



MATRIX
PRODUCTION
COMPANY

5725 Commonwealth Boulevard
Sugar Land, Texas 77479
Phone 281-265-1212
Fax 281-265-1778

2005 JAN 14 AM 11 43

Via Certified/Return Receipt Mail

January 11, 2005

Mr. Chris Bright
Sunlight Exploration, Inc.
1415 23rd Street
Canyon, TX 79015

Re: NOTIFICATION OF ELECTION – Compulsory Pooling
Townsend #1-A Well; NE/4NE/4 Section 10-T13S-R38E
Lea County, New Mexico
NMOCD Case No. 13357, Order R-12252

Gentlemen,

On behalf of Matrix New Mexico Holdings, LLC, and in accordance with the terms of New Mexico Oil Conservation Division Order R-12252 (enclosed), I am providing you with notice of your right to elect to participate in the above captioned well to be drilled pursuant to this order.

Our records indicate that you are an owner of a working interest in the subject 40-acre spacing unit as set forth in the enclosed pooling order. Should you desire to participate in the subject well, within thirty days from the date you receive this letter, Matrix New Mexico Holdings, LLC must receive a cashier's check from you covering your working interest share of the estimated completed well cost along with a letter signed by you agreeing to participate in this well pursuant to the enclosed pooling order. Enclosed for your information is a copy of the AFE for the subject well which sets forth estimated completed well cost. For your information, the enclosed AFE is identical to the AFE introduced at the hearing.

If you decide not to participate then you need do nothing further. In that event, Matrix will pay your share of the cost of drilling and completing the subject well and will recover its costs pursuant to the terms of the pooling order.

Yours truly,

Fred C. Bryla
Vice President

cc: Director, NMOCD – Santa Fe
(without enclosures)



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January 11, 2005

Mr. Leroy Townsend
7650 East Vista Drive
Scottsdale, AZ 85250

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