

acidized with 2,300 gals. of 10% HCL and 700 gals. of methanol. After swabbing the well dry for two days the wellbore was shut-in. Another 4 days later the SITP had built to 1,150 #, indicating remaining Middle Morrow reserves. Aspen then attempted to fracture stimulate the Middle Morrow with 25,000 gals. of foam and 28,500 # of sand. The fracture stimulation "sanded out". Five days later the CIBP was drilled out at 10,500' and the wellbore cleaned out to 10,608' (the Lower Morrow Brown up through the "Lower Atoka"). The Green "B" Federal No 11 did not respond favorably to the workover. Indeed, the Middle Morrow sands proximate to the wellbore may have been damaged. Recently the No 11 was producing at an average rate of 27 Mcfg per day from the combined intervals within 10,240' to 10,581'.

MOC and Aspen are examining a plan to abandon the Middle and Lower Morrow perforations from 10,432' to 10,581'. The perforations from 10,240' to 10,246' (proposed Lower Atoka) would be isolated and a stimulation treatment would be performed. MOC believes that the 1150 # SITP recorded in October 1999 indicated remaining Middle Morrow reserves in the south-half proration unit of section 7. It is our contention because the heterogeneity and lenticular nature of the Middle Morrow sands as well as the possibility that these sands suffered irrecoverable damage effecting the permeability, uncaptured reserves may remain. Further that the drilling of another Middle and Lower Morrow test in the SE/4 of section 7 is justified.

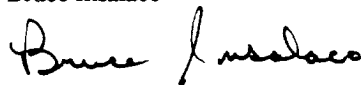
As can be observed from the enclosed exhibits (Cross Section EA-EA' and Production Plat) the Morrow production established through the area is limited to only the Middle Morrow and Lower Morrow sands. The correlative interval from 10,240' to 10,246' in the Green "B" Federal No 11 has not been tested or produced to our knowledge outside this wellbore. This interval is more closely correlative to the Atoka interval that has produced in the Amoco Production State "MT" Com No 1 (1980' FSL & 660' FEL, section 1, T17S, R28E). The State "MT" No 1 was drilled 10,405' in July 1983. After testing and abandoning the Morrow a completion was recorded from 9,982' to 9,994'. The pool designation as to this sandstone member from public records was North Empire Atoka.

Other recent offset activity that may have some bearing: 1st) MOC drilled and completed the Empire 7 Federal No 1 (SE/4 SW/4, section 7) into the Middle Morrow sands in June 1999; 2nd) the EOG Resources Warp Speed Federal Com No 1 (SE/4 NW/4, section 7) is now completing into the Lower & Middle Morrow sands; and 3rd) Devon SFS Operating has drilled and is attempting a completion of the TNT 6 Federal Com No. 1 (SW/4 SE/4, section 6).

Thank you for your time and consideration in this matter. I would like the opportunity to visit you in your office concerning this matter after you have had the time to review the request. Please call me at Mewbourne Oil Company's office in Midland (915) 682-3715. Thank you again.

Sincerely,

Bruce Insalaco



Exploration Manager

Enclosures