

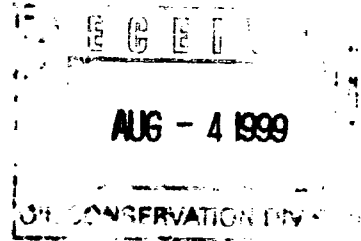
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August 3, 1999



Via Fax and U.S. Mail

David R. Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case 12222; Application of Mewbourne Oil Company for
compulsory pooling, Eddy County, New Mexico

Dear Mr. Catanach:

I just received Matador's latest pleading, which contains a request for a continuance. I am preparing a response, but Mewbourne Oil Company opposes a continuance. Mewbourne believes that the March 1999 letter from the BLM, submitted yesterday as Exhibit B attached to Mewbourne's response in opposition to the motion to dismiss, is definitive: The BLM will communitize the well unit proposed by Mewbourne.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce

Attorney for Mewbourne
Oil Company

cc: Rand L Carroll
W. Thomas Kellahin
D. Paul Haden

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Re: Case 12222; Application of Mewbourne Oil Company for
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Dear Mr. Catanach:


Enclosed is Mewbourne's response in opposition to Matador's motion to dismiss. The letter from the BLM is marked Exhibit B to the response.

In response to Mr. Kellahin's latest letter:

1. The March 31, 1999 BLM letter is not conditioned upon unanimous approval - a compulsory pooling order from the Division substitutes for voluntary approval by a working interest owner.
2. Mewbourne has spoken with the BLM, and it is Mewbourne's understanding that the BLM will defer making a decision in this case until the Division decides. If you have any questions, please call Larry D. Bray at the BLM's Roswell office.
3. Matador's reply, in paragraph 4, and in Exhibit A thereto (second to last paragraph on page 2) states that Matador is ready to submit its geology. Therefore, there is no reason to delay the Division's hearing.

Please call if you need any further information.

Very truly yours,


James Bruce

Attorney for Mewbourne
Oil Company

cc: Rand L. Carroll
W. Thomas Kellahin
D. Paul Haden