CTB 466 2/10/98

Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

JAN 12 1998

WELL API NO.

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

1. Type of Well:
OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator
MEW Enterprise.

8. Well No.

3. Address of Operator
500 ECR 140, Midland Tx 79706

9. Pool name or Wildcat Pool 6000
Bitter Lakes West San Andres

4. Well Location
Unit Letter _____ : _____ Feet From The _____ Line and _____ Feet From The _____ Line

Section 17 Township 10S Range 25E NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER: surface Comingle	☐			OTHER:			☐

12. Describe Proposed or Completed Operations (*Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work*) SEE RULE 1103.

surface comingle 3 tank Battery's, Lay Line on surface & send all produced H_2O + Oil to a central Tank Battery. Please see Attached for Information

wells included are: 30-05-

Cannon Fee 001	API #	60680
Cannon Fee 002		61234
Cannon Fee 003		61499
Cannon	001	61444
Cannon	002	61442

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Russell White TITLE owner DATE 1-6-98

TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: USRSRT.EXE

M.E.W. Enterprise

1-6-98

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM
RE: Off lease storage & commingling.

To whom it may concern;

MEW Enterprise respectfully request your approval for off lease storage and commingling of the following wells:

A. Wells proposed for commingling and off lease storage Sec 17 - T10S - R25E:

Cannon #1 SESE 330 FSL 330 FNL
Cannon #2 NESE 1650 FSL 330 FNL
Cannon Fee #1 SENE 2310 FNL 330 FEL
Cannon Fee #3 SENE 1650 FNL 356 FEL

B. Well proposed for commingling, only:

Cannon Fee #2y NENE 990 FNL 358 FEL

All wells are producing from the Bitter Lakes, West formation, pool #6000. Approximately the same depth.

C. Reason for request.

One of the main reasons for this proposal is to help minimize the problems associated with this low gravity crude (heavy tank bottoms, high corrosion on the lifting equipment down hole, etc.) I am sure everyone involved is aware of the sporadic production history over the past years, this proposal will help eliminate the long wait to fill a tank to marketable levels. I believe the approach of having a commingled off lease storage battery is the only sound approach. Due to the lagging crude oil market, the never ending increase in operating cost, and the low volumes of crude oil produced from these individual wells, it is imperative that such marginal wells be given every opportunity to extend their longevity through lowering the cost of production. Commingling will also help greatly when it comes time to sale a load of oil. Right now when we have a load of oil each of these wells have to be shut down to allow the oil to be prepared for selling. This sometimes results in several days of down time due to the operators and purchasers scheduling, this problem will be eliminated when we commingle these wells.

D. Individual production history as follows:

Cannon #1 - .5 BOPD 1 H2O 16 Gravity
Cannon #2 - .5 BOPD 2 H2O 16 Gravity
Cannon Fee #1 - .2 BOPD 1 H2O 16 Gravity
Cannon Fee #3 - .2 BOPD 1 H2O 16 Gravity
Cannon Fee #2y - .2 BOPD 1 H2O 16 Gravity

E. Testing

We proposes doing a 90 day test on every well in this battery, along with the test currently being done every month. A 24 hour test collecting all fluids will be performed followed by a shake out of the produced fluids. This will give us a percentage sample of oil & water. These percentages of oil will be used to calculate your percentage of oil at the off lease storage battery. The same will be performed on a monthly basis. These test and past experience of the production of each well will produce accurate information for calculating disbursements of interest. All oil is produced from the same zone and of equal gravity so we see no effect on reduced royalties.

F. Proposed commingled battery:

We propose to lay one (1) continuous line from Cannon #1 - SE/SE to Cannon Fee 2y - NE/NE. Tying each well into a common line to the tank battery on the Cannon Fee 2y in the NE/NE of Sec 17 T10S R25E. There a central tank battery will consist of 1 - 210 oil tank, 1 - 210 H2O tank and 1 gunbarrel.

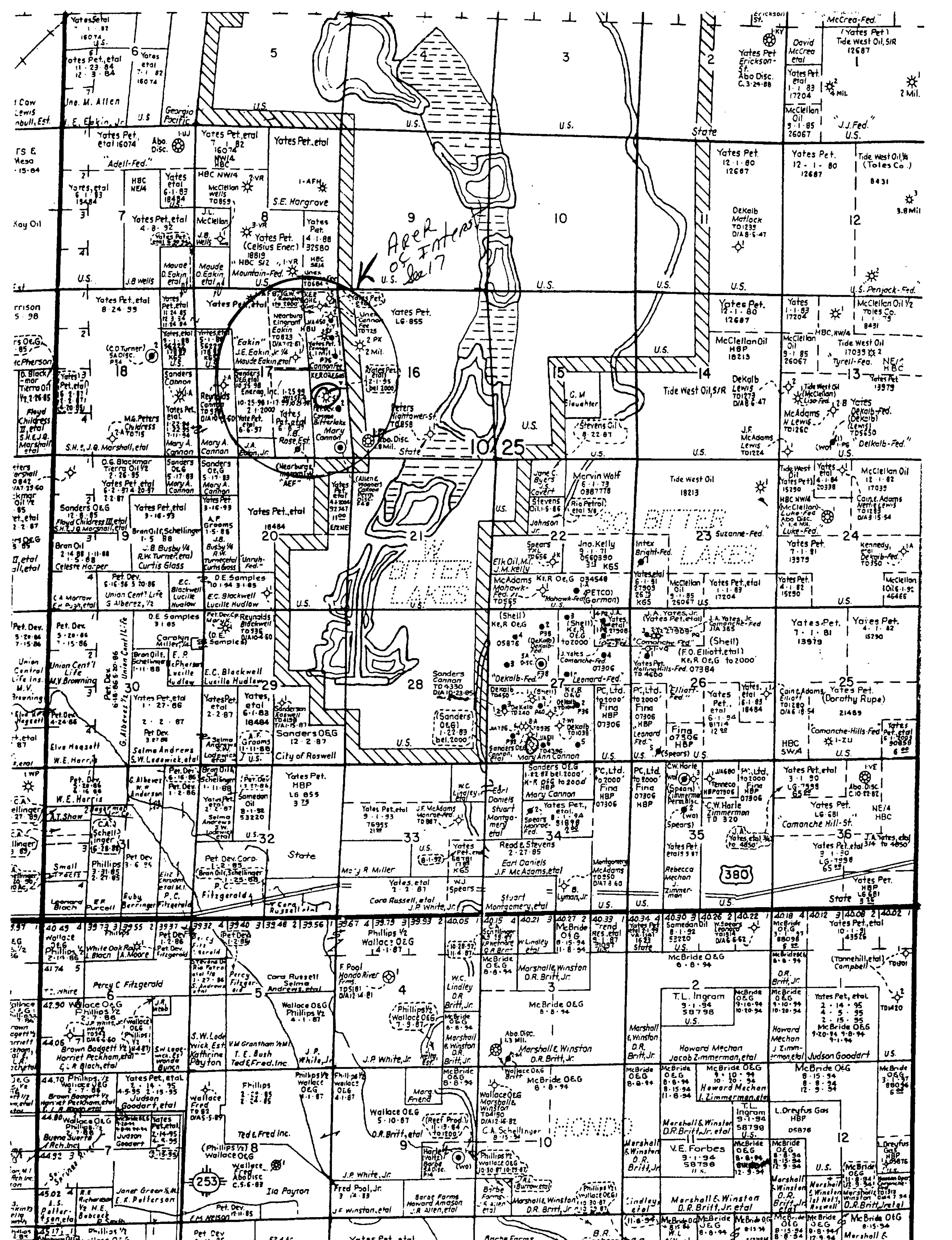
G. MEW Royalty Rates

Cannon Fee #1, 3, & 2y - East 1/2 NE = .729375
Cannon #1 & 2 - East 1/2 SE = .75

We believe that these wells do have more oil to give up. But, it is an absolute must that production cost go down and revenue come in more timely. These wells in the near future will become uneconomical to produce if something is not done very soon. Thank you for your time and cooperation. If you have any questions, please call Margaret or myself at (915)570-8613.

Sincerely,

Russell Whited
Owner


Yates Pet. etal 7-1-82 16074 U.S.
Yates Pet., etal 11-23-84 12-3-84
Yates etal 7-1-82 16074
Jno. M. Allen
J. E. Eakin, Jr.
Georgia Pacific
Yates Pet. etal 16074
Abo. Disc.
"Adell-Fed."
Yates Pet., etal 7-1-82 16074 NW/4 HBC
Yates Pet., etal
HBC NE/4
Yates, etal 6-1-83 15484
Yates etal 6-1-83 18484 U.S.
HBC NW/4
McClellan wells TD859
S.E. Hargrove
Kay Oil
Yates Pet., etal 4-8-92
J.L. McClellan
J.B. wells
Yates Pet. (Celsius Ener.) 18819
Yates Pet. 4-1-88 32580
HBC S/2
HBC SE/4
Mountain-Fed.
Maude D. Eakin etal
J.B wells
Area of Interest Sec 17
Yates Pet., etal 8-24-99
Yates Pet., etal 11-24-85 12-3-84 11-24-84
Yates Pet., etal
Nearburg Eingram Eakin TD823 D/A 7-12-61
"Eakin"
J.E. Eakin, Jr. 1/4
Maude Eakin, etal
Unex Cannon Fee TD725
Yates Pet. LG-855
(C.O Turner) 5A DISC. P34
Yates, etal 5-1-88 56222 17832 K65 U.S.
Cannon Fee
KER O&G
Yates Pet. etal 2-1-95 bel 2000
Sanders Cannon
Sanders O&G, etal 10-25-98
Energ, Inc. 1-25-99 10-25-98 1-17-99 2-1-2000
Reynolds Cannon TD 570 D/A 10-60
Yates Pet. etal 1-22-96 1-22-95 7-11-94
Yate Pet. etal 6-6-97
Yates Pet., etal 6-6-99
F.B. Rose Est.
Pet. Dev. Cannon Bitterlake
Mary Cannon
Peters Hightower-St. TD858
Abo. Disc. 1.8 Mil.
State
M.G. Peters Childress 2-A TD715
Floyd Childress II, etal
S.H. & J.Q. Marshall, etal
Mary A. Cannon
J.A. Eakin, Jr.
(Nearburg Ingram) "AEF"
D. Blackmar Tierra Oil 1/2, 2-26-85
Yates Pet., etal
3
5
4
3
2
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16
17
18
7
8
6
Yates Pet Erickson-St. Abo Disc. C. 3-24-88
David McCrea etal
"McCrea-Fed."
(Yates Pet) Tide West Oil, S/R 12687
Yates Pet. etal 1-1-83 17204
4 Mil.
2 Mil.
McClellan Oil 9-1-85 26067
"J.J. Fed." U.S.
State
Yates Pet. 12-1-80 12687
Tide West Oil 1/4 (Toles Co.) 8431
3.8 Mil
DeKalb Matlock TD1235 D/A 8-5-47
"U.S. Penjock-Fed."
Yates Pet. 12-1-80 12687
Yates 1-1-83 17204
McClellan Oil 1/2 Toles Co. 1-1-79 8431
HBC, NW/4
McClellan Oil HBP 18213
Tide West Oil 17039
Tyrell-Fed.
NE/4 HBC
Yates Pet 13979
Tide West Oil, S/R
DeKalb Lewis TD1273 D/A 8-6-47
Tide West Oil (McClellan) Lisa-Fed.
McAdams N Lewis TD1260
Yates Dekalb-Fed. (Dekalb) (Lewis) TD5650
"Delkalb-Fed."
J.F. McAdams Lewis TD1224
C.M Slaughter
Stevens Oil 8-22-87
10
25
U.S.
O.G. Blackmar Tierra Oil 1/2 2-26-85
Yates Pet. etal 6-2-87 4-20-87 2-2-87
Sanders O&G 5-17-83 Mary A. Cannon
Yates Pet. etal 4-4-2004 92747
E/2NE
(Allen & Woener) Cannon Perm. Disc. F48
Sanders O&G 12-8-85
Floyd Childress III, etal
S.H. & J.Q. Marshall, etal
Yates Pet., etal 3-16-93
Bran Oil & Schellinger 1-5-88
J.B. Busby 1/4 R.W. Turner, etal
Curtis Glass
Yates Pet. 3-16-93
A.F. Grooms 1-5-88
J.B. Busby 1/4 R.W. Turner, etal Curtis Glass
"Unruh-Fed."
Yates Pet., etal 18484
Bran Oil 2-14-88 1-11-88 1-5-88
Celeste Harper
Pet. Dev. 5-16-86 5-20-86
Union Cent'l Life
G Alberez, 1/2
C.A. Morrow
E.C. Blackwell Lucille Hudlow
D.E. Samples 10-1-94 3-1-85
W. Bitter Lakes
Jane C. Byers J.S. Covert
Marvin Wolf 6-1-73 0387778
Stevens Oil 1-5-86
Rio Petrol, etal 5/8
Johnson Jr.
Tide West Oil 18213
So. Bitter Lakes
Suzanne-Fed.
Tide West Oil (Yates Pet) 15290
Yates etal 4-1-84 20338
McClellan Oil 12-1-82 17039
HBC NW/4 (McClellan) Luke-Fed Abo Disc. 1.4 Mil.
Cain & Adams Nellie Lewis TD1283 D/A 3-15-54
"Luke-Fed."
Spears TXL TD656
Elk Oil, M.I. J.M. Kelly
Jno. Kelly 9-1-71 0560390 3 1/3 K65
Intex Bright-Fed.
Yates Pet. 7-1-81 13979
Kennedy, etal Dekalb-Fed. TD350
McAdams Mohawk-Fed. TD565
Ke,R O&G 034548
(PETCO) (Gorman)
Mohawk-Fed.
Yates, etal 6-1-81 27909 2 2/3 K65
McClellan Oil 9-1-85 26067
Yates Pet., etal 1-1-83 17204
Yates Pet. 4-1-82 15290
McClellan Oil 6-1-92 46466
19
20
21
22
23
24
D.E. Samples 3-1-85
Pet. Dev. Co. Mary K.
Reynolds Blackwell TD536 D/A 10-4-60
Carolyn Miller, 1/4
(D.E. Samples)
Bran Oil & Schellinger 1-11-88
E.P. McPherson Lucille Hudlow
E.C. Blackwell Lucille Hudlow
Pet. Dev. 5-20-86 7-15-86
Union Central Life Ins.
M.V. Browning
Union Cent'l Life M.V. Browning
Pet. Dev. 6-16-86 5-20-86
G. Alberez 1/2
Union Cent'l Life
(Shell) Ke,R O&G 05876
(DeKalb) Dekalb-Fed.
5A DISC.
"Dekalb-Fed."
(Shell) Ke,R O&G to 2000
J. Yates Comanche-Fed. 07306
Leonard-Fed.
J.A. Yates, Jr. (Yates Pet., etal)
J.A. Yates, Jr. Comanche-Fed J/A 365
"Comanche-Fed"
(Shell) (F.O. Elliott, etal) Ke,R O&G to 2000
Yates Pet. Rolling Hills-Fed. 07384 TD4600
Yates Pet. 7-1-81 13979
Yates Pet. 4-1-82 15290
25
26
27
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30
Yates Pet., etal 1-27-86 2-2-87
Pet Dev. 3-27-86
Selma Andrews S.W. Lodewick, etal
Yates Pet. etal 2-2-87
Yates, etal 6-1-83 18484
Sanderson Roswell TD4198 T/A 1-15-87
Sanders O&G 12-2-87
A.F. Grooms 11-11-88
City of Roswell
Sanders Cannon TD4330 D/A 10-23-85
(Sanders O&G) 1-22-83 bel. 2000
Elva Heqsett
W.E. Harris
Dekalb TD450
DeKalb TD240
DeKalb TD1038
Sanders O&G Cannon, etal
Mary Ann Cannon
PC, Ltd. to 2000 Fina HBP 07306
PC, Ltd. to 2000 Fina 07306 HBP
Leonard Fed.
"Elliott-Fed."
Fina 07506 HBP
(Spears)
Yates Pet., etal 6-1-94 81714
Yates, etal 6-1-83 18484
Cain & Adams Elliott TD1280 D/A 6-18-54
Yates Pet. (Dorothy Rupe) 21489
Comanche-Hills-Fed
Yates Pet., etal 6-1-2003 90858
HBC SW/4
Pet. Dev. 5-20-86 6-16-86
W.E. Harris
C.A. Schellinger 2-27-89
A.T. Shaw
C.A. Schellinger 6-28-88
Small Tracts
Phillips 3-31-85 2-27-85
Pet Dev 3-6-85
G. Alberez W.W. Anderson
Pet. Dev. 6-16-86
Pet. Dev. 1-2-86
Bran Oil & C.A. Schellinger 1-11-88
Yates Pet. etal 2-2-87
Selma Andrews S.W. Lodewick etal
Pet. Dev 12-27-86
Samedan Oil 8-1-92 53220
Yates Pet. HBP LG 855
State
Pet. Dev. Corp. 1-2-85
(Bran Oil, Schellinger 1-25-88)
P.C. Fitzgerald
Leonard Blach
E.F. Purcell
Ruby Berringer
Cora Russell etal
Yates Pet., etal 9-1-93 76955
J.F. McAdams Monroe-Fed. TD887
W.C. Lindley, Jr. etal
Earl Daniels Stuart Montgomery etal
Mary R Miller
U.S. (8-1-92)
Yates Pet., etal 68781 K65
Yates, etal 2-2-87
Cora Russell, etal
J.P. White, Jr.
W.J. Spears
Sanders O&G 1-22-83 bel. 2000
K-R O&G to 2000 HBP
Mary Cannon
Yates Pet., etal 8-1-94 51898
Spears Monroe-Fed.
Read & Stevens 2-27-85
Earl Daniels
J.F McAdams, etal
Montgomery McAdams TD950 D/A 7-8-60
B. Lyman, Jr.
Stuart Montgomery, etal
PC, Ltd. to 2000 Fina HBP 07306
C.W. Harle (Spears) Zimmerman Perm. Disc.
Tenneco HBP 07306
PC, Ltd. to 2000 Fina HBP 07306
C.W. Harle Zimmerman TD 320
(Spears)
Yates Pet. etal 5-5-87
Rebecca Mechon J. Zimmerman
J.A. Yates, etal 3/4 to 4850
Yates Pet., etal 3-1-90 LG-7595
Abo. Disc. C. 10-22-82
Yates Pet. LG-681
NE/4 HBC
Comanche Hill-St.
J.A. Yates, etal 3/4 to 4850
Yates Pet., etal 3-1-90 LG-7998
Yates Pet. HBP LG 681
State
380
31
32
33
34
35
36
40.49
Wallace O&G Phillips 1/2 2-14-86
White Oak Ranch L. Blach
A. Moore
Phillips
Pet. Dev. 1-2-86
Pet. Dev. Fitzgerald
Stevens Oil Rio Petrol etal 5/8 1-27-86 S. Andrews etal
Percy Fitzgerald
Pet. Dev. 1-2-86
Percy C Fitzgerald
Cora Russell Selma Andrews, etal
Phillips 1/2 Wallace O&G 4-1-87
F. Pool Hondo River Frms. TD5181 D/A 12-14-81
W.C. Lindley D.R Britt, Jr.
McBride O&G 8-8-94
(Phillips 1/2 Wallace O&G 7-9-87)
Marshall & Winston D.R. Britt, Jr.
J.P. White, Jr.
J.R. Webb
42.90 Wallace O&G Phillips 1/2 2-7-88
J.P. White, Jr. White TD943 D/A 6-6-60
44.06
Brown Badgett 1/2
Harriet Peckham, etal
G. & R. Blach, etal
S.W. Lodewick, Est
Kathrine Payton
V.M Grantham 1/2 M.I.
T.E. Bush
Ted & Fred, Inc.
J.P. White, Jr.
44.70 Phillips 1/2 Wallace O&G 2-7-88
Brown Badgett 1/2
Harriet Peckham, etal
Yates Pet., etal. 2-14-95 4-5-95 2-15-95
Judson Goodart, etal
Wallace Fred TD82 D/A 5-5-89
Phillips 2-24-85
Phillips 1/2 Wallace O&G 4-1-87
Wallace O&G 5-10-87
D.R. Britt, etal
(Reef Prod.) 11-19-84 TD1200
Marg. Friend
44.80 Wallace O&G Phillips 2-7-88
Buena Suerte Rch. Inc.
Judson Goodart
Yates Pet., etal 2-14-95 4-5-95
2-15-95
44.92
Ted & Fred Inc.
(Phillips 1/2) Wallace O&G
Wallace Fred Abo Disc C.5-6-83
253
Ila Payton
Harlett (Voltz) Barbe 5A Disc. F14
J.P. White, Jr.
Fred Pool, Jr. 3-14-83
Barbe Farms Howard Amason J.R. Allen, etal
J.F. Winston, etal
45.02
A.S. Petterson, etal
R.E. Richardson 1/2 H.E. Babcock
Janet Green & M.I. E.K. Petterson
Pet. Dev. 12-11-85
E.M. Nelson
40.15
C.A. Schellinger
J.P. Whitmore
D.R. Britt
40.21
W. Lindley etal
40.27
McBride O&G 8-15-94 11-8-94
40.33
Trend Res., etal 9-1-87
40.34
Yates Pet. etal 2-1-99 VA-1141 State
40.30
Samedan Oil 8-1-92 53220 U.S.
40.26
W. Spears Leonard TD1314 D/A 6-6-62
40.22
40.18
McBride O&G 3-1-97 88098
40.12
40.08
40.02
Yates Pet., etal 10-1-91 43526
McBride O&G 8-8-94
Marshall & Winston D.R. Britt, Jr.
McBride O&G 8-8-94
(Tonnehill, etal) Campbell TD1301
D.R. Britt, Jr.
T.L. Ingram 9-1-94 58798 U.S.
McBride O&G 9-10-94 10-20-94
Yates Pet., etal 2-14-95 4-5-95 2-15-95
McBride O&G 9-20-94 9-8-94 9-1-94
TD1420
Abo. Disc. 1.3 Mil.
Marshall & Winston D.R. Britt, Jr.
Marshall & Winston D.R. Britt, Jr.
Howard Mechan Jacob Zimmerman, etal
Howard Mechan J. Zimmerman, etal
Judson Goodart
U.S.
Wallace O&G Britt
McBride O&G 8-8-94
McBride O&G 8-8-94 8-15-94 11-8-94
McBride O&G 9-10-94 10-20-94
Howard Mechan J. Zimmerman, etal
McBride O&G 8-15-94 8-8-94 12-9-94
McBride O&G 3-1-97 88096
Wallace O&G Marshall & Winston TD4150 D/A 12-16-82
C.A. Schellinger 8-15-94
Hondo
T.L. Ingram 9-1-94 58798 U.S.
L. Dreyfus Gas HBP 05876
Marshall & Winston D.R. Britt, Jr. etal
Marshall & Winston D.R. Britt, Jr.
V.E. Forbes 9-1-94 58798 U.S.
McBride O&G 8-8-94 12-9-94
L. Dreyfus Gas HBP 05876
(Phillips 1/2 Wallace O&G 10-30-87 10-29-87)
(R.L. Burrow, etal)
Barbe Farms
Marshall & Winston D.R. Britt, Jr.
(Phillips 1/2 Wallace O&G) 10-30-87
Lindley etal
Marshall & Winston D.R. Britt, Jr. etal
Marshall & Winston 1st Nat'l Roswell
Marshall & Winston D.R. Britt, Jr. etal
McBride O&G 8-15-94
Marshall &
1
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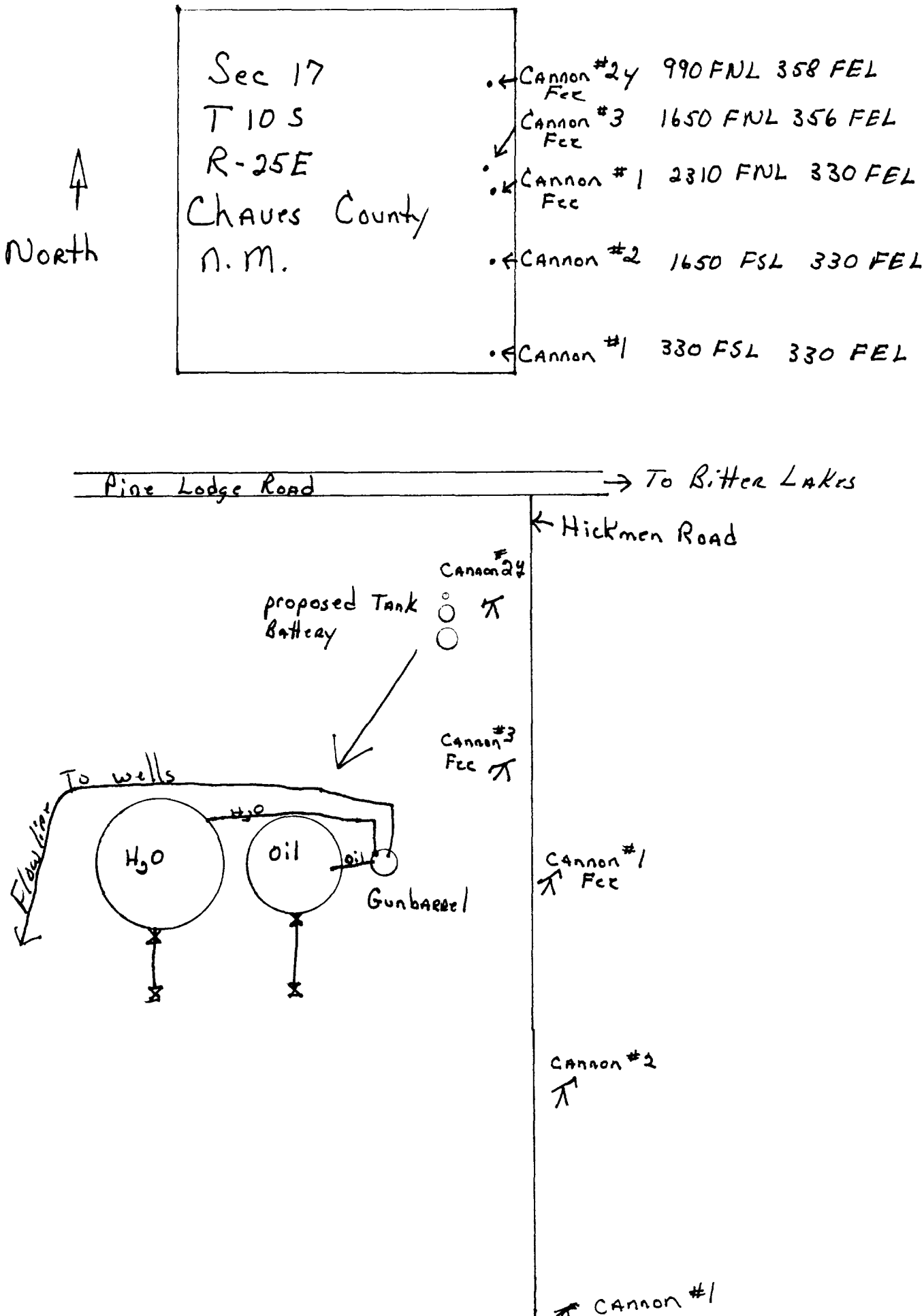
Sec 17
T 10 S
R-25E
Chaves County
N. M.
North
Cannon #2y Fee 990 FNL 358 FEL
Cannon #3 Fee 1650 FNL 356 FEL
Cannon #1 Fee 2310 FNL 330 FEL
Cannon #2 1650 FSL 330 FEL
Cannon #1 330 FSL 330 FEL
Pine Lodge Road
To Bitter Lakes
Hickmen Road
Cannon #2y
proposed Tank Battery
Cannon #3 Fee
To wells
Flowline
H2O
Oil
Gunbarrel
Cannon #1 Fee
Cannon #2
Cannon #1

M.E.W. Enterprise

500 ECR 140 - Midland, TX 79706

10/7/97

Sample

Willis E. Morgan, Jr.
300 Cumorah Tri
Alpharetta, GA 30201-7721

RE: Surface Commingling

To whom it may concern;

Our records indicate you hold *.03066667 RI* in our *Cannon* wells and *.03333334 RI* in our *Cannon Fee* wells all in Chaves County, NM. M.E.W. Enterprise is requesting your approval for off lease storage and surface commingling of the following wells.

We propose to commingle production from Cannon #1, 2, and the Cannon Fee #1, 2Y & 3 to the Cannon Fee #2Y, all wells are located in Sec 17-T10S-R25E. All wells are producing from the Bitter Lakes San Andres, West formation, pool #6000. M.E.W. Enterprise holds the plugging bond & operates all above leases. Because of the lagging crude oil market, the never ending increase in operating cost, and the low volumes of crude oil produced from these individual wells, it is imperative that such marginal wells be given every opportunity to extend their longevity through lowering the cost of production. With this plan to commingle, two tank batteries can be eliminated. This will also enable us to market our produced crude in a more timely manner.

M.E.W. proposes the following plan: We will lay a 2" poly line from the Cannon #1 to Cannon #2, then to the Mary Cannon #1, from there to Cannon Fee #3. Tying together all lines as you lay to end up at the Cannon Fee #2Y. All wells will then have a common flowline. All sales will be off the Cannon Fee #2Y location where a central tank battery will be built.

Other reasons for this proposal is to help minimize the problems associated with this low gravity crude (heavy tank bottoms, high corrosion on the lifting equipment down hole, etc.) I am sure everyone involved is aware of the sporadic production history over the past years, this proposal will help eliminate the long wait to fill a tank to marketable levels. I believe the approach of having a commingled off lease storage battery is the only sound approach.

M.E.W. proposes doing a 90 day test on every well in this battery, along with the test currently being done every month. A 24 hour test collecting all fluids will be performed followed by a shake out of the produced fluids. This will give us a percentage sample of oil & water. These percentages of oil will be used to calculate your percentage of oil at the off lease storage battery. The same will be performed on a monthly basis. These test and past experience of the production of each well will produce accurate information for calculating disbursements of interest.

We believe that both wells have more oil to give up. But, it is an absolute must that production cost go down and revenue come in more timely. These wells in the near future could become uneconomical to produce if something is not done very soon.

Enclosed you will find two (2) copies of this letter. Please sign both copies, retain one for your records and return the other one by October 31, 1997 to M.E.W. Enterprise, 500 E.C.R. 140, Midland, TX 79706. If we do not hear from you by the above date we will assume that you have no objections to our proposal. At that time we will begin the filing process with the proper Government agencies.

Thank you for your time and cooperation. If you have any questions, please call Margaret or myself at (915)570-8613.

Sincerely,

Russell Whited
Owner

Agreed and accepted this 17th day of Oct, 1997.

Willis E Morgan

Representative for above interest holder/s