

ENRON
Oil & Gas Company

NEW MEXICO OIL CONSERVATION DIVISION
RECEIVED

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

1995 MAY 17 AM 8 52

May 11, 1995

CERTIFIED MAIL

Mr. Jerry R. Anderson
DALEN RESOURCES OIL & GAS COMPANY
6688 North Central Expressway, Suite 1000
Dallas, Texas 75206

Re: Compulsory Pooling
Jamaica Gulf Federal Well No. 1
NW/4 NW/4 Section 20, Township 25 South, Range 35 East,
Lea County, New Mexico
NMOCD Case No. 11231; Order No. R-10341

Gentlemen:

In accordance with the terms of the New Mexico Oil Conservation Division Order No. R-10341 issued April 13, 1995, (copy enclosed) I am providing you with notice of your right to elect to participate in the Jamaica Gulf Federal Well No. 1 pursuant to this Order.


Should you desire to participate in this well and avoid the payment of the two hundred percent (200%) risk factor out of your share of the production, then within thirty (30) days of your receipt of this letter, Enron Oil & Gas Company, (P. O. Box 2267, Midland, Texas 79702 Attention: Steven D. Wentworth) must receive payment in the amount of \$211,250.00 from Dalen for Dalen's proportionate share of the costs of a completed well along with an executed copy of the Joint Operating Agreement that has been previously supplied to you. Enclosed for your convenience is a copy of the Authority for Expenditure (AFE) setting out the estimated costs of \$422,500.00.

If Dalen elects not to participate, then you need do nothing further.

Should you have any questions or need any further information, please advise.

Sincerely,

ENRON OIL & GAS COMPANY


Steven D. Wentworth
Project Landman

SDW/pcl
Enclosures: NMOCD Order R-10341, AFE

cc: Director, NMOCD-Santa Fe