MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

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

March 20, 1997

Certified Mail-Return Receipt Requested P 268 434 114

Fasken Oil and Ranch, Ltd. 303 West Wall, Suite 1900 Midland, Texas 79701 Fax# (915-687-0669)

NEW MEXICO OIL CONSERVATION DIVISION

EXHIBIT

Attn: Sally M. Kvasnicka

Ladies and Gentlemen:

Without acknowledging any propriety to your purported proposal of February 26, 1997 to drill a well to a total depth of 10,650 feet at the location 2,080 feet from the South line and 750 feet from the West line of Irregular Section 1, T21S, R25E, NMPM, Eddy County, New Mexico, be advised that Mewbourne Oil Company ("Mewbourne") declines and refuses to participate in the cost and risk of drilling a well at the specified location purportedly proposed by you.

NOC

Without commenting specifically on the various arguments and assertions stated in your letter of February 26, 1997, Mewbourne notes its substantial disagreement with your statements.

Be advised further that Mewbourne reserves the right to deny the efficacy of Fasken Land and Mineral, Ltd.'s materially qualified and non-conforming purported election to participate in the cost and risk of drilling Mewbourne's Catclaw Draw "1", Federal Well No. 1 at the location of 2,310 feet from the East line and 660 feet from the South line of said Irregular Section 1, particularly in view of your persistent efforts to prevent the drilling of Mewbourne's well.

Mewbourne reserves all other rights, claims and actions it may have with respect to any party or parties in connection with Mewbourne's Catclaw Draw "1" Federal Well No. 1.

Sincerely,

MEWBOURNE OIL COMPANY

Steve Cobb District Landman

Fasken Oil and Ranch Ltd. March 20, 1997 Page -2-

cc: Matador Petroleum Corporation Pecan Creek, Suite 158 8340 Meadow Road Dallas, Texas 75231-3751 Attention: C. Barry Osborne

> Len Mayer and Robert L. Haynie 5655 South Yosemite Street, Suite 106 Englewood, Colorado 80111-3219

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Devon Energy Corporation 20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102-8260 Attention: Mr. Ken Gray Cert. Mail-Return Receipt Req. P 268 434 117

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Cert. Mail-Return Receipt Req. P 268 434 118

Cert. Mail-Return Receipt Req. P 268 434 119