

Exh. b, T 2e



Eland Energy, Inc.

July 5, 2001

Exco Resources, Inc.
1775 Sherman Street, Suite 2650
Denver, CO 80203

Attn: Gayle Baker

Re: Rose Federal 14, 15 and 16,
Chaves County, NM
Eland #659W29, 659W30 and 659W31

Dear Gayle:

In regard to Exco's proposals dated June 1, 2001 to drill the above wells, Eland elects not to participate. Please feel free to contact me at the below number if you should have any questions.

Very truly yours,
ELAND ENERGY, INC.

A handwritten signature in black ink that reads "Kyle D. Wood". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Wood".

Kyle D. Wood
Sr. Landman

Via US Mail and fax (1 page)
to: 303/831-1397