



Cross Timbers Oil Company

Ashley

May 3, 1999

Mathias Family Trust
452 Maidstone Lane
Thousand Oaks, California 91320

RE: Compulsory Pooling Case No. 12143
Order No. R-11170
Kutz Federal #12E Well
W/2 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

A Compulsory Pooling Application was held before the New Mexico Oil Conservation Division on April 1, 1999, and a copy of the order dated April 28, 1999 is enclosed for your files. As per terms of the order, you shall have 30 days from the date of this letter to tender your share of the drilling cost reflected on the enclosed AFE to Cross Timbers Oil Company (CTOC). Failure to respond within this period will be deemed you to elect to go non-consent with your interest in the drilling of this well.

Please let me know if you have any questions concerning our proposal as soon as possible. Feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Attention: Florene Davidson