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March 29, 2005

VIA FACSIMILE (903) 561-1515

Michael F. Shepard  
General Counsel  
Mewbourne Oil Company  
Post Office Box 7698  
Tyler, Texas 75711

Re: NMOCD Case No. 13,359; Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico; Mewbourne Osudo "9" State Com No. 1 Well, NE/4 Sec. 9, T-21-S, R-35-E, NMPM, Lea County, New Mexico

Dear Mr. Shepard:

In your March 23, 2005 letter, it is stated: "*We respectfully reject your clients' demands for notices under the JOA at this time.*"

Mewbourne's newly adopted position that the August 1, 2004 JOA is inapplicable to certain of Finley's interests does not square with Mewbourne's earlier acknowledgments that it does.

In this regard, you may wish to refer to findings paragraphs 8 (e) and (f) and paragraph 9 of the draft order submitted to the New Mexico Oil Conservation Division on behalf of Mewbourne Oil Company. Mewbourne's proposed findings were relied on, in part, by the Division Director when he issued Order No. R-12283. Further, Mewbourne's proposed findings were submitted to the Division on December 15, 2004, substantially before Mewbourne commenced drilling the Osudo "9" State Com 1 well.

Clearly, Mewbourne accepted the applicability of the JOA. Mewbourne's subsequent reversal of its position and its obdurate refusal to abide by the notice and consent provisions of the JOA violates Finley's rights and is in derogation of the Operator's duties to its non-operators.

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Michael F. Shepard, Esq.  
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We fail to understand why Mewbourne has chosen to withhold notices to Finley. While the advantages to Mewbourne of withholding the notices are not readily apparent, the detriment to Finley is quite clear. Correspondingly, Finley again demands that Mewbourne honor the notice and consent provisions of the August 1, 2004 Joint Operating Agreement.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb

cc: James Bruce, Esq., Counsel for Mewbourne Oil Company  
W. Thomas Kellahin, Esq., Counsel for Chesapeake Operating, Inc.  
Michael Stogner, NMOCD