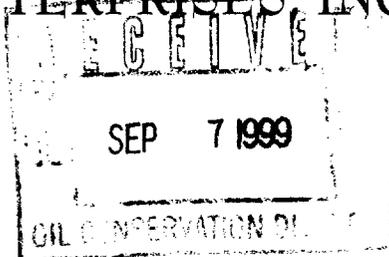


# REDFERN ENTERPRISES INC.

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August 30, 1999

**IN THE MATTER OF THE APPLICATION OF MEWBOURNE OIL COMPANY FOR  
COMPULSORY POOLING IN THE W/2 SECTION 28, T-21-S, R-27-E, EDDY  
COUNTY, NEW MEXICO.**

CASE NO 12238

For Division Examiner's Docket September 16, 1999

**VIA CERTIFIED MAIL Z 470 646 755**

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

Ladies and Gentlemen:

Redfern Enterprises, Inc. is participating in the KCS Medallion Resources, Inc. - Esperanza Well #1 to spud in the SE/4 of subject Section 28 on or about October 15, 1999.

Via letter dated July 22, 1999, Mewbourne submitted an AFE for their Esperanza "28" Fee Com Well #1, requesting that Redfern join in drilling subject well or farmout its interest to Mewbourne. Via letter dated August 10, 1999, Mewbourne's Attorney, James Bruce, advised of a Compulsory Pooling Hearing to be held September 2, 1999. We have since been advised that the hearing has been continued to September 16, 1999.

Mewbourne has declined to discuss their location, justification for drilling the well and timing, except to say that they did not plan to drill the well until the KCS- Esperanza Well #1 has been evaluated.