

TRACT OWNERSHIP

Tract 1: NW/4NE/4 of Section 29, T20S, R27E, Eddy County, New Mexico
(1) Mewbourne Oil Company (Operator)

Tract 2: NE/4NE/4 of Section 29, T20S, R27E, Eddy County, New Mexico
(1) Mewbourne Oil Company (Operator)

Tract 3: SE/4NE/4 and E/2SE/4 of Section 29, T20S, R27E, Eddy County, New Mexico
(1) Mewbourne Oil Company (Operator)

Tract 4: ~~SW/4NE/4~~ and W/2SE/4 of Section 29, T20S, R27E, Eddy County, New Mexico

(1)	Mewbourne Oil Company (Operator)	63/160	
(2)	Oxy USA Inc. (Non-Operator)	80/160	(Uncommitted)
(3)	Marie Cleveland George, as her separate property (Unleased)	1/80	(Uncommitted)
(4)	John Claude Criswell, as his separate property (Unleased)	1/80	(Uncommitted)
(5)	Jesse Harold Criswell, as his separate property (Unleased)	1/80	(Uncommitted)
(6)	The Heirs or Devisees of John C. Moore, presumably being John B. Moore and William C. Moore (Unleased)	1/80	(Uncommitted)
(7)	Velma Walters Moore, as her separate property (Unleased)	1/120	(Uncommitted)
(8)	Billie Beth Moore, as her separate property (Unleased)	1/240	(Uncommitted)
(9)	Marjorie O. Moore Harper, as her separate property (Unleased)	1/80	(Uncommitted)
(10)	Hettie Patton Davis, as her separate property (Unleased)	1/256	(Uncommitted)
(11)	The Heirs or Devisees of Donald Carlos Davis (Unleased)	3/256	(Uncommitted)
(12)	Carol Mae Davis, as her separate property (Unleased)	1/64	(Uncommitted)

Percentage Ownership
E/2 of Section 29, T20S, R27E
Eddy County, New Mexico

<u>OWNER</u>	<u>% OWNERSHIP</u>
Mewbourne Oil Company	77.26563
OXY USA Inc.	18.75000
Estate of Myrtle Stubblefield, Deceased and/or her heirs at Law	3.98437
	<u>100.00000</u>

BEFORE EXAMINER
OIL CONSERVATION

— SURVEY NO. 2 —
CASE NO. —

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 220
MIDLAND, TEXAS 79701

915 / 682-3715

September 28, 1989

OIL CONVEYANCE AGREEMENT

EXHIBIT NO. 3

CASE NO.

To Address List:

RE: Estate of Myrtle Stubblefield
T20S, R27E, N.M.P.M.
Section 29: SW/4NE/4,
NE/4SW/4 and W/2SE/4
Eddy County, New Mexico

Dear Ladies and Gentlemen:

Apparently you are an heir to the Estate of Myrtle Stubblefield, Deceased who owned an undivided 1/4 mineral interest under the captioned land.

For reference, Mrs. Stubblefield inherited said 1/4 mineral interest from her sister, Ora McLane as her sole surviving heir. Under the terms of Mrs. Stubblefield's Last Will and Testament, (see copy attached) the residue of her property was to be distributed to her nieces by her executrices (Olive Russell and Josephine Hamilton) as they deemed fair and equitable. This distribution was never accomplished by Deed to the nieces of Myrtle Stubblefield.


Apparently Myrtle Stubblefield had nine (9) nieces, namely Edna Blankenship, Mary J. Lee, Marjorie Harper, Josephine Hamilton, Olive Russell, Lena Mae Ellis, Alma Hoyt, Kathryn Johnson and Juandell Hicks. Under the Will of Olive Russell, her estate went to her children, Aileen Mantooth and John M. Russell. Upon Juandell Hicks' death her entire estate was left to Bobbie J. Warden, her son, as her sole surviving heir.

For the purpose of establishing record title ownership to the heirs of Myrtle Stubblefield, I have prepared the enclosed Stipulation of Interest agreement for each of the heirs to sign. This agreement sets out the current ownership of the above described 1/4 mineral interest.

If the enclosed agreement correctly sets forth the ownership of the Stubblefield 1/4 mineral interest, please sign the agreement in the presence of a Notary Public and return it to me in the enclosed envelope at your earliest convenience.

Your cooperation in the above connection is greatly appreciated. Especially I am grateful for the information furnished to me by Mrs. Josephine Hamilton in locating the above heirs.

Sincerely,


D. Paul Haden
Landman

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915/682-3715

September 28, 1989

To Address List:

RE: Estate of Myrtle Stubblefield,
Deceased

T20S, R27E, N.M.P.M.

Section 29: SW/4NE/4,

NE/4SW/4 and W/2SE/4

Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company is interested in leasing your mineral interest under the captioned 160 acre tract of land. Accordingly, Mewbourne hereby offers \$100.00 per net mineral acre for a three (3) year paid-up lease providing a 3/16 royalty interest.

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

When responding, please indicate the name of the bank you wish to be used in the lease and your Social Security number. Enclosed for your convenience in this connection is a self-addressed stamped envelope.

Sincerely,

MEWBOURNE OIL COMPANY



D. Paul Haden
Landman

DPH/sm

ADDRESS LIST

Edna Blankenship
215 E. Ripley
Brownfield, Texas 79316

Mary J. Lee
114 So. 2nd
Brownfield, Texas 79316

Marjorie Harper
Box 67
Mt. Pleasant, Iowa 52641

Lena Mae Ellis
Box 1644
San Angelo, Texas 76902

Alma Hoyt
1600 Jones Dr.
Arlington, Texas 76013

Josephine Hamilton
Box 547
Matador, Texas 79244

Kathryn Johnson
1009 Ave. E
Marble Falls, Texas 78654

Bobbie J. Warden
7822 Glen Lake
San Antonio, Texas 78239

Aileen Mantooth
2024 Kevin Dr.
Cape Girardeau, MO 63701

John M. Russell
Box 128
Matador, Texas 79244

MEWBOURNE OIL COMPANY
Authorization for Expenditure

Prospect Avalon Well Name and No. Federal "Z" #1
 Field Avalon (Morrow) Location 1980' FNL & 660' FEL
 Section 29 Block Township 20S Range 27E Survey
 County Eddy State N.M. Proposed Depth 10,950'

DESCRIPTION		COST TO CASING POINT AFE NO. 90-D-8	COMPLETION COST AFE NO. 90-C-8
<u>INTANGIBLE COST 180</u>			
300	Permits & Surveys	\$ 600.00	\$ 700.00
301	Location, Roads & Damages	25,000.00	5,000.00
302	Footage or Turnkey Drilling	180,000.00	- 0 -
303	Day Work	30,000.00	- 0 -
304	Fuel, Water & Other	20,000.00	5,000.00
305	Completion/Workover Rig	- 0 -	15,000.00
306	Mud & Chemicals	25,000.00	- 0 -
307	Cementing	35,000.00	- 0 -
308	Logging & Wireline	20,000.00	6,000.00
309	Casing - Tubing Services & Tools	- 0 -	2,000.00
310	Mud Logging	4,000.00	- 0 -
311	Testing	6,000.00	2,000.00
312	Treating	- 0 -	45,000.00
313	Coring		
320	Transportation	2,000.00	3,000.00
321	Welding & Construction Labor	1,500.00	1,000.00
322	Contract Supervision		
330	Equipment Rental	4,000.00	3,000.00
334	Well/Lease Legal/Tax	2,500.00	- 0 -
335	Well/Lease Insurance	22,000.00	- 0 -
350	Intangible Supplies	500.00	500.00
360	Pipeline ROW & Easements	- 0 -	5,000.00
367	Pipeline Interconnect		
375	Company Supervision	26,000.00	8,000.00
380	Overhead Fixed Rate	10,000.00	1,500.00
399	Contingencies	20,705.00	5,135.00
Total Intangibles		\$ 434,805.00	\$ 107,835.00
<u>TANGIBLE COST 181</u>			
Conductor Casing		\$	\$
Surface Casing 13 3/8" @ 500'		12,000.00	
Inter. Casing 8 5/8" @ 2,400'		26,000.00	
Production Casing 5 1/2" @ 10,950'			77,000.00
Production Casing			
Tubing 2 7/8" @ 10,950'			22,000.00
860	Drilling Head	5,000.00	
865	Tubing Head		3,500.00
870	Upper Section		3,000.00
875	Sucker Rods		
880	Packer, Pump & Other Subsurface		4,000.00
885	Pumping Unit		
890-1	Tanks (Steel, Fiberglass)		5,000.00
894-5	Separation Equipment (Fired, Non-fired)		10,000.00
898	Metering Equipment		6,000.00
900	Line Pipe		5,000.00
905	Valves		3,000.00
906	Miscellaneous Fittings & Accessories		5,000.00
910	Production Equipment Installation		10,000.00
920	Pipeline Construction		25,000.00

Date Prepared: September 24, 1990Prepared By: Erick W. NelsonCompany Approval: W.H. RamseyDate Approved: Joint Owner Approval: Joint Owner Interest: Joint Owner Amount:

Total Tangibles \$ 43,000.00 \$ 178,500.00

Subtotal \$ 477,805.00 \$ 286,335.00

TOTAL WELD COST \$ 764,140.00

OIL COMPANY

4

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800
ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500

FAX (505) 768-1529

OF COUNSEL
O. M. CALMOUN
MACK EASLEY
JOE W. WOOD

CLARENCE E. HINKLE (1901-1988)
W. E. DONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

December 12, 1990

700 UNITED BANK PLAZA

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88202

(505) 622-6510

FAX (505) 623-9332

2800 CLAYDESTA NATIONAL BANK BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

FAX (915) 683-6518

1700 TEAM BANK BUILDING

POST OFFICE BOX 9238

AMARILLO, TEXAS 79105

(806) 372-5569

FAX (806) 372-9761

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504

(505) 982-4554

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.
STUART D. BHANOR
ERIC D. LAMPHIER
C. D. MARTIN
PAUL J. KELLY JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD
RICHARD E. OLSON
RICHARD R. WILFONG
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUBACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWITT
JAMES BRUCE
JERRY F. SHACKELFORD
JEFFREY W. HELLBERG
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
FRANKLIN M. MCCALLUM
GREGORY J. NIBERT

DAVID T. HARKETTE
MARK C. DOW
KAREN M. RICHARDSON
FRED W. SCHWENDIMANN
JAMES M. HUDSON
RAYMOND HAMILTON
STANLEY K. KOTOVSKY
BETTY M. LITTLE
JEFFREY S. BAIRD
RUTH S. MUSGRAVE
HOWARD R. THOMAS
PATRICIA A. WATTS
NANCY AUGUSTUS
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
PAUL R. NEWTON
WILLIAM R. JOHNSON
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDWIG
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JERRY D. WORSHAM II
JOHN R. KULSETH, JR.
TONY CONNERS

*NOT LICENSED IN NEW MEXICO

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Estate of Myrtle Stubblefield,
Deceased, and/or her Heirs at Law
c/o of Josephine Hamilton
Box 547
Matador, Texas 79244

Oxy USA Inc.
P. O. Box 50250
Midland, Texas 79710

Attention: Vance E. Woolley

Dear Ms. Hamilton and Mr. Woolley:

Enclosed for your information is a copy of an Application for Compulsory Pooling of the E½ of Section 29, Township 20 South, Range 27 East, Eddy County, New Mexico, which was filed on behalf of Mewbourne Oil Company. This Application will be heard by the New Mexico Oil Conservation Division on Thursday, January 10, 1991, at 8:15 a.m., at the Division's offices at 310 Old Santa Fe Trail, Santa Fe, New Mexico 87501. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By: *James Bruce*
James Bruce
Attorneys for Mewbourne
Oil Company

JB:le
Enclosure

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

No. _____

APPLICATION

Mewbourne Oil Company hereby makes application for an order pooling all interests from the surface to the base of the Morrow formation underlying the E $\frac{1}{2}$ of Section 29, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the E $\frac{1}{2}$ of said Section 29.

2. Applicant proposes to drill its Fed. Z No. 1 Well in the E $\frac{1}{2}$ of Section 29, at an orthodox location 1980 feet from the North line and 660 feet from the East line of the Section, to a depth sufficient to test the Morrow formation (approximately 10,950 feet), and seeks to dedicate the following acreage to the well:

(a) The E $\frac{1}{2}$ of Section 29 for all pools or formations spaced on 320 acres;

(b) The NE $\frac{1}{4}$ of Section 29 for all pools or formations spaced on 160 acres;

(c) The S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 29 for all pools or formations spaced on 80 acres; and

(d) The SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29 for all pools or formations spaced on 40 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the E $\frac{1}{2}$ of Section 29 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the E $\frac{1}{2}$ of Section 29, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying the E $\frac{1}{2}$ of Section 29, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the January 10, 1991 Examiner hearing.

WHEREFORE, Applicant requests that the Division
grant the relief requested above.

Dated: 12/11/90.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By James Bruce
James Bruce
500 Marquette, N.W.
Suite 800
Albuquerque, New Mexico 87102
(505) 768-1500

Attorneys for Applicant

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

Put your address in "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 with 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. 2. ☐ Restricted Delivery
 †(Extra charge)† †(Extra charge)†

3. Article Addressed to: Estate of Myrtle Stubblefield Deceased, and/or her Heirs c/o of Josephine Hamilton Box 547 Matador, Texas 79244 <i>Josephine Hamilton</i>	4. Article Number P 440 581 177
5. Signature — Addressee <input checked="" type="checkbox"/>	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
6. Signature — Agent <input checked="" type="checkbox"/>	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
7. Date of Delivery	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

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

Put your address in "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 with 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. 2. ☐ Restricted Delivery
 †(Extra charge)† †(Extra charge)†

3. Article Addressed to: Oxy USA Inc. P. O. Box 50250 Midland, Texas 79710	4. Article Number P 440 581 161
5. Signature — Addressee <input checked="" type="checkbox"/>	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
6. Signature — Agent <input checked="" type="checkbox"/> <i>K. W. [Signature]</i>	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
7. Date of Delivery 12/14/90	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

ILLEGIBLE