

Catana ch

Lynx Petroleum Consultants, Inc.

P.O. Box 1708
3325 Enterprise Drive
Hobbs, New Mexico 88241

505 392-6950

Fax: 505 392-7886

RECEIVED

MAR 17 2004

**OIL CONSERVATION
DIVISION**

February 26, 2004

Kirk Ary
Anadarko Petroleum
P.O. Box 1330
Houston, TX 77251-1330

CERTIFIED MAIL RECEIPT
7003 1010 0002 2612 1091

Re: NOTIFICATION OF ELECTION
Compulsory Pooling
Kitty Hawk Federal No. 1
E/2 Section 1, T-19S, R-31E
Eddy County, New Mexico
NMOCD Case 13198 Order R-12099

Dear Mr. Ary:

On February 9, 2004, the New Mexico Oil Conservation Division issued Order R-12099, which is a compulsory pooling order which involuntarily committed your interest in a 160-acre spacing unit to be dedicated to the referenced well.

On behalf of Lynx Petroleum Consultants, Inc. and in accordance with the terms of the New Mexico Oil Conservation Division Order R-12099, copy enclosed, I am providing you with notice of your right to elect to participate in the well to be drilled pursuant to this order.

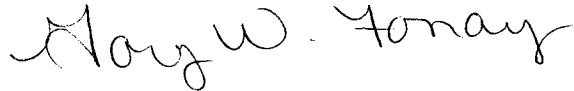
Records indicate you hold a 3.6458 percent working interest ownership in this 160-acre spacing unit for the Strawn formation in this well. Should you desire to participate in this well and avoid the payment of the 200 percent risk factor out of its share of production, then, within thirty days of the date you receive this letter, Lynx Petroleum Consultants, Inc. must receive a check for \$27,788 being your percentage of the drill and case well costs and a letter signed by you agreeing to participate in this well pursuant to this pooling order. Enclosed is a copy of the Authority for Expenditure for this well, which is the same Authority for Expenditure introduced at the hearing.

If you decide not to participate, then you do nothing further. In that event, Lynx Petroleum Consultants, Inc. will pay your share of the costs of the well and will recover your share out of production plus an additional 200 percent if and when the well is completed in the Strawn. Thereafter, you will commence to receive your working interest share of production.

Anadarko Petroleum
February 26, 2004
Page 2

Sincerely,

LYNX PETROLEUM CONSULTANTS, INC.

A handwritten signature in cursive script that reads "Gary W. Fonay". The signature is written in dark ink and is positioned above the printed name.

Gary W. Fonay

GWF/ad

cc: Director NMOCD-Santa Fe

enc