STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

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

August 24, 1990

Ms. Judy Felter
Bannon Energy, Inc.
3934 FM 1960 West, Suite 240
Houston, TX 77068

RE: Federal 29 #2, P-29 -06W

Dear Ms. Felter:

As per our telephone conversation, the 160 acres dedicated to the referenced well is not consolidated. The well will have to be shut-in until such time as you submit a new C-102 certifying that the acreage has been consolidated. If a problem occurs with lease expiration which requires that the well be produced, contact this office for instructions.

Transporters are notified with a copy of this letter to cease taking product from this well.

Sincerely,

Frank T. Chavez

District III Supervisor

NMOCD

FTC:sh

cc: Santa Fe

Giant Refinery BLM Farmington

Well File