

**M.E.W. ENTERPRISE
300 S. KENTUCKY
ROSWELL, NM 88203**

December 2, 2002

Hunt Petroleum (AEC), Inc.
1601 Elm Street, Suite 3400
Dallas, Texas 75201

Re: O'Brien C #1
Chaves County, NM

Gentlemen:

As discussed in an email and telephone conversation with Bryan Dullye, Manager of Acquisitions & Divestitures of your office, we have just discovered a title problem with this property. It appears that the O'Brien B #1 and O'Brien C #1 wells have been confused and misidentified.

Since 1985, when TXO Production Company drilled the wells, the records indicate that the O'Brien B #1 was plugged and abandoned. Production has always been reported under the O'Brien C #1. The well data is backwards, as it was the O'Brien C #1 that was plugged 8/28/85 and the O'Brien B #1 is the producing well.

We have met with the Oil Conservation Division of the Artesia District, and they have done a field inspection to verify that the well records are incorrect. Once we have the title matter cleared, then we will straighten out the well records with the Oil Conservation Division.

Hunt's interest was originally owned by Columbia Gas Development Corporation, which they received by assignment from Texas Oil and Gas Corporation in 1978. In the O'Brien B #1 they were assigned 50% working interest covering the S/2 of Section 2 from the surface to 9030'. Their ownership in the O'Brien C #1 well in the W/2 of Section 11 was only 36.3636%.

M.E.W. took over operations in November 1998. Two spreadsheets are enclosed that reflect revenue distribution and billing history for both interests in the well. In reviewing the spreadsheets, under the 50% ownership in the O'Brien B #1, there is a remaining balance due of \$387.37. Also enclosed is the current joint interest billing that correctly reflects your billing interest in the amount of 50% working interest for the O'Brien B #1.

Daily Field Trip Report

Inspector: Gerry Guye
Trip Date: 10/25/2002

Depart: 9:00:00 AM
Return: 3:25:00 PM
Total Field Time: 06:25

Beginning Miles: 59,519
Ending Miles: 59,705
Total Miles: 186

Vehicle Number: 43973

Additional Activities:

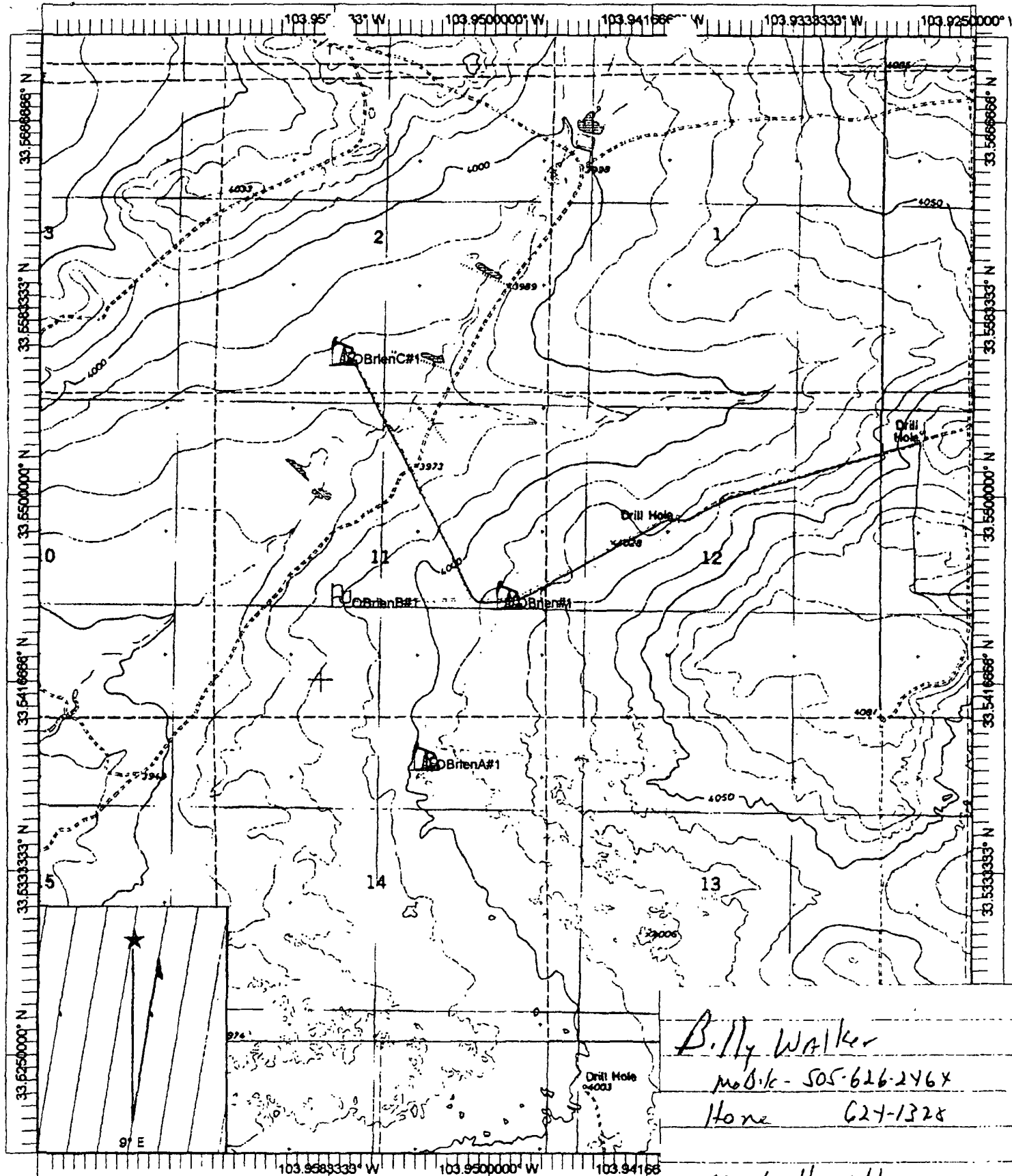
Time Performed	Elapsed Time	API Well No	Well Name and Number	Operator	MIT	ULSTR	Inspection Type	Viol	Pass/Fail	Purpose	Well Type	Status	UIC?
03:45:57 PM	06:45:57 (hrs)	30-005-60437-00-00	O'BRIEN A 001	M E W ENTERPRISES		B 14 9 S 29 E	Routine/Periodic	No			Gas (Producing)	A	
Comments: A-OK. All Equipment and Location in Good Shape. Not currently flowing.													
03:49:17 PM	00:03:20 (hrs)	30-005-60431-00-00	O'BRIEN C 001	M E W ENTERPRISES		K 11 9 S 29 E	Routine/Periodic	No			Gas (Producing)	S	
Comments: A-OK. All Equipment and Location in Good Shape.													
03:49:57 PM	00:00:40 (hrs)	30-005-60396-00-00	O'BRIEN 001	M E W ENTERPRISES		I 11 9 S 29 E	Routine/Periodic	No			Gas (Producing)	A	
Comments: A-OK. All Equipment and Location in Good Shape.													

Summary for Trip Date: 10/25/2002 (3 Inspection records)

Total Hours: 06:49:57

Total Non-UIC Hours: 06:49:57

Total UIC Hours: 00:00:00



Name: PRESLER LAKE
 Date: 10/25/2002
 Scale: 1 inch equals 2000 feet

Location: 033.54556981
 Caption: MEW WELLS

Billy Walker

Mobile - 505-626-246X

Home 627-1328

Maul Hamilton

Mobile - 505-420-3226

Home - 505-622-9062

After an inspection on 10-25-02 we have discovered that the names are switched between the O'Brien B # 1 and the O'Brien C # 1

OB-#1 P: A Marke shows 660 FSL 1980 FWL 2-9-29
But well is in 1980 FSL: WL 11-9-29

OC#1 Sign shows - No sign -
well is 1980 FWL 660 FSL - 2-9-29

