

**MEWBOURNE OIL COMPANY**

P.O. BOX 7698  
TYLER, TEXAS 75711  
903 - 561-2900  
FAX 903 - 561-1870

January 22, 2001

UPS NEXT DAY AIR #N496 779 516 0

Mr. Tim Gum, District II Supervisor  
New Mexico Oil Conservation Division  
811 South First Street  
Artesia, NM 88210

RE: Inactive Non-Compliance Wells

State IX Gas Com #1  
H-06-24S-25E  
API #30-015-23523

Chalk Bluff Federal Com #1  
N-01-18S-27E  
API #30-015-26575

Cedar Breaks 2 State #1  
G-02-18S-30E  
API #30-015-27091

Chalk Bluff 12 Fed #2  
L-12-18S-27E  
API #30-015-27727

Dear Mr. Gum:

In reference to your letter of December 26, 2000, which was received January 2, 2001, the following measures are to be taken in order to bring the subject wells into compliance:

State IX Gas Com #1

Mewbourne Oil Company obtained a farmout from Central Resources, Inc. and became the operator of this well for the purpose of drilling a new well on the same lease. A memo from EXCO Resources, Inc. (successor to Central Resources) to Mr. Tim Gum is enclosed with a request that the NMOCD delay the "Show Cause Hearing" for 60 days until Mewbourne can drill the farmout well. The drilling permit was approved 12/26/00 for the Baldridge Canyon "6" State Com #1 well in Sec 6-T24S-R25E. We plan to have this well spudded by early February, and at total depth and logged by 3/1/01 to prove up additional behind-pipe reserves for EXCO.

Chalk Bluff Federal Com #1

A copy of Form 3160-5, with details of a successful MIT conducted 10/25/2000, is enclosed. This form was mailed to the NMOCD on 11/1/00.

Cedar Breaks 2 State #1

A copy of Form 3160-3, filed with the BLM on 1/20/01, to plug and abandon the well is enclosed. Plugging operations shall commence upon availability of a plugging company.

Mr. Tim Gum

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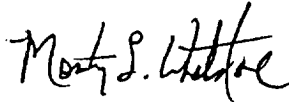
January 22, 2001

Chalk Bluff 12 Fed #2

This well was never drilled. A copy of the letter stating this fact and mailed to the NMOCD on October 5, 2000, is enclosed.

It is our intention to bring all of the referenced wells into compliance as soon as possible, and we welcome any help or advice you can provide. We would very much appreciate the New Mexico Oil Conservation Division's delaying a "Show Cause Hearing" for 60 days as requested in EXCO's memo. If you have any questions, please call me at (903) 561-2900.

Yours truly,

A handwritten signature in black ink, appearing to read "Monty L. Whetstone". The signature is stylized with a large, sweeping "M" and a cursive "Whetstone".

Monty L. Whetstone  
Vice-President of Operations

Enclosures

cc: Hobbs  
Midland  
Wayne Johnson  
Allen Brinson  
Steve Ballard