

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170

October 11, 1999

[Via Certified Mail-Return Receipt Requested]

To: Persons on Exhibit "A"

Re: Case No. 12,238
Order No. R-11251
Esperanza "28" Fee Com. No. 1 Well
W/2 of Section 28, T21S, R27E
Eddy County, New Mexico

Ladies and Gentlemen:

In reference to the captioned proposed well, enclosed for your information is a copy of Compulsory Pooling Order R-11251 which pools all uncommitted mineral interests, whatever they may be, from the surface to the base of the Morrow formation for all formations spaced on 320 acres for the W/2, all formations spaced on 160 acres in the SW/4 and for all formations spaced on 40 acres for the NW/4SW/4 of the captioned Section 28 as more fully described in said Pooling Order.

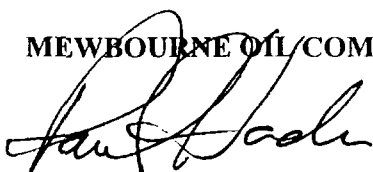
Pursuant to decretory paragraph (3) on Page (4) of the referenced Order, enclosed for your information is a copy of our Authorization For Expenditure (AFE) which is an itemized schedule of estimated well costs for the captioned proposed well.

In the event you elect not to be force pooled as authorized in the referenced Order, you can pay us your proportionate part of the estimated well costs within thirty (30) days of your receipt of the Order and AFE per the terms of decretory paragraph (4) on Page (4) of the enclosed Order. Should you elect to participate in the captioned well, please execute and return one (1) copy of the Operating Agreement (OA) and AFE to the undersigned at your very earliest convenience. Upon our receipt of the executed OA and AFE, we will notify the Division of your subsequent voluntary agreement to participate in the captioned well per the terms of decretory paragraph (14) on Pge (6) of the Order.

Should you have any questions regarding the above, please do not hesitate to call me.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

EXHIBIT "A"

Esperanza "28" Fee Com. Well No. 1
W/2 Section 28-21S-27E
Eddy County, New Mexico

Lowell Todd Armstrong
850 Azalea
Houston, Texas 77018

Texas Independent Exploration, Inc.
1600 Smith, Suite 3800
Houston, Texas 77002
Attention: Robert F. Blucher

David V. DeMarco d/b/a
Black & Gold Resources
3050 Post Oak Boulevard, Suite 500
Houston, Texas 77056

Rick Zimmerman d/b/a
Island Resources
1600 Smith, Suite 3800
Houston, Texas 77002

Is your RETURN ADDRESS completed on the reverse side?

Esperanza "28" Fee Com. #1

SENDER:

- ☐ Complete item: 1/for 2 for additional services.
Complete items 3, 4a, and 4b.
☐ Print your name and address on the reverse of this form so that we can return this card to you.
☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
☐ Write "Return Receipt Requested" on the mailpiece below the article number.
☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

3. Article Addressed to:

David V. DeMarco d/b/a
Black & Gold Resources
3050 Post Oak Blvd., Suite 500
Houston, Texas 77056

4a. Article Number

Z 236 347 237

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

10-15-99

5. Received By: (Print Name)

E. Martinez

6. Signature (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-99-B-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

Esperanza "28" Fee Com. #1

SENDER:

- ☐ Complete items 1 and/or 2 for additional services.
Complete items 3, 4a, and 4b.
☐ Print your name and address on the reverse of this form so that we can return this card to you.
☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
☐ Write "Return Receipt Requested" on the mailpiece below the article number.
☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

3. Article Addressed to:

Texas Independent Exploration
1600 Smith, Suite 3800
Houston, Texas 77002
Attention: Robert F. Blucher

4a. Article Number

Z 236 347 238

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

10-14-99

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

Anne Sorlean

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-99-B-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

Esperanza "28" Fee Com. #1

SENDER:

- ☐ Complete items 1 and 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

3. Article Addressed to:

Rick Zimmerman d/b/a
Island Resources
1600 Smith, Suite 3800
Houston, Texas 77002

4a. Article Number

Z 236 347 239

4b. Service Type

- ☐ Registered
- ☒ Certified
- ☐ Express Mail
- ☐ Insured
- ☐ Return Receipt for Merchandise
- ☐ COD

7. Date of Delivery

10-14-99

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

Anne Jordan

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-99-B-0223

Domestic Return Receipt

Thank you for using Return Receipt Service.