Certified Professional Landman, ESA

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## **CERTIFIED MAIL**

January 9, 1998



Mr. Doyle Hartman 3811 Turtle Creek Blvd. Suite 200 Dallas, Texas 75219

Re:

McCasland 18 Fee NE/4 SW/4 Section 18 T-20-S, R-39-E Lea County, New Mexico

Dear Mr. Hartman:

Pioneer Natural Resources USA, Inc. and EnerQuest Resources, LLC hereby propose the drilling of an 8,000' Abo test at a legal location on the above captioned lands. I have enclosed for your approval an Authority For Expenditure in the amount of \$483,755, with \$281,355 being for dry hole costs and \$202,400 for completion costs. According to the county records, you own an undivided 87.335556% of 2545/21600 interest or 10.29%.

Please execute the AFE in the space provided for and return one copy to me at the letterhead address. In the event you do not wish to participate in the drilling of the well we request that you lease your interest as proposed in EnerQuest's letter of May 12, 1997, a copy of which is enclosed. I have also included copies of the lease and check previously furnished you.

Pioneer anticipates spudding this well in the first quarter of this year, therefore your prompt attention to this matter would be greatly appreciated. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

M. Craio Clark

MCC/s Enclosure

cc: Mr. Steve Hartman