

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

DREYFUS

April 12, 1994

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway,
Suite 600
Oklahoma City, Oklahoma 73134-2600

Attn: Mr. Rusty Waters

Re: MOC's proposed Illinois Camp
"20" State #2 Well;
Pooling Application;
S/2 Sec. 20, T18S, R28E
Eddy County, New Mexico

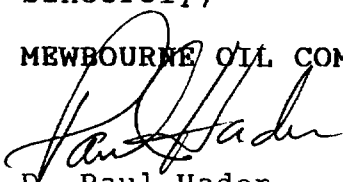
Gentlemen:

Enclosed for your file is that certain letter agreement dated April 8, 1994 executed by Mewbourne Oil Company (Mewbourne) regarding the captioned well and land. Although Mewbourne is agreeable to the terms as set forth in said letter agreement, Mewbourne reserves the right to name Louis Dreyfus Natural Gas Corp. (LDNGC) at the pooling hearing as a poolee until such time as Mewbourne has received a formal executed agreement from LDNGC indicating their specific agreement to either join or farmout regarding the captioned well.

Your cooperation in connection with the above is greatly appreciated.

Sincerely,

MEWBOURNE OIL COMPANY


D. Paul Haden
Landman

:encl

DPH:jls

*For my phone conversation
this date, the above is
agreeable with Rusty W.
of LDNGC. P.H.*

4-12-94



April 8, 1994

Via Fax 915-685-4170

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701

ATTN: D. Paul Haden, CPL

RE: MOC Proposed Compulsory Pooling Application
S/2 Section 20-18S-28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company "MOC" has advised of the above referenced proposed Compulsory Pooling Application for the drilling of the Illinois Camp "20" State #2 well.

Louis Dreyfus Natural Gas Corp. "LDNGC" agrees not to protest said Application provided MOC agrees as follows:

1. MOC agrees that LDNGC's election to participate in the Illinois Camp "20" State #2 well is not due until 30 days after the completion date of the Illinois Camp "20" State #1 well to be drilled in the N/2 of Section 20-18S-28E, Eddy County, New Mexico.
2. Should LDNGC elect not to participate, LDNGC will farmout its interest in the S/2 of Section 20 to MOC. LDNGC agrees to deliver a 75% net revenue interest, reserving an override equal to the difference of 25% and existing lease burdens. MOC agrees to provide LDNGC all well information from the drilling and completion of said well.
3. MOC agrees to provide LDNGC copies of all exhibits presented in its Compulsory Pooling Application and all exhibits presented in its Unorthodox Location hearing for the S/2 of Section 20.

Mewbourne Oil Company

April 8, 1994

Page 2



If the above meets with your approval, please so indicate by executing one (1) copy of this letter and return to the undersigned. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

LOUIS DREYFUS NATURAL GAS CORP.

A handwritten signature in cursive script, appearing to read 'Rusty Waters'.

Rusty Waters

District Landman

RW/eeo

AGREED TO AND ACCEPTED THIS 12th DAY OF APRIL, 1994.

MEWBOURNE OIL COMPANY

By: _____

A handwritten signature in cursive script, appearing to read 'D. Paul Haden'.

D. PAUL HADEN
LANDMAN

Re: Illinois Comp "20" State #2
S/2 Sec 20 —

Per phone conversation w/
Rusty Waters w/ Dreyfus —

We are agreeable to allowing
them a delayed election on the
above well — 30 days
after completion of Ill. Comp.
"20" St. #1 Well (N/2 Sec. 20)
in which to participate or
elect to farmout → 75% NRI.

P.H.
4-8-94

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4.
- 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 below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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

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

Consult postmaster for fee.

3. Article Addressed to:
Louis Dreyfus Natural Gas Corporation
14000 Quail Springs Park.
Suite 600
Oklahoma City, OK 73134
Attn: Mr. Rusty Waters

4a. Article Number
P155 142 871

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
APR 14 1994

8. Addressee's Address only if requested and fee is

5. Signature (Addressee)
Rusty Waters

6. Signature (Agent)
Jeff W. Pearson

PS Form 3811, December 1991
U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

PS Form 3800, June 1991

Louis Dreyfus Natural Gas Corporation
14000 Quail Springs Park.
Suite 600
Oklahoma City, OK 73134
Attn: Mr. Rusty Waters
Certified Fee
Special Delivery Fee
Restricted Delivery Fee
Return Receipt Showing to Whom & Date Delivered
Return Receipt Showing to Whom, Date, and Addressee's Address
TOTAL Postage & Fees
Postage & Fees
20 State #2

P 155 142 871
Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

March 30, 1994

Certified Mail - Return Receipt Requested P 155 142 871

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, Oklahoma 73134

Attn: Mr. Rusty Waters

Re: MOC's Chalk Bluff Draw Prospect
MOC's Illinois Camp "20" State #2
S/2 Section 20, T18S, R28E
Eddy County, New Mexico

Gentlemen:

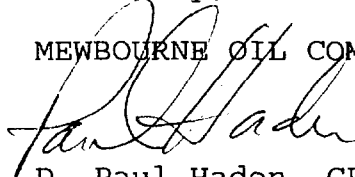
Enclosed for your further handling are duplicate originals of that certain Operating Agreement dated March 29, 1994 for the captioned land and well. Also enclosed for your consideration and execution is a copy of Mewbourne's AFE dated February 4, 1994 for the subject well.

At your earliest convenience, please execute the enclosed duplicate originals of the Operating Agreement and return one (1) to the undersigned with the executed AFE in the event your company desires to participate in the captioned well.

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

Sincerely,

MEWBOURNE OIL COMPANY



D. Paul Haden, CPL
Landman

DPH/klc
Enclosure

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

March 28, 1994

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, Oklahoma 73134

Attn: Mr. Rusty Waters

Re: MOC's Chalk Bluff Draw Prospect
MOC's Illinois Camp "20" State #2 Well
S/2 Sec. 20, T18S, R28E
Eddy County, New Mexico

Gentlemen:

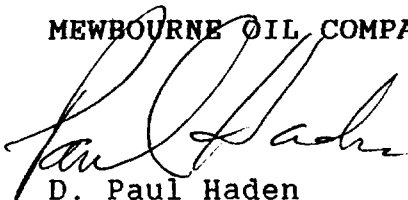
Regarding the captioned well previously proposed by Mewbourne Oil Company (Mewbourne), this letter is to advise you that Mewbourne plans to apply with the NMOCD for approval of Mewbourne's unorthodox location and approval for compulsory pooling. Tentatively, Mewbourne will have such case heard at an Examiner's hearing on April 28, 1994.

As stated in my previous letter to you, Mewbourne feels it is necessary to file such application in order to drill the captioned well in a timely manner and in order for Mewbourne to honor various commitments involving the captioned land and others.

Regarding your participation in the captioned well (if you so desire), I will forward you an Operating Agreement for consideration and execution this week.

Sincerely,

MEWBOURNE OIL COMPANY



D. Paul Haden
Landman

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

March 15, 1994

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway,
Suite 600
Oklahoma City, Oklahoma 73134

Attn: Mr. Rusty Waters

Re: MOC's Chalk Bluff Draw Prospect
Illinois Camp "20" State #2 Well
S/2 Section 20, T18S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) previously proposed the drilling of the captioned well February 7, 1994 and invited you to either participate in the drilling of the well or sell or farmout your interest to Mewbourne.

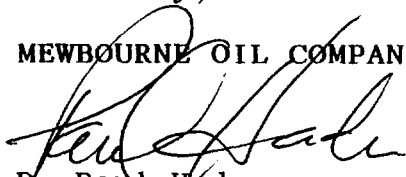
It has become evident through our communications with the interest owners in the proposed proration unit that we will be unable to reach a voluntary agreement with all of the parties involved. In order to drill the well in a timely manner and to honor various commitments we have made, please be advised we intend to file an application for pooling before the New Mexico Oil Conservation Division in approximately one (1) month.

Mewbourne desires to avoid the necessity of a pooling hearing, therefore we will continue with our efforts to reach a voluntary agreement with all interest owners. We respectfully request that you reconsider your position and assist us in avoiding the pooling of this unit.

Should you have any questions concerning this matter please feel free to contact us. We would be happy to arrange a meeting between our companies in the near future.

Sincerely,

MEWBOURNE OIL COMPANY



D. Paul Haden
Landman

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

C.B.D. 18, 19, 20, 21

- Complete Items 1 and/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 below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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

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

Consult postmaster for fee.

3. Article Addressed to:

Louis Dreyfus Natural Gas Corp.
Attn: Rusty Waters
14000 Quail Springs, #600
OK City, OK 73134

4a. Article Number

P175 142 738

4b. Service Type

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

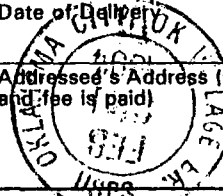
7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

[Signature]

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



PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

February 21, 1994

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, Oklahoma 73134

Attn: Rusty Waters

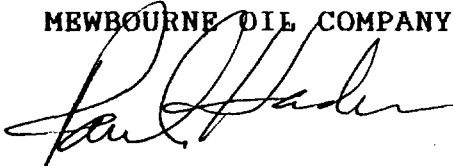
Re: Chalk Bluff Draw Prospect
Illinois Camp "20" State #2
S/2 Sec. 20, T18S, R28E
Eddy County, New Mexico

Gentlemen:

This is in follow up to our proposal letter of February 7, 1994 wherein Mewbourne Oil Company proposed drilling the captioned Morrow well. At your early convenience, please respond regarding said proposal.

Sincerely,

MEWBOURNE OIL COMPANY



D. Paul Haden
Landman

DPH:jlz

Discussed our well
proposals in Sec. 20 & 21
this date w/ Rusty Waters.
He said they had signed our
AFE for the Illinois Camp
"20" S. #1 - the JOA was
being circulated for execution.
~~that day~~ I advised him we
would be pooling N/2 Sec. 20
soon. They are adamant about
operating a N/2 unit in Sec. 21. I
advised him we wanted W/2 unit,
our geology justifies it, we have the
experience, etc P.H. 7-17-94

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

C.B.D. 18, 19, 20, 21

- Complete items 1 and/or 2 for additional services.
- Complete items 3, a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

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

Consult postmaster for fee.

3. Article Addressed to:

Louis Dreyfus Natural Gas Corp.
Attn: Rusty Waters
14000 Quail Springs, #600
OK City, OK 73134

4a. Article Number

P175 142 738

4b. Service Type

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

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

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

PS Form 3811, December 1991

☆U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

February 16, 1994

CERTIFIED MAIL - RETURN RECEIPT REQUESTED - P175 142 738

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, Oklahoma 73134

Attn: Mr. Rusty Waters

Re: Chalk Bluff Draw Prospect
Sections 18, 19, ~~20~~ & W/2 of 21
T18S-R28E
Eddy County, New Mexico

Gentlemen:

As discussed this date, we proposed our Illinois Camp "20" State #1 well to you on December 14, 1993, and amended the location as per our January 20, 1994 letter. As your interest remains uncommitted in the N/2 of Section 20-18S-28E Eddy County, New Mexico we respectfully request that you either participate in the drilling, testing and completion of this well to the full extent of your interest in this unit or commit your interest to Mewbourne under mutually acceptable terms in order that we may continue with our timely development of this prospect and avoid the necessity of having to pool your interest.

Furthermore, we have recently been advised that you, Louis Dreyfus Natural Gas Corp. (Dreyfus) have recently proposed a Morrow well to be drilled in the NW/4 seeking a N/2 unit and as you are aware, Mewbourne Oil Company, (Mewbourne) has proposed a Morrow well in the NW/4 seeking a W/2 unit in Section 21-18S-28E, Eddy County, New Mexico. Per our conversation, we propose that Mewbourne be named as operator of the W/2 unit and Dreyfus amend its N/2 unit to a E/2 unit and operate same.

In view of your recent interest in this area, and in order to develop the area in a prudent manner, we propose that Dreyfus enter into an agreement with Mewbourne wherein Mewbourne will continue to operate and develop the captioned lands under the following general terms:

Dreyfus agrees that within thirty (30) days from receipt of a well proposal from Mewbourne, Dreyfus will commit its interest in the captioned land to Mewbourne by electing one of the following options:

- 1) Participate with Mewbourne in the drilling, testing and completion of the well to the full extent of its interest in the spacing unit allocated to such well. Our form of Joint Operating Agreement will be provided under separate cover.
- 2) Farmout all of its uncommitted interest to Mewbourne in the applicable Section delivering a 75% net revenue interest to Mewbourne along with a 180 day continuous development program.

It is agreed that Mewbourne will not propose any well to Dreyfus until after the well completion form C-105 of a previous well subject to this agreement has been filed with the proper governmental authority having jurisdiction. It is further agreed that Mewbourne will not propose more than one well at a time as to acreage committed to this agreement.

We strongly feel that an agreement of this nature would be to the benefit of both Mewbourne and Dreyfus and provide for the continued timely and prudent development of this area.

As we are anxious to reach a cooperative agreement with you, we ask that you do not hesitate to contact the undersigned with any questions or comments you may have in this matter.

Sincerely,

MEWBOURNE OIL COMPANY

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

D. Paul Haden
Landman

Called Rusty Waters/Dreyfus
this date regarding our
well proposals in Sec. 20
& 21. Left message on his
phone machine for him to
call me.

P.H.
2-16-94

P 175 142 725



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, June 1991

Sent to Louis Dreyfus	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

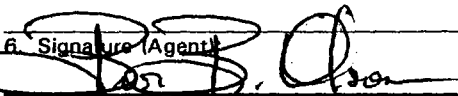
SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a & b.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Louis Dreyfus Natural Gas Corp.
Attn: Rusty Waters
14000 Quail Springs, #600
OK City, OK 73134

5. Signature (Addressee)



6. Signature (Agent)



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

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

Consult postmaster for fee.

4a. Article Number

P175-142-725

4b. Service Type

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

7. Date of Delivery

2-9-94

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

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

2.C. "20" St. #2

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

February 7, 1994

CERTIFIED MAIL - RETURN RECEIPT REQUESTED - P175 142 725

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway,
Suite 600
Oklahoma City, Oklahoma 73134

Attn: Mr. Rusty Waters

Re: Chalk Bluff Draw Prospect
Illinois Camp "20" State #2 Well
1650' FSL and 990' FEL of
Section 20, T18S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) hereby proposes the drilling of the captioned well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 10,700'. Furthermore, Mewbourne shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The S/2 of the captioned Section 20 will be dedicated as the proration unit for the well.

This well will be located approximately 1650' FSL & 990' FEL of Section 20-18S-28E, Eddy County, New Mexico. Our AFE dated February 4, 1994 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completion of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE or by prior written request we will forward our Joint Operating Agreement for your review and execution.

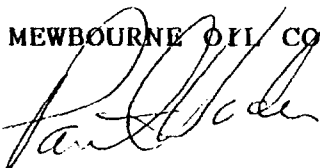
In the event you do not wish to participate, we would welcome the opportunity to acquire your interest under mutually acceptable terms.

Your earliest response to this proposal would be greatly appreciated.

Should you have any questions, please do not hesitate to call.

Sincerely,

MEWBOURNE OIL COMPANY

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

D. Paul Haden
Landman

:encl

DPH:jls

405-749-1300 Re: ^{N/2 Sec. 20} Illinois Camp "20" B#1
Dreyfus interest: 15.97%
OF NW/4 NE/4 & S/2 NW/4
 $120 \times 15.97\% = 19.164 \text{ ac.}$
 $19.164 / 320 = 5.98875\% \text{ UNIT W/2}$

Advised Rusty Waters this date
of their unit interest. He said
they could give us a decision
of their participation. Within
30 days of completing the
Illinois Camp "17" #2 well.

P.H.

12-17-93

P 237 023 859



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, June 1991

Sent to	
Dryfus Sec 20	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, a, and b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following vices (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Louis Dryfus
14600 Quail Springs Pkwy.
#600
Oklahoma, City OK
73134

4a. Article Number

P-237-023-859

4b. Service Type

- | | |
|---|---|
| <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 |

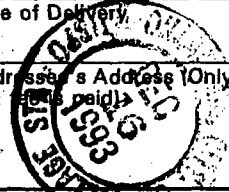
7. Date of Delivery

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

5. Signature (Addressee)

6. Signature (Agent)

[Signature]



PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

December 14, 1993

CERTIFIED MAIL - RETURN RECEIPT REQUESTED P237-023-859

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway,
Suite 600
Oklahoma City, Oklahoma 73134

Attn: Mr. Rusty Waters
District Landman

Re: Chalk Bluff Draw Prospect
Illinois Camp "20" State #1 Well
Section 20, T18S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 10,600'. Furthermore, Mewbourne shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The N/2 of the captioned Section 20 will be dedicated as the proration unit for the well.

This well will be located approximately 660' FNL & 1115' FWL of Section 20, T18S, R28E, Eddy County, New Mexico. Our AFE dated October 20, 1993 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completion of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE or by prior written request we will forward our Joint Operating Agreement for your review and execution.

In the event you do not wish to participate, Mewbourne respectfully requests you elect one of the following options as to your interest.

- 1) Farmout all your interest in Section for a period of 180 days to Mewbourne under the following general terms:
 - (A) If any well drilled, deepened, completed or recompleted under the terms of our farmout agreement results in oil and/or gas production on a proration unit that includes your acreage, Mewbourne will earn an assignment of 100% of your rights and interest, free of any liens or encumbrances, in the proration unit assigned to each well to a depth of 100' below the total depth drilled for each well.
 - (B) Upon completion of the initial test well as a producer or dry hole, Mewbourne would have the recurring option, but not the obligation, to commence additional wells on New Mexico Oil Conservation approved proration units that include your acreage to establish oil and/or gas production under the captioned lands. If any such option is exercised by Mewbourne, Mewbourne agrees to allow not more than 180 days to elapse between the completion of one well and the commencement of operations for any next well.
 - (C) You will retain an overriding royalty interest equal to the difference, if any, between 25% of all oil and gas produced and the total of all royalty interest, overriding royalty interests and other burdens or lawful claims upon production to which your leases may be currently subject, so that Mewbourne will be assigned a 75% net revenue interest in your lease(s). Such overriding royalty interest retained by you shall be subject to proportionate reduction.
 - (D) Upon acceptance of our farmout proposal you agree to furnish at no cost to Mewbourne, title information such as copies of the leases covering the captioned lands, title opinions currently in your possession, title curative, letter agreements and any contracts currently in effect, etc.

Should the above general terms be acceptable to you our formal Farmout Agreement will be provided under separate cover.

- 2) Sell all of your right, title and interest in this Section subject to title approval, for \$200.00 per net acre delivering an 87.5% net revenue interest to Mewbourne.

As we anticipate drilling the captioned well in the first quarter of 1994 your earliest response to this proposal would be greatly appreciated.

Should you have any questions, please do not hesitate to call.

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in cursive script, appearing to read "D. Paul Haden".

D. Paul Haden, CPL
Landman

PH:jls