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

David V. DeMarco d/b/a Black & Gold Resources 3050 Post Oak Boulevard, Suite 500 Houston, Texas 77056 Texas Independent Exploration, Inc. 1600 Smith, Suite 3800 Houston, Texas 77002 Attention: Robert F. Blucher

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

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