R28E.

P.H.

6-2-92

Per Joe later - They would
give us a 1 yr. term assignment
from a depth of 3200' to 100' below
OTO drilled for \$200⁰⁰/ac. providing
a 75% NRI.

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 22, 1992

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702-1600

Attention: Mr. Joe B. Thomas

RE: Request No. 1007496
NE/4SW/4 and SW/4SW/4
of Section 15,
T18S, R28E
Eddy County, New Mexico

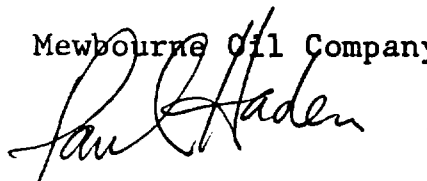
Gentlemen:

Regarding the captioned land, we would appreciate receiving a decision from Exxon at the earliest possible date as to our farmout request.

As you should now be aware, we have a compulsory pooling hearing scheduled for June 6, 1992. As such is the case, we would like to make our trade with Exxon prior to such hearing date.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb

CC: Gary L. Winter
Ken Waits

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 20, 1992

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Attention: Randal P. Wilson, CPL
Landman

RE: Your Lease NM-901 - State of New Mexico Lease B-8196
NM-4043 - State of New Mexico Lease #647
NM-4045 - State of New Mexico Lease E-1286-2
NM-4157 - Artesia Operating Agreement
SE/4SW/4, W/2NW/4, SE/4NW/4, NW/4NW/4,
NE/4NW/4 Section 15, T18S, R28E
Eddy County, New Mexico

Gentlemen:

Reference is made to your letter dated May 15, 1992, our phone conversation of May 13, 1992 and my letters dated May 4, 1992 and April 29, 1992 regarding the captioned land. Mewbourne Oil Company hereby declines to accept a farmout of your interest for only the Atoka and Morrow formations as proposed in your letter referenced above.

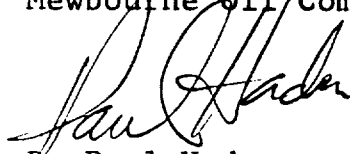
As discussed with you, Mewbourne feels it is imperative to acquire the uphole rights previously requested to reduce the economic risk in drilling Mewbourne's proposed Morrow test well. Please be advised, the vertical intervals we are requesting from Marathon in support of our Morrow test well are the same intervals we are seeking from the balance of the owners in the proposed spacing unit.

In the event Marathon declines to farmout its interest to Mewbourne as requested, please consider joining Mewbourne in the test well. As noted in previous correspondence regarding this option, an AFE was previously provided Marathon.

Marathon's cooperation in connection with the above will be greatly appreciated. Should you have any questions regarding the above or if you wish to discuss Mewbourne's proposal, please call.

Sincerely,

Mewbourne Oil Company

A handwritten signature in dark ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden
Landman

DPH/nb

CC: Gary L. Winter
Ken Waits



**Marathon
Oil Company**

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

May 15, 1992

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

Attention: Mr. D. Paul Haden

Re: Our Lease NM-901 - State of New Mexico Lease B-8196
NM-4043 - State of New Mexico Lease #647
NM-4045 - State of New Mexico Lease E-1286-2
NM-4157 - Artesia Operating Agreement
SE/4 SW/4, W/2 NW/4, SE/4 NW/4, NW/4 NW/4,
NE/4 NW/4 Section 15, T-18-S, R-28-E,
Eddy County, New Mexico

Gentlemen:

Reference is made to your letter dated April 29, 1992, in which Mewbourne Oil Company requested a farmout of Marathon's interest in the referenced acreage in order to drill a 10,900' Morrow test at a location 1980' FNL and 990' FWL of Section 15, T-18-S, R-28-E, Eddy County, New Mexico. Marathon Oil Company has reviewed your request and, subject to management approval, is agreeable to a farmout of its interest under the following general terms:

1. The farmout will cover the Atoka and Morrow formations only.
2. Successful completion will earn Mewbourne all of Marathon's interest in the spacing unit covering the initial well with Marathon reserving an ORRI equal to the difference between existing burdens and 25% thereby delivering 75% NRI leases.
3. Marathon will have no option to convert the retained ORRI to a 25% W.I. at payout of the initial well.

If the foregoing is acceptable, please indicate such acceptance by signing in the space provided below and returning one copy to the undersigned. Upon receipt of an executed letter, preparation of a formal contract will be expedited.

If there should happen to be any questions, please call the undersigned at 687-8470.

Very truly yours,

MARATHON OIL COMPANY



Randal P. Wilson, CPL
Landman

RPW:mmc'

AGREED TO AND ACCEPTED this _____ day
of _____, 1992.

MEWBOURNE OIL COMPANY

By:
Its:

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

Ref. *[Handwritten initials]*

May 11, 1992

Request No. 1007496
NESW SWSW Sec. 15-18S-28E
below a depth of 3200'
Eddy County, New Mexico

Mr. D. Paul Haden
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Dear Mr. Haden:

Your request for farmout dated April 29 has been assigned the number 1007496 which you should caption in any future correspondence.

When we receive recommendation from management, Mr. Joe B. Thomas will be contacting you with their decision.

Sincerely,

[Handwritten signature of Kathryn A. Neepers]
Kathryn A. Neepers
Land Group

/kn

Re: No Turkey Track
W/ Sec. 15

Randal Wilson w/ Marathon —

Said they would Ho their interest
to us as to the Atoka & Morrow
formations only. I told him we couldn't
take a Ho like that, we needed up-hole
rights. He said he would run it thru
his people again.

ff.

5-13-92

SENDER:

- Complete items 1 or 2 for additional services.
- Complete items 3 and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece next to the article number.

I also wish to receive following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

DEKALB Energy Company
1625 Broadway
Denver, CO 80202

4a. Article Number

P-124-765-965

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5-6-82

5. Signature (Addressee)**6. Signature (Agent)**

[Handwritten Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, October 1990

U.S. GPO: 1990-273-881

DOMESTIC RETURN RECEIPT

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 4, 1992

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Attention: Mr. Leland Howard

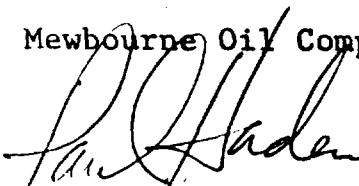
RE: Turkey Track "15" State #1
T18S, R28E
Section 15: NE/4NW/4, NW/4SW/4,
NW/4NW/4, SW/4NW/4, and SE/4NW/4,
below 500' beneath the top of the
San Andres formation;
SE/4SW/4, below a depth of 3500'
Eddy County, New Mexico

Gentlemen:

In reference to my previous letter of April 29, 1992 wherein Mewbourne Oil Company requested a farmout of Marathon's interest under the captioned Section 15, such request is hereby amended to include Marathon's interest in the NW/4NW/4, SW/4NW/4 and SE/4NW/4 of the above described Section 15. Apparently Marathon recently acquired Yates Petroleum's operating rights in said acreage.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
CC: Gary L. Winter
Ken Waits

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170
May 1, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEKALB Energy Company
1625 Broadway
Denver, Colorado 80202

Attention: Mr. John S. Geyer
District Landman

RE: Turkey Track "15" State #1
T18S, R28E
Section 15: NE/4NW/4 and NW/4SW/4,
below 500' beneath the top of the
San Andres formation;
Eddy County, New Mexico

Gentlemen:

As discussed this date, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 120 days from the execution date of your farmout agreement an initial test well at a location 1980' FNL & 990' FWL of the captioned Section 15 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,900'. The W/2 of the above described Section 15 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of DEKALB's acreage, Mewbourne would have the option to commence a 120 day continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from 500 feet beneath the top of the San Andres formation to 100 feet below the total depth drilled in each well.

- 4) DEKALB would retain its interest from the surface to 500 feet beneath the top of the San Andres formation and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 75% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) At payout of the initial well and any additional wells drilled under the terms of the farmout agreement on a well by well basis, you would have the option to convert your override to a 25% working interest, proportionately reduced to the actual interest you own in the proration unit of the initial test well and each additional well.
- 6) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

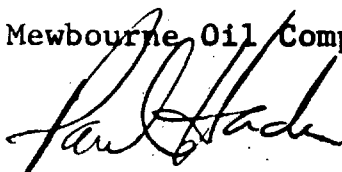
In the event DEKALB prefers not to farmout its interest as proposed above, Mewbourne would be interested in acquiring your interest on the basis of \$200.00 per net mineral acre.

Should DEKALB not be interested in farming or selling its interest as proposed, Mewbourne invites you to join Mewbourne in drilling the initial test well to the extent of your interest in the spacing unit. Enclosed for DEKALB's consideration regarding this option is a copy of Mewbourne's AFE for the proposed test well.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



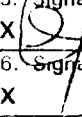
D. Paul Haden
Landman

DPH/nb

CC: Gary L. Winter
Ken Waits

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

| | |
|---|--|
| 3. Article Addressed to: Exxon Company, U.S.A. Attn: Joe B. Thomas POB 1600 Midland, Texas 79701 Turkey Track "15"/DPH | 4. Article Number P-124-765-978 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> . |
| 5. Signature — Addressee X  | 8. Addressee's Address (ONLY if requested and fee paid) |
| 6. Signature — Agent X | |
| 7. Date of Delivery APR 30 1992 | |

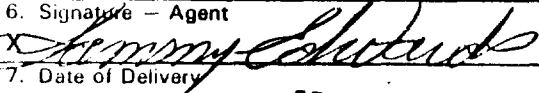
PS Form 3811, Apr. 1989

★ U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

| | |
|---|--|
| 3. Article Addressed to: Marathon Oil Company Attn: Leland Howard POB 552 Midland, Texas 79701 Turkey Track "15"/DPH | 4. Article Number P-124-768-824 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> . |
| 5. Signature — Addressee X | 8. Addressee's Address (ONLY if requested and fee paid) |
| 6. Signature — Agent  | |
| 7. Date of Delivery APR 30 1992 | |

PS Form 3811, Apr. 1989

★ U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

April 29, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702-1600

Attention: Mr. Joe B. Thomas

RE: Turkey Track "15" State #1
T18S, R28E
Section 15: NE/4SW/4 and SW/4SW/4,
below a depth of 3200'
Eddy County, New Mexico

Gentlemen:

Records available to us indicate Exxon Company, U.S.A. owns an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 120 days from the execution date of your farmout agreement an initial test well at a location 1980' FNL & 990' FWL of the captioned Section 15 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,900'. The W/2 of the above described Section 15 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of Exxon's acreage, Mewbourne would have the option to commence a 120 continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well from a depth of 3200 feet to 100 feet below the total depth drilled in each well.

- 4) Exxon would retain its interest from the surface to a depth of 3200 feet and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 20% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 80% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) At payout of the initial well and any additional wells drilled under the terms of the farmout agreement on a well by well basis, you would have the option to convert your override to a 25% working interest, proportionately reduced to the actual interest you own in the proration unit of the initial test well and each additional well.
- 6) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

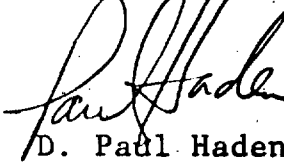
In the event Exxon prefers not to farmout its interest as proposed above, Mewbourne would be interested in acquiring Exxon's interest on the basis of \$200.00 per net mineral acre.

Should Exxon not be interested in farming or selling its interest as proposed, Mewbourne invites Exxon to join Mewbourne in drilling the initial test well to the extent of Exxon's interest in the spacing unit. Enclosed for Exxon's consideration regarding this option is a copy of Mewbourne's AFE for the proposed test well.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb

CC: Gary L. Winter
Ken Waits

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

April 29, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Attention: Mr. Leland Howard

RE: Turkey Track "15" State #1
T18S, R28E
Section 15: NE/4NW/4 and NW/4SW/4,
below 500' beneath the top of the
San Andres formation;
SE/4SW/4, below a depth of 3500'
Eddy County, New Mexico

Gentlemen:

Records available to us indicate Marathon Oil Company owns an interest in the operating rights under the captioned land. In this connection, Mewbourne Oil Company, as operator, proposes drilling the captioned well to test the Morrow formation on the following proposed terms:

- 1) Mewbourne, as operator, will commence within 120 days from the execution date of your farmout agreement an initial test well at a location 1980' FNL & 990' FWL of the captioned Section 15 and drill same to a depth sufficient to test the Morrow formation, estimated total depth being 10,900'. The W/2 of the above described Section 15 will be dedicated to the well.
- 2) In the event the initial test well is completed as a dry hole or if it is completed as a producer but such well's proration unit does not include all of Marathon's acreage, Mewbourne would have the option to commence a 120 continuous development schedule with the intent of earning all of your acreage under the captioned land.
- 3) If any well drilled under the terms of this agreement results in production including your acreage and operating rights, Mewbourne will earn an assignment of your operating rights in the proration unit allocated to the well as to the captioned land and rights to 100 feet below the total depth drilled in each well.

- 4) Marathon would retain its interest from the surface to 500 feet beneath the top of the San Andres formation as to the NE/4NW/4 and NW/4SW/4 and as to the surface to a depth of 3500' in the SE/4SW/4 of the captioned Section 15 and below 100 feet below the total depth drilled in each of Mewbourne's well(s), an overriding royalty interest equal to the difference between 20% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burdens on production which the premises may be subject, to the extent Mewbourne will be assigned a 80% net revenue interest lease in each proration unit earned by Mewbourne.
- 5) At payout of the initial well and any additional wells drilled under the terms of the farmout agreement on a well by well basis, you would have the option to convert your override to a 25% working interest, proportionately reduced to the actual interest you own in the proration unit of the initial test well and each additional well.
- 6) Upon acceptance of the farmout proposal, you agree to furnish Mewbourne with whatever title information you have in your files in connection with this property such as copies of the original base lease, title opinions, gas contracts currently in effect, etc.

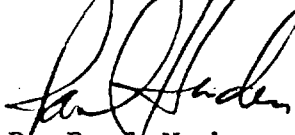
In the event Marathon prefers not to farmout its interest as proposed above, Mewbourne would be interested in acquiring Marathon's interest on the basis of \$200.00 per net mineral acre.

Should Marathon not be interested in farming or selling its interest as proposed, Mewbourne invites Marathon to join Mewbourne in drilling the initial test well to the extent of Marathon's interest in the spacing unit. Enclosed for Marathon's consideration regarding this option is a copy of Mewbourne's AFE for the proposed test well.

Your early response regarding the above well proposal will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb

CC: Gary L. Winter
Ken Waits

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

April 28, 1992

DEKALB Energy Company
1625 Broadway
Denver, Colorado 80202

Attention: Mr. John S. Geyer
District Landman

RE: Offer to Purchase

Gentlemen:

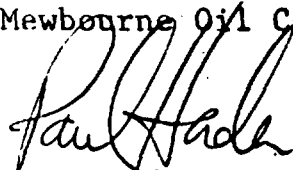
Mewbourne Oil Company hereby offers to purchase DEKALB Energy Company's operating rights in the lands and leases described in the attached Exhibit "A" on the basis of \$200.00 per net mineral acre.

The above offer is subject to immediate acceptance and approval of title. This offer can be withdrawn without notice as to all or portions of the lands described in Exhibit "A" attached hereto.

Please respond at your early convenience.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

DPH/nb
enclosure
CC: Gary L. Winter
Ken Waits

EXHIBIT "A"

Attached to and made a part of that certain letter dated April 28, 1992 from Mewbourne Oil Company to DEKALB Energy Company.

Tract 1: Below the base of the Abo formation:

| <u>Section 6, T18S, R28E:</u> | <u>Interest</u> | <u>Net Acres</u> |
|--|-----------------|------------------|
| A) S/2NE/4, NE/4NE/4 and NE/4SE/4 LEASE: State Lease 647 Dated: November 14, 1922 | 23/144 | 25.56 |

Tract 2: From below 500' from the top of the San Andres formation:

| <u>Section 15, T18S, R28E:</u> | | |
|---|--------|-------|
| A) N/2NE/4, NE/4NW/4 & SE/4 LEASE: State Lease 647-368 Dated: November 14, 1922 | 23/144 | 44.72 |
| B) NW/4SW/4 LEASE: State Lease E-1286-2 Dated: April 10, 1947 | 23/144 | 6.39 |

| <u>Section 22, T18S, R28E:</u> | | |
|--|--------|-------|
| A) E/2NE/4, E/2SE/4, SW/4SE/4 and S/2SW/4 LEASE: State Lease 647-368 Dated: November 14, 1922 | 23/144 | 44.72 |
| B) SE/4NW/4 LEASE: State Lease E-1288-2 Dated: April 10, 1947 | 23/144 | 6.39 |

Tract 3: From below 500' from the top of the San Andres formation:

| <u>Section 17, T18S, R28E:</u> | | |
|--|--------|-------|
| A) S/2NE/4 LEASE: State Lease 647-368 Dated: November 14, 1922 | 23/144 | 12.78 |
| B) SW/4SW/4 LEASE: State Lease E-1821-17 Dated: April 10, 1948 | 23/144 | 6.39 |

| <u>Section 18, T18S, R28E:</u> | | |
|---|--------|------|
| A) NW/4NE/4 LEASE: State Lease 647-368 Dated: November 14, 1922 | 23/144 | 6.39 |

Tract 4: Below the base of the
Abo formation:

Section 34, T17S, R28E:

| | | |
|----------------------------|--------|-------|
| A) N/2SE/4 | 23/144 | 12.78 |
| LEASE: State Lease 647-368 | | |
| Dated: November 14, 1922 | | |

Section 35, T17S, R28E:

| | | |
|----------------------------|--------|-------|
| A) NE/4 and E/2NW/4 | 23/144 | 38.33 |
| LEASE: State Lease 647-368 | | |
| Dated: November 14, 1922 | | |

Section 26, T17S, R28E:

| | | |
|----------------------------|--------|--------|
| A) All | 23/144 | 102.22 |
| LEASE: State Lease 647-368 | | |
| Dated: November 14, 1922 | | |

Tract 5: Below a depth of 3500':

Section 27, T17S, R28E:

| | | |
|-----------------------------|----------|-----|
| A) NW/4NE/4 | 11.5/288 | 1.6 |
| LEASE: State Lease B-2071-2 | | |
| Dated: August 10, 1933 | | |

Tract 6: From a depth of 5000'
to a depth of 10,987':

Section 27, T17S, R28E:

| | | |
|-----------------------------|----------|-----|
| A) NE/4NE/4 | 11.5/288 | 1.6 |
| LEASE: State Lease B-2071-2 | | |
| Dated: August 10, 1933 | | |

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170
April 9, 1992

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702-1600

Attention: Mr. Doug Laufer

RE: Purchase Offer
Undeveloped Rights
Eddy County, New Mexico

Gentlemen:

County and Federal Abstract Company records indicate Exxon Company, U.S.A. to be the owner of the following undeveloped operating rights:

| <u>Lease</u> | <u>Land Description</u> | <u>Exxon GWIZ</u> | <u>NRIZ</u> | <u>Mewbourne Cash Evaluation</u> |
|-----------------------------------|---|-----------------------|-------------|--------------------------------------|
| 1. State of New Mexico B-11540 | T-18-S, R-28-E Section 17: NE/4NE/4, below a depth of 2,476'. | 100% | 87.5% | \$ 8,000.00 |
| 2. State of New Mexico B-11540 | T-18-S, R-28-E Section 15: NE/4SW/4, SW/4SW/4, below a depth of 3,200'. | 100% | 87.5% | \$16,000.00 |
| 3. State of New Mexico B-11540 | T-18-S, R-28-E Section 22: NW/4NE/4, NW/4NW/4, below a depth of 3,200'. | 100% | 87.5% | \$16,000.00 |
| 4. U.S.A. NM-016788 | T-18-S, R-27-E Section 1: SE/4, from 100' below the base of the Abo formation to 100' below the base of the Strawn formation. | 100% | 87.5% | \$32,000.00 |

- | | | | | |
|-------------------------|---|--------|----------|-------------|
| 5. U.S.A. NM-04175-B | T-18-S, R-27-E Section 17: NE/4, W/2NW/4, SW/4, N/2SE/4, SE/4SE/4, from 100' below the base of the Abo formation. | 81.25% | 60.9375% | \$63,375.00 |
| 6. U.S.A. NM-29274 | T-18-S, R-27-E Section 17: NE/4NW/4, SW/4SE/4, SE/4NW/4, from 100' below the base of the Abo formation. | 81.25% | 60.9375% | \$14,625.00 |

Mewbourne Oil Company is interested in acquiring Exxon's undeveloped operating rights. Therefore, Mewbourne hereby offers Exxon \$150,000.00 for its operating rights to the above listed land.

This offer is subject to your immediate acceptance and approval of title.

Your earliest attention to this request will be most appreciated.

Sincerely,

Mewbourne Oil Company



Gary L. Winter
District Landman

GLW/nb



November 25, 1991

Mewbourne Oil Company
500 W, Texas, Suite 1020
Midland, TX 79701

Attention: Mr. Paul Haden

RE: Artesia Area
Townships 17, 18, 19 South
Ranges 27, 28 East
Eddy County, New Mexico

Gentlemen:

Reference is made to your letter dated November 20, 1991, in which you offered to acquire DEKALB's interest in the captioned area.

DEKALB does not wish to dispose of its leasehold at this time. If you wish to propose a multi-well drilling program, DEKALB would be happy to discuss said plans.

The next time you are in Denver, please give me a call and I'll buy the coffee.

Yours very truly,

DEKALB Energy Company

A handwritten signature in cursive script, appearing to read "John S. Geyer".

John S. Geyer
District Landman

JSG/id

DEKALB Energy Company
1625 Broadway
Denver, Colorado 80202
(303) 592-4600
FAX (303) 592-5901

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

November 20, 1991

Dekalb Energy Company
1625 Broadway
Denver, Colorado 80202

Attention: Mr. John S. Geyer
District Landman

RE: T17S, R28E
Section 26: N/2;
Section 34: N/2SE/4;
Section 35: NE/4, E/2NW/4;

T18S, R28E
Section 15: N/2NE/4, NE/4NW/4
and SE/4;
Section 22: E/2NE/4, SE/4NW/4;
Section 17: S/2NE/4 and
SW/4SW/4;
Section 18: NE/4NE/4;

T19S, R27E
Section 26: NE/4;
All of the above lands being in
Eddy County, New Mexico

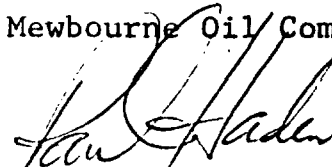
Gentlemen:

Reference is made to my previous letter of September 10, 1991 regarding portions of the captioned lands. Mewbourne's previous purchase offer is hereby amended to include the captioned land. As offered previously, Mewbourne proposes purchasing DEKALB's interest on the basis of \$250.00 per net acre.

Regarding the above, Mewbourne would appreciate the opportunity to meet with you in your office to discuss the above. Accordingly, I will be in contact with you in the near future.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

Per John Geyer with
DeKalb —

He said to shoot ~~on~~ them
~~on~~ another offer in about
45 days. Their geologists
are re-evaluating the areas
we are interested in as
far as the deeper horizons.
It sounds like they will
be in a position to sell
out to us as to the requested
properties.

J.H.
10-11-91

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

September 17, 1991

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702-1600

Attention: Joe B. Thomas
Land Group

RE: T-18-S, R-28-E, N.M.P.M.
Section 15: NE/4SW/4 and
SW/4SW/4 below a depth of
3,200'; and SW/4NE/4 below
a depth of 2,621'.
AND
Section 22: NW/4NE/4 below
a depth of 3,200'.
Eddy County, New Mexico

Gentlemen:

Federal and County Records indicate Exxon Company, U.S.A. to own 100% of the Operating Rights in the above captioned land together with a 87.5% Net Revenue Interest.

Mewbourne Oil Company hereby offers Exxon \$250.00 per net mineral acre for a Three (3) Year Term Assignment providing Mewbourne with a 82.5% Net Revenue Interest for said Operating Rights.

Your earliest attention to this request will be most appreciated. The above offer is subject to your immediate acceptance and approval of title.

Sincerely,

Mewbourne Oil Company



Gary L. Winter
District Exploration Manager

GLW/nb



September 20, 1991

Melbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701

Attention: Mr. Paul Haden

RE: Offer to Purchase
Artesia Area
T17&18S, R28E
T19S-R27E
Eddy County, New Mexico

Gentlemen:

Thank you for your letter dated September 10, 1991, offering to purchase our interest in the subject area. DEKALB is currently reviewing its plans for the area in 1992 and does not wish to dispose of the property at this time.

Yours very truly,

DEKALB Energy Company

A handwritten signature in cursive script that reads "John S. Geyer".

John S. Geyer
District Landman



JSG/id

DEKALB Energy Company
1625 Broadway
Denver, Colorado 80202
(303) 592-4600
FAX (303) 592-5901

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

☐ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery (Extra charge)

| | |
|--|--|
| 3. Article Addressed to: Dekalb Energy Company Attn: K. G. Ranum 625 Broadway Denver, CO 80202 | 4. Article Number P-124-765-937 |
| Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise | |
| Always obtain signature of addressee or agent and DATE DELIVERED. | |
| 5. Signature — Addressee  | 8. Addressee's Address (ONLY if requested and fee paid) |
| 6. Signature — Agent  | |
| 7. Date of Delivery 9-12-91 | |

PS Form 3811, Apr. 1989

* U.S.G.P.O. 1985-234-815

DOMESTIC RETURN RECEIPT

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

September 10, 1991

CERTIFIED MAIL

Dekalb Energy Company
1625 Broadway
Denver, Colorado 80202

Attention: K. G. Ranum
Land Department

RE: T17S, R28E
Section 26: All
Section 34: N/2SE/4
Section 35: NE/4, E/2NW/4,
N/2S/2;
T18S, R28E
Section 15: N/2NE/4, NE/4NW/4,
and SE/4,
Section 22: E/2SE/4, SW/4SE/4,
E/2NE/4, SE/4NW/4
and S/2SW/4;
T19S, R27E
Section 26: NE/4
Eddy County, New Mexico

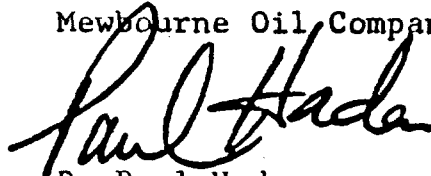
Gentlemen:

Federal and county records indicate you own 23/144 of the operating rights under the captioned 1,880 gross acres. In this connection, Mewbourne Oil Company hereby offers Dekalb Energy Company \$250.00 per net mineral acre for all of Dekalb's right, title and interest in the operating rights under the captioned land.

The above offer is subject to immediate acceptance and approval of title.

Sincerely,

Mewbourne Oil Company



D. Paul Haden
Landman

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

June 13, 1991

Request No. AB-90-0231(R)
CAS No. 100957
W2 Sec. 16 and Sec. 17-18S-27E
Sec. 15 and 22-18S-28E
Sec. 24-19S-28E
Sec. 22, 23, W2 26, and
Sec. 27-20S-25E
Eddy County, New Mexico

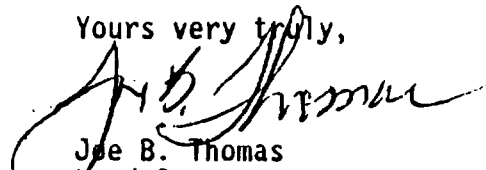
Mr. Gary L. Winter
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Dear Mr. Winter:

Exxon respectfully declines your request for the proposed farmout set forth in your letter dated October 10, 1990.

We appreciate your request and hope the future will hold some mutually beneficial opportunities.

Yours very truly,



Joe B. Thomas
Land Group
915/688-7162

JBT:kn

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

February 1, 1991

No. TURKEY TRACK

Trade Requests AB-91-0013(R) } ←

AB-91-0014(R) } ←

AB-91-0015(R) } ← *Barkchester*

Eddy County, New Mexico

Paul Haden
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Dear Mr. Haden

Unfortunately all of these areas are areas that Exxon is not interested in farming out. I have spoken to the Geologist and he has said that these areas will not be considered for farmout until the fourth quarter this year. If you have a continuing interest, please resubmit in the fourth quarter of 1991.

Very truly yours,

Joe B. Thomas
Joe B. Thomas
Land Group
915/688-7162

JBT:kn

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

January 28, 1991

Request No. AB-91-0014(P)
NESW SWSW below 3200' and
SWNE below 2621' Section 15-18S-28E
Eddy County, New Mexico

Paul Haden
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Dear Mr. Haden:

Your request for farmout dated January 24 has been assigned the number AB-91-0014(P) which you should caption in any future correspondence.

When we receive recommendation from management, Mr. Joe B. Thomas will be contacting you with their decision.

Yours very truly,



Kathryn A. Neeper
Land Group

/kn

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

January 24, 1991

Exxon Company USA
P. O. Box 1600
Midland, Texas 79701

Attention: Joe B. Thomas

RE: T18S, R28E
Section 15: NE/4SW/4 and
SW/4SW/4 below a depth of
3200'; and the SW/4NE/4
below a depth of 2621'.
Eddy County, New Mexico

Gentlemen:

Records indicate your company owns the operating rights under the captioned land. Accordingly, Mewbourne Oil Company is interested in drilling an initial Morrow test well under the captioned land and hereby requests a farmout of your operating rights below the depths described above on the following proposed terms:

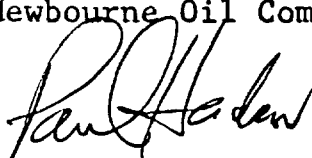
- (1) Mewbourne, as operator, will commence within 90 days from the execution of your farmout agreement an initial test well at a location of its choice in the subject Section 15 to test the Morrow formation, estimated total depth being 10,900'.
- (2) Upon completion of the initial test well as a commercial producer, Mewbourne would earn an assignment of Exxon's operating rights in the captioned land included in the productive proration unit plus 100 feet below the total depth drilled.
- (3) If Mewbourne drills the initial test well within the time and manner required as a producer or dry hole, Mewbourne shall have the right to commence a continuous drilling program allowing no more than 120 days elapsing between the completion of one well and the commencement of another well until the captioned land is fully developed.

- (4) If an assignment is earned by Mewbourne in the initial test well or subsequent wells, Exxon would retain an overriding royalty interest equal to the difference between 20% of all oil and gas that might be produced and the total of all royalty interests, overriding royalty interests and other burdens or lawful claims upon production which the captioned land may be subject, to the extent Mewbourne will be assigned a 80% net revenue interest lease.
- (5) At payout of the initial well and any subsequent wells drilled by Mewbourne under the terms of your farmout agreement on a well by well basis, Exxon would have the option to convert their override to a 25% working interest.
- (6) Upon acceptance of the farmout proposal, Exxon agrees to furnish Mewbourne with whatever title information it has in its files in connection with the above property such as a copy of the original base lease, title opinions, gas contracts currently in effect, etc.

Your early response regarding the above request will be greatly appreciated.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

PH/nb

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

October 10, 1990 .

Exxon Company USA
P. O. Box 1600
Midland, Texas 79702

Attention: Mr. Douglas R. Laufer and
Mr. Joe B. Thomas

RE: T-18-S, R-27-E, N.M.P.M.
Section 16: W/2
Section 17: All
T-18-S, R-28-E, N.M.P.M.
Section 15: All
Section 22: All
T-19-S, R-28-E, N.M.P.M.
Section 24: All
T-20-S, R-25-E, N.M.P.M.
Section 22: All
Section 23: All
Section 26: W/2
Section 27: All
Eddy County, New Mexico

Gentlemen:

With reference to our previous conversations, Mewbourne Oil Company hereby requests a farmout of Exxon Company USA operating rights in the above captioned land on the following basis:

1. Mewbourne as operator, shall commence on or before July 1, 1991, a Morrow formation test at a location of its choice on the above captioned land.
2. Mewbourne shall be obligated to drill three (3) additional Morrow formation test wells at locations of its choice on the above captioned land. Within 120 days after the completion or plugging and abandonment of the initial well as described in Paragraph #1, Mewbourne shall commence the first of the three (3) said test wells, with not more than 120 days elapsing between the completion or plugging and abandonment of each preceding well and the commencement of the next ensuing well, until the three (3) additional obligated wells have been drilled.

3. Subsequent to the wells as described in Paragraphs #1 and 2, Mewbourne shall have the option however not the obligation, to continuously develop the above captioned land with not more than 180 days elapsing between the completion or plugging and abandonment of each preceding well and the commencement of the next ensuing well, until the above captioned land is fully developed.
4. By completing each well as a commercial producer, Mewbourne shall earn an assignment of Exxon's operating rights to 100 feet below the deepest producing formation and as to the proration unit allocated to said well.
5. Exxon would retain in addition to the deep rights and acreage outside of each earned proration unit, an overriding royalty interest equal to the difference between 25% of all oil and gas that may be produced and the total of all royalty interest and other burdens in current existence, to the extent Mewbourne will be assigned a 75% net revenue interest lease. After payout of each well, on a well by well basis, Exxon would have the option to convert its retained override to a 25% working interest.
6. Exxon would furnish Mewbourne with whatever title information it has in its files in connection with the above captioned land, such as a copy of each base lease, title opinion, gas contract, etc.

Due to drilling rig availability, future third party operating rights negotiations and Mewbourne's willingness to commit a significant portion of its 1991 and 1992 exploration and development budget to the above captioned land, Mewbourne's offer shall be valid for 45 days from the date of this letter. Therefor, your earliest response to the above request would be greatly appreciated.

Sincerely,

Mewbourne Oil Company



Gary L. Winter
District Exploration Manager

GLW/nb