

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL D. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARRI L. SHERIDAN

MICHAEL M. FELDEWERT
TANYA M. TRUJILLO
NANCY A. RATH

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501-2208
TELEPHONE: (505) 966-4421
TELECOPIER: (505) 963-8042

March 30, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Terra Oil Company
Post Office Box 1354
Roswell, NM 88201 1354
Attn: Mr. Barnhill

Re: Application of MACK ENERGY Corporation for Compulsory Pooling, Lea County, New Mexico

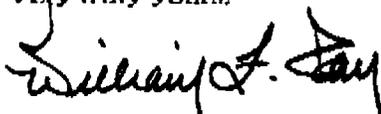
Gentlemen:

This letter is to advise you that MACK ENERGY Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of certain mineral interests from the surface to the base of the Drinkard formation, East Garrett-Drinkard Pool, in and under the NE/4 NW/4 of Section 27, Township 16 South, Range 38 East, N.M.P.M., Lea County, New Mexico. MACK ENERGY Corporation proposes to dedicate the above-referenced spacing or proration unit to either an existing well on the pooled acreage which it will re-enter located 660 feet from the North line and 1980 feet from the West line or a new well to be drilled at a standard location to a depth of approximately 8,500 feet in the NE/4 NW/4 of said Section 27.

This application has been set for hearing before a Division Examiner on April 20, 1995. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 P.M. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR MACK ENERGY CORPORATION
WFC:mlh