

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

October 11, 1999

[Via Certified Mail-Return Receipt Requested]

Antonio Vargas
2920 Wheeling
El Paso, Texas 79930

Re: Case No. 12,238
Order No. R-11251
Esperanza "28" Fee Com. No. 1 Well
W/2 of Section 28, T21S, R27E
Eddy County, New Mexico

Dear Mr. Vargas:

In reference to the captioned proposed well, enclosed for your information is a copy of Compulsory Pooling Order R-11251 which pools all uncommitted mineral interests, whatever they may be, from the surface to the base of the Morrow formation for all formations spaced on 320 acres for the W/2, all formations spaced on 160 acres in the SW/4 and for all formations spaced on 40 acres for the NW/4SW/4 of the captioned Section 28 as more fully described in said Pooling Order.

Pursuant to decretory paragraph (3) on Page (4) of the referenced Order, enclosed for your information is a copy of our Authorization For Expenditure (AFE) which is an itemized schedule of estimated well costs for the captioned proposed well.

To date, we have not received the executed Oil and Gas Lease (the Lease) which we sent to you on September 7, 1999. In the event you decide not to sign the Lease or join us in the captioned proposed well, your unleased mineral interest will be pooled under the terms of the referenced Order. Should you elect to lease your mineral interest to us as previously offered, please sign and return the Lease and bank draft to our bank in Tyler, Texas within thirty (30) days of your receipt of this letter to avoid being force pooled under the terms of the Order.

Should you have any questions regarding the above, please do not hesitate to call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

ENDERGAKO "28" Fee Com #1

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

Antonio Vargas
2920 Wheeling
El Paso, Texas 79930

4a. Article Number

Z 236 347 235

4b. Service Type

- Registered
- Certified
- Express Mail
- Insured
- Return Receipt for Merchandise
- COD

7. Date of Delivery

OCT 14 1999

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6. Signature (Addressee or Agent)

Rosa Maria Moreno

8. Addressee's Address (Only if requested and fee is paid)

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