

R. THOMAS DAILEY, P.C.  
ATTORNEY AT LAW  
FIRST NATIONAL BANK BLDG.  
100 E. BROADWAY, SUITE 325  
P.O. BOX 2700  
FARMINGTON, NM 87499  
TELEPHONE (505) 327-5074

Case 11379

RECEIVED  
MAY 18 1995

OIL CON. DIV.  
DIST. 3

May 17, 1995

Mr. Johnny Robinson  
Deputy Oil & Gas Inspector  
Energy, Minerals & Natural Resources Dept.  
1000 Rio Brazos Road  
Aztec, NM 87410

Re: Lobo Production

Dear Mr. Robinson:

Thank you for your letter of April 17, 1995 concerning gas wells of Lobo Production. The First National Bank of Farmington was involved with Lobo as a secured lender. The bank, however, has not operated the wells and has no control over the operation of any of the wells and is not in a position to assume any active role with regard to any of the wells.

I understand that the bankruptcy trustee has made an effort to sell Lobo's interest in some of the wells and that there may be some interest in resuming production. The bank, however, is not in a position to make any decision regarding operation or control of the wells and assumes no responsibility in that regard. Should you have any questions or feel further information should be developed, please feel free to contact me.

Very truly yours,

*Tom Dailey*  
R. Thomas Dailey

RTD/peh  
cc: First National Bank