

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

August 14, 2001

Via Fax 505-242-8501 and  
Certified U.S. Mail-Return Receipt Requested

Cibola Energy Corporation  
and Jalapeno Corporation  
P.O. Box 1608  
Albuquerque, New Mexico 87103

Attn: Mr. Harvey E. Yates, Jr.

Re: Order No. R-11636  
Esperanza "15" State Com. #1 Well  
E/2 of Section 15, T21S, R27E  
Eddy County, New Mexico

Ladies and Gentlemen:

Pursuant to the terms of Ordering Paragraph (6) of the referenced Order, enclosed for your further handling is a copy of our AFE dated May 31, 2001 (an estimated well cost) for the captioned well.

In the event you elect to participate in the drilling and completion of the captioned well, please forward the undersigned your proportionate part of the estimated well cost within thirty (30) days of receipt of this letter.

Enclosed for your information regarding the above is a copy of the referenced Order.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden  
Senior Landman

DPH/gb