

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 Baldrige 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.