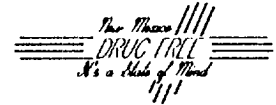




STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

October 21, 1992

Bannon Energy, Inc.
3934 FM 1960 West, Suite 800
Houston, TX 77068

RE: Temporarily Abandoned Wells
S. Blanco State 32A #1, O-32-24N-07W

To Whom It May Concern:

Our records indicate that the above well is inactive and requires P&A or TA approval under Rules 201, 202 and 203. Please review your records and contact this office indicating the current status of this well. Plans to bring this well into compliance are to be submitted by December 31, 1992 and work completed by July 21, 1993. Rule 203 requires that a notice of intent to temporarily abandon a well be submitted on a Sundry Notice (OCD form C-103) and that a mechanical integrity test (MIT) be conducted on the casing prior to final approval. If there is a notice of intent to P&A filed and approved for this well the work is to be completed by July 21, 1993.

If you have any questions please feel free to contact this office.

Sincerely,

Dianna K. Fairhurst

Dianna K. Fairhurst
Deputy Oil & Gas Inspector

XC: TA File
DKF File
Well File