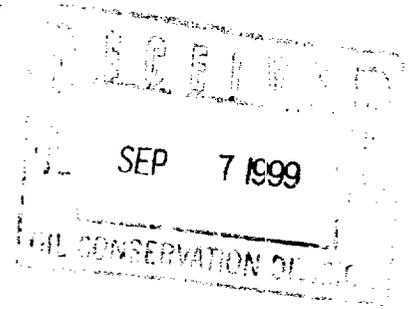


MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170



September 3, 1999

Via Certified Mail-Return Receipt Requested Z236347211

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attn: Commission Examiner

Re: Case No. 12238; Application for Compulsory Pooling;
Esperanza "28" Fee Com. No. 1 Well;
W/2 of Section 28, T21S, R27E
Eddy County, New Mexico

Gentlemen:

Reference is made to Redfern Enterprises, Inc.'s letter dated August 30, 1999 regarding the captioned pooling case and proposed well and the allegations made by Redfern concerning same. The claims made by Redfern are not correct regarding Mewbourne's timing of drilling the above well. Furthermore, Mewbourne did not refuse to discuss the reasons for the well proposal nor did Mewbourne refuse to show its geological interpretation of the area. Apparently Redfern's consultant, Mr. Chuck Pearson misunderstood Mewbourne's position regarding same per a phone conversation on August 25, 1999 with the undersigned.

To set the record straight, please be advised, Mewbourne has plans to commence drilling its proposed well upon issuance of a pooling order at the proposed location either in November or December, 1999 regardless of the outcome of the KCS well referenced in the Redfern letter. Our well proposal from a geological perspective has nothing to do with KCS's geological interpretation of the area. In the spirit of cooperation, we offered to show Redfern the Mewbourne geology, provided that Redfern would sign a letter of intent wherein Redfern would agree to commit its interest in the proposed well either by joining in the well, farmout its interest or their agreement to voluntarily be force pooled under the terms of a pooling order. Any election by Redfern as to the options offered would be made by Redfern after Redfern's review of Mewbourne's geology. This offer is still available for Redfern's acceptance if Redfern executes a letter of intent.

State of New Mexico
Esperanza "28" Fee Com. No. 1 Well
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Regarding Redfern's request to delay its decision under a pooling order pending the outcome of the KCS well, Mewbourne would be agreeable to a delayed election by Redfern under any pooling order issued for the captioned well and land provided that such election would terminate December 1, 1999.

Should you have any questions regarding the above, please call, or, I will be happy to answer same at the hearing currently scheduled for September 16, 1999.

Sincerely yours,

MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read "D. Paul Haden", written in a cursive style.

D. Paul Haden
Senior Landman

DPH/gb

cc: Redfern Enterprises, Inc.
P.O. Box 2127
Midland, Texas 79702-2127
Attn: Rosalind R. Grover, President