November 27, 2001

New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Attn: Florene Davidson

Re: Case #12742

Dear Ms. Davidson:

Enclosed please find correspondence to Exco Resources, Inc., the only non-consenting working interest owner in the lands covered by the above case.

Very truly yours,

Sr. Landman

Via Certified Mail

November 27, 2001

Exco Resources, Inc. 1775 Sherman Street, Suite 2600 Denver, CO 80203

Attn: Gayle Baker

Re: Federal IX #3,

W/2 Sec. 3, T9S-R26E, Chaves County, NM Eland #658W3

Dear Gayle:

Enclosed please find Order for Compulsory Pooling issued by the New Mexico Oil Conservation Division covering the above referenced well, along with Eland's AFE listing estimated well costs. Should Exco wish to participate in the drilling of said well, please return the properly executed AFE along with Exco's check covering its proportionate share of completed well costs to my attention at the below address within 30 days from receipt of this correspondence. Should we not receive the AFE and your check within the allotted time period, your interest will be deemed to be a non-consenting working interest under the order.

Very truly yours,

Vulally Wood

Sr. Landman

Via Certified Mail

cc: NMOCD