

well cannot be commenced.

Currently Fasken must elect to participate in Mewbourne's proposed well on or before February 26, 1997 in order for Fasken to avoid being deemed a non-consenting interest owner pursuant to Article 12 of that JOA.

However, both the Fasken proposal and the Mewbourne proposal require the approval of the New Mexico Oil Conservation Division. In addition, Texaco has filed a notice of objection to the Mewbourne location. It is obvious to Fasken that neither Fasken nor Mewbourne will be able to obtain the necessary Division approval within the time provided by this JOA. Should the meeting on February 26th, not produce sufficient evidence to support Mewbourne's location, Fasken intends to oppose the Mewbourne location at the Commission's hearing on March 6, 1997.

Because this JOA fails to provide a procedure to resolve differing well proposals and in order to allow all the parties an opportunity to fully discuss and consider both well proposals, and to provide the Division time to decide this matter, Fasken proposes that:

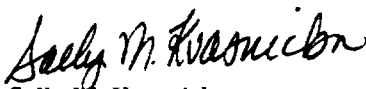
(a) the parties utilize the order of preference of operations set forth in the 1989 AAPL model form operating agreement and

(b) that Fasken, as operator, will drill which ever location is finally approved by the Division within 60 days of the expiration of all administrative appeals.

Thus, in order to afford all the working interest owners a fair and reasonable opportunity to avoid being deemed "non-consenting" parties as to either the Fasken proposal or the Mewbourne proposal until this matter is resolved by the Division, Fasken is hereby electing to participate in the Mewbourne proposal to preclude Mewbourne from attempting to declare that Fasken is "non-consent" as to Mewbourne's well proposal.

Likewise, Fasken is allowing all the working interest owners the right to elect to participate in Fasken's proposal as well as Mewbourne's proposal.

Very truly yours,



Sally M. Kvasnicka
Land Manager

SMK:me
enclosures

Elect to Participate in the drilling of Fasken's Avalon Federal Com. No. 1 Well _____

Elect to not Partipate in the drilling of Fasken's Avalon Fed. Com. No. 1 well _____

BY: _____
Company: _____
Date: _____

Working Interest Owners
Avalon Federal No. 2 Well
Section 1, T21S, R25E, Eddy County, New Mexico

ICA Energy, Inc.
C/O Mineral Technologies, Inc.
Box 5823
Midland, Texas 79704 fax 915/685-4079

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
Attention: Steve Cobb

Fasken Land and Minerals, Ltd.
303 West Wall, Suite 1900
Midland, Texas 79701

Brooks Oil and Gas Interests
600 Commerce Street
192 District Court
Dallas, Texas 75202

Matador Petroleum Corporation
Suite 158, Pecan Creek
8340 Meadow Road
Dallas, Texas 75231-3751
Attention: Mona Ables fax 214/691-1415

Chevron USA, Inc.
P. O. Box 1150
Midland, Texas 79702

Devon Energy Corporation (Nevada)
20 N. Broadway, Suite 1500
Oklahoma City, OK 73120
Attention: Ken Gray fax 405/552-4550

Union Oil Company of California
P. O. Box 4551
Houston, Texas 77210
Attention: Robin Green fax 713/287-7375

Robert L. Haynie
5655 South Yosemite #305
Englewood, CO 80111 phone 303/290-6003

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260 Lincoln Tower Bldg.
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