MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

October 4, 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 this option, we will notify the Division in writing of your subsequent voluntary agreement to participate in the subject well per the terms of decretory paragraph (14) on Page (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

Altura Energy Ltd. P.O. Box 4294 Houston, Texas 77210-4294 Attention: Jerry D. West

Lowell Todd Armstrong 850 Azaloa Houston, Texas 77018

Tima Dailey P.O. Box 312 Groves, Texas 77619

J.C. Davis, Jr. 4703 Boulder Drive Midland, Texas 79707

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

Eugene Elizondo 1406 Elizondo Road Carlsbad, New Mexico 88220

J. M. Huber Corporation 1900 West Loop South, Suite 1600 Houston, Texas 77027 Attention: W. Paul Loyd

Mike Martinez and Erlinda Martinez, Trustee of the Martinez Family Trust U/T/A Dated 5/3/94 14202 Fairgrove La Puente, California 91747 James L. Pierce 2607 Ward Midland, Texas 79705

RKC, Inc. 1527 Hillside Road Fairfield, CT 06430 Attention: Richard Kral

RKC, Inc. 7029 East Briarwood Circle Englewood, Colorado 80112 Attention: Anthony Kochevar

Redfern Enterprises, Inc. P.O. Box 2127 Midland, Texas 79702-2127

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

Antonio Vargas 2920 Wheeling El Paso, Texas 79930

Rick Zimmerman d/b/a
Island Resources
1600 Smith, Suite 3800
Houston, Texas 77082

102595-99-B-0223

Domestic Return Receipt

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