

Exhibit 1 to accompany
 Pool Boundary changes proposed
 by Bannion Energy Incorporated
 dated 8-9-89

Existing Pool Boundaries

- Escrito Associated Gallup Pool
- Lybrook Gallup Pool T24N
- Counselors Gallup-Dakota Pool

R7W

R6W

T24N

T23N

Exhibits 1 through 7

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

BANNON EXHIBIT NO. 2

FIG. 1

To accompany pool boundary
changes proposed by Bannon
Energy Incorporated dated 8-9-89

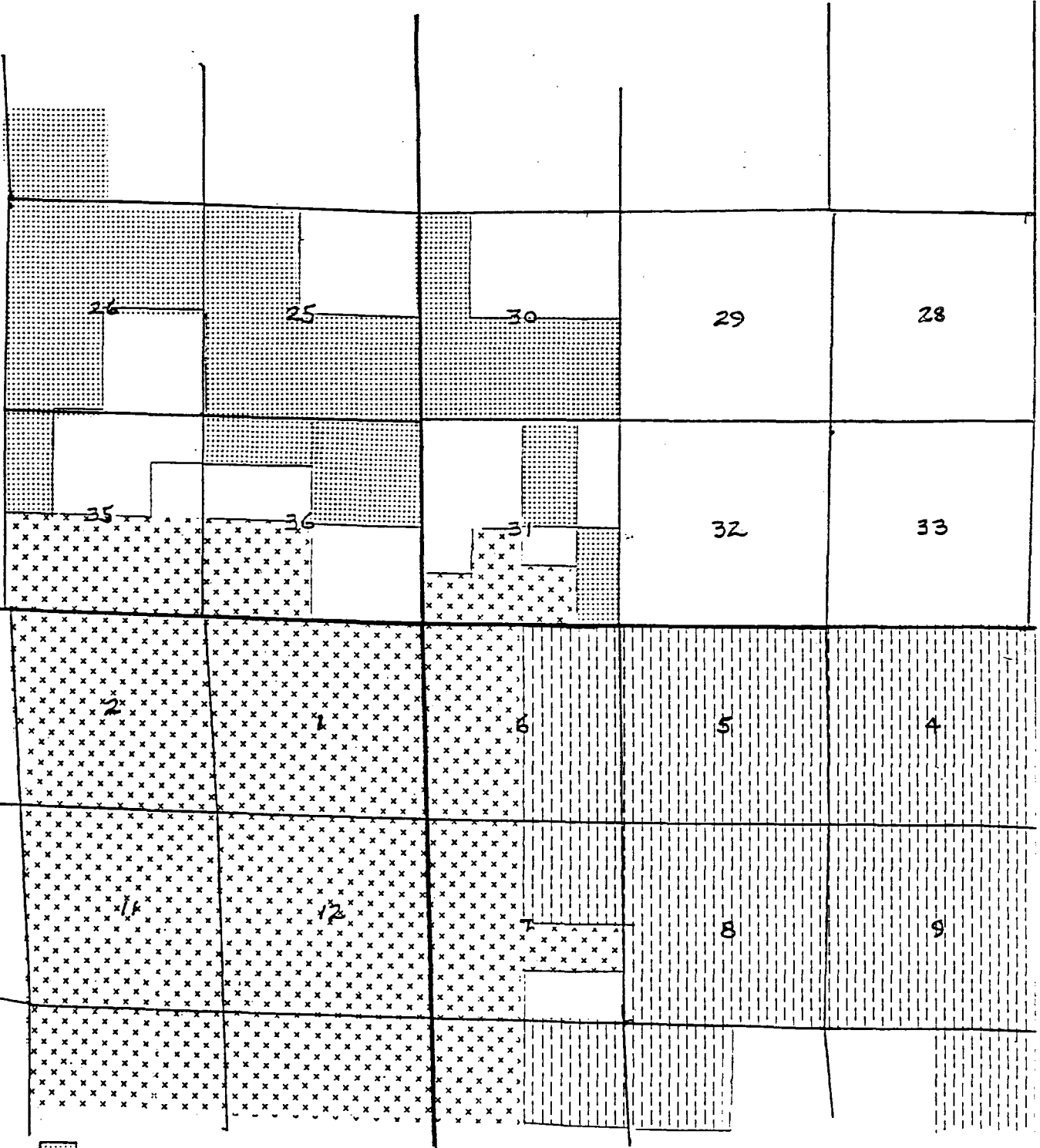
CASE NO. 9791




R-1W

RCW

T24N

T23N



-  ESCRITO GALLUP ASSOCIATED POOL
-  LYBROOK-GALLUP POOL
-  COUNSELOR GALLUP-DAKOTA POOL

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

BANNON EXHIBIT NO. 3

FIG. 2


To accompany pool boundary
changes proposed by Bannon
Energy Incorporated dated 8-9-89


CASE NO. 9791
D-744

R6W



 ESCRITO GALLUP ASSOCIATED POOL

 LYBROCK-GALLUP POOL

 COUNSELOR GALLUP-DAKOTA POOL

PROPOSED POOL BOUNDARIES

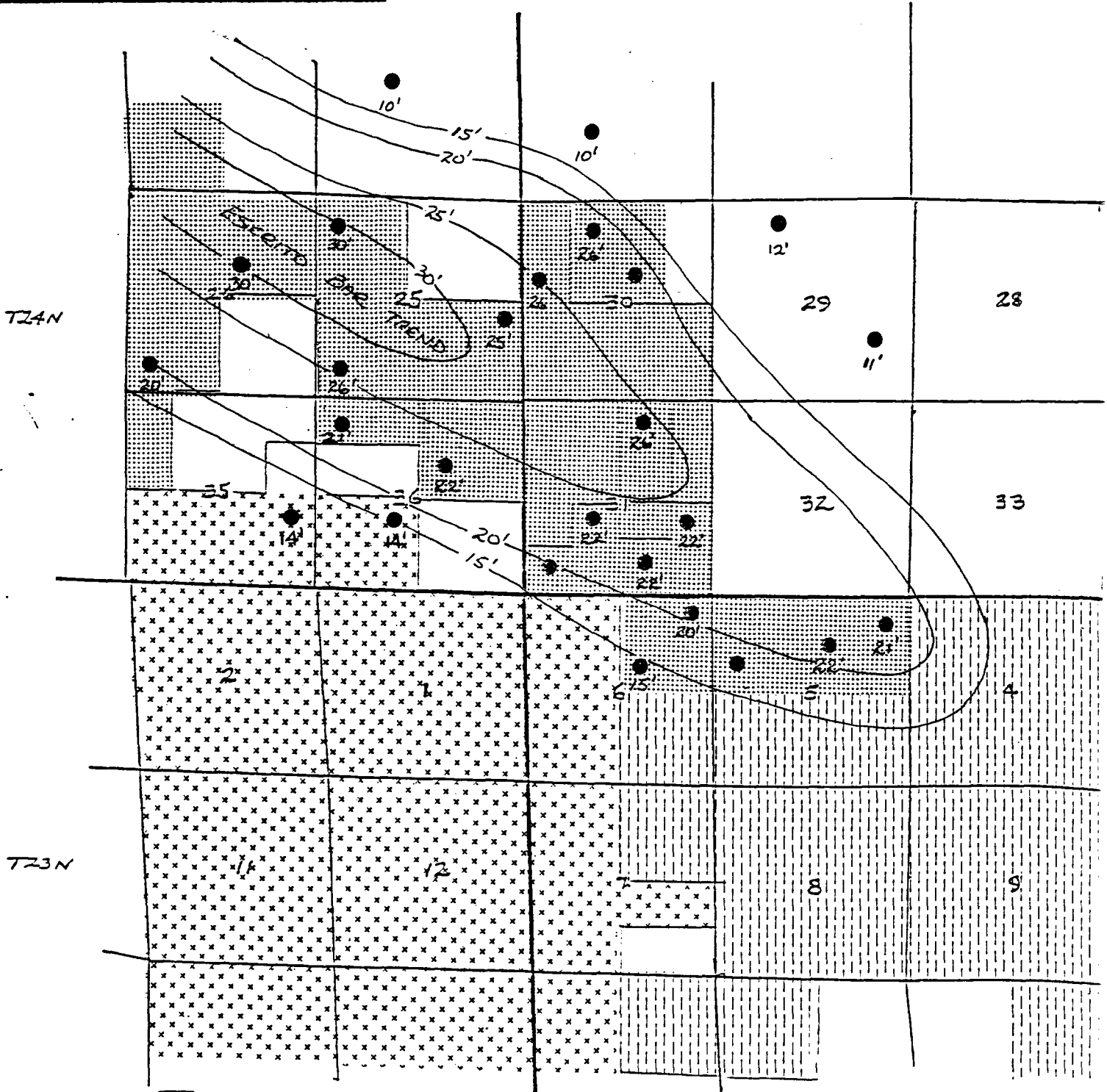
BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

EXHIBIT 4

To accompany pool boundary
 changes proposed by Bannon
 Energy Incorporated dated 8-9-89

BANNON EXHIBIT NO. 4
 CASE NO. 9791 R-TW

26W



ESCRITO GALLUP ASSOCIATED POOL

LYBROOK-GALLUP POOL

COUNSELOR GALLUP-DAKOTA POOL

PROPOSED POOL BOUNDARIES

CONTOURS OF NET PAY-Gallup M-1 ZONE
 Prepared by Mark E. Weidler, AIPG No. 2488

EXHIBIT 5

To accompany poo; boundary changes
proposed by Bannon Energy Incorporated
dated 8-9-89

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

BANNON

EXHIBIT NO. 5

CASE NO. 9791

Schlumberger		COMPANY BANNON ENERGY CORP.			
WELL MESA 3-25R #3R					
FIELD ESCRITO GALLUP					
COUNTY RIO ARRIBA		STATE		NEW MEXICO	
LOCATION 960'FSL, 1160'FWL		Other Services:			
API SERIAL NO.		SECT. 25	TWP. 24N	RANGE 7W	DIT FDC CNT SGT
Permanent Datum GL		Elev. 6909.0 F		Elev.: K.B.6923.0 F	
Log Measured From KB		14.0 F		above Perm. Datum D.F.6922.0 F	
Drilling Measured From KB				G.L.6909.0 F	
Date 24-APR-1989					
Run No. 1					
Depth Driller 5755.0 F					
Depth Logger (Sohl) 5756.0 F					
Btm. Log Interval 5722.0 F					
Top Log Interval 2000.0 F					
Casing-Driller 8 5/8		275.0 F		0	0
Casing-Logger 278.0 F					
Bit Size 7 7/8					
Type Fluid in Hole GEL CHEM					
Dens.	Visc.	9.40 LB/G		90.0 S	
pH	Fid. Loss	9.5		4.0 C3	
Source of Sample MUDTANK					
Rm @ Meas. Temp.	3.750 OHMM		0	66.0 DEGF	0
Rmf @ Meas. Temp.	3.190 OHMM		0	66.0 DEGF	0
Rmo @ Meas. Temp.	5.630 OHMM		0	66.0 DEGF	0
Source: Rmf	Rmo	MEAS		CALC	
Rm @ BHT	1.875 OHMM		0	138. DEGF	0
Circulation Ended	03:00 24 APRIL				
Logger on Bottom	SEE LOG				
Max. Rec. Temp.		139. DEGF			
Equip.	Location	8181		FARMINGTON	
Recorded By		J GRAVES			
Witnessed By		JEFF HOLCOMB			

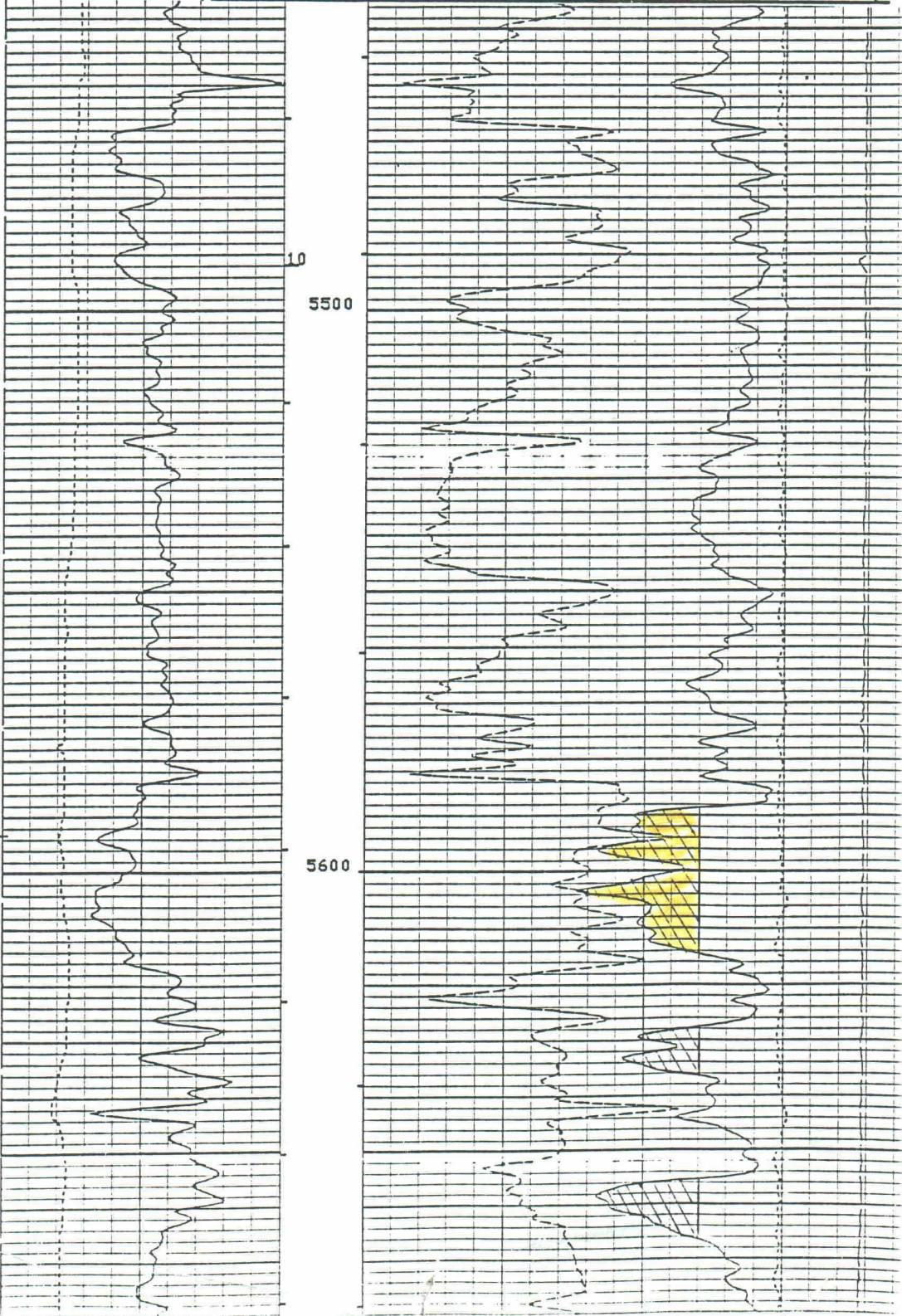
TOP LOWER GALLUP

Skelly Zone

Marye 1 Zone

Marye 2 Zone

Marye 3 Zone



Final Print
Schlumberger

FORMATION DENSITY - GR

COMPANY JACK A. COLE

WELL MARCUS #A-12

FIELD LYBROOK GALLUP

COUNTY RIO ARriba STATE NEW MEXICO

880 F.M. & 2270 F.E.L.

APR SERIAL NO. 5

RECT. 23N

TWP. 8W

RANGE 6W

Permanent Datum 5.8

Elev. 8847.0 F

Elev. 8847.0 F

Log Measured From 5.8

14.0 F above Perm. Datum

D.F. 6.1

Drilling Measured From 5.8

Date 30 NOV-87

Run No. ONE

Depth Driller 6770.0 F

Depth Logger (6444) 6770.0 F

Bin. Log Interval 6770.0 F

Top Log Interval 4800.0 F

Casing Driller 234.0 F

Casing Logger 234.0 F

Bit Size 7 7/8 IN

Type Fluid in Hole CMC OIL

Visc. 9.30 LB/100

PH. Loss 10.0

Flowline FLOWLINE

Rm @ Meas. Temp. 8420 Chubb @ 64.0 DEG

Rmf @ Meas. Temp. 4870 Chubb @ 64.0 DEG

Rms @ Meas. Temp. 6030 Chubb @ 64.0 DEG

Source: Rm1 Rms MEASURED CALCULATED

Rm @ BHT 2304 Chubb @ 143 DEG

Chron. Sec. 11-30 @ 1430

Logger on Bottom 11-30 @ 1700

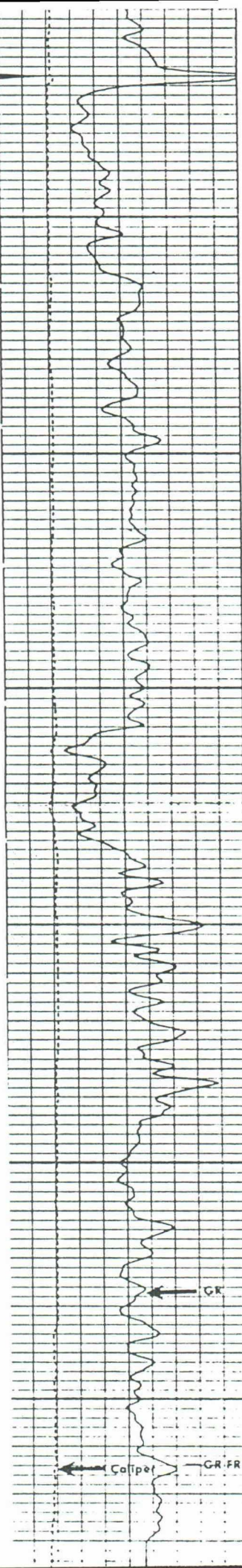
Max. Rec. Temp. 143 DEG

Equip. Location 8208 FARMINGTON

Recorded By BITTON

Witnessed By COLE & BLANCETT

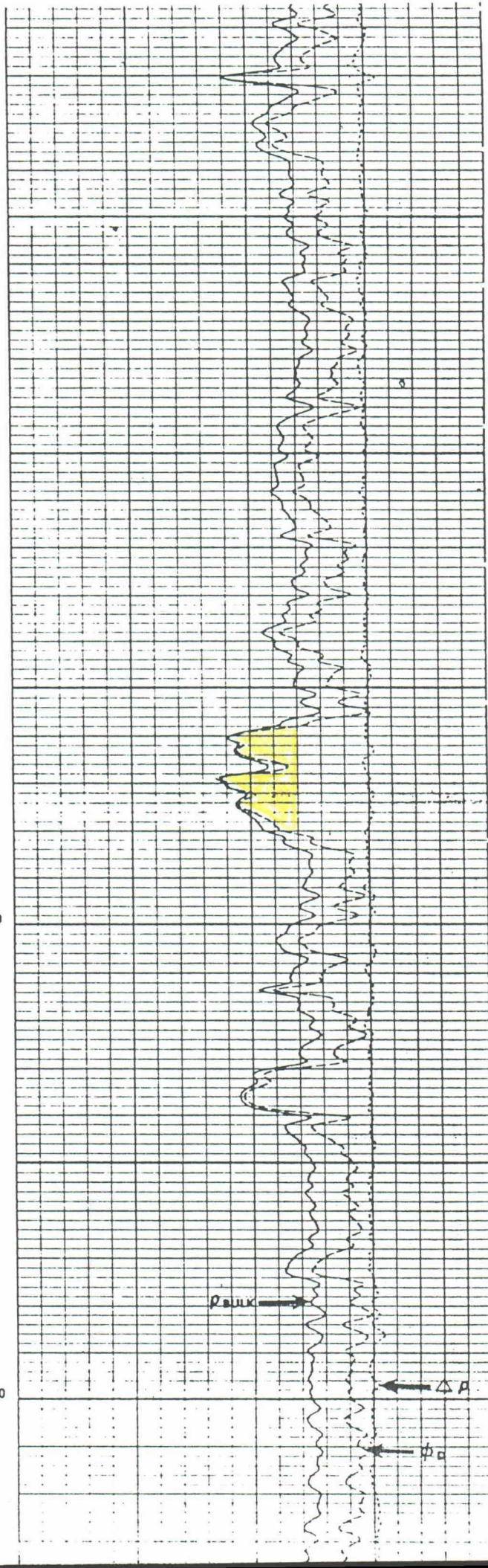
MARVE 1



5500

5600

5700



BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240

Houston, Texas 77068

(713) 537-9000

FAX (713) 537-8624

August 9, 1989

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

BANNON EXHIBIT NO. 6

CASE NO. 9791

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
Oil Conservation Division
Energy, Minerals and Natural Resources Department
P. O. Box 2088
Santa Fe NM 87504

Re: Contraction of Counselors Gallup-Dakota Pool and Lybrook-Gallup Pool, Extension of Escrito Gallup Associated Pool.

Dear Mr. Stogner:

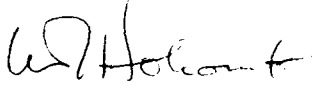
Further to our letter dated May 16, 1989, and your reply dated May 26, 1989, and our recent telecon with Mark Weidler, we wish to proceed along the following lines.

- 1) Since our prior correspondence, Jack A. Cole has drilled the Rincon No. 11 well in NE/4 SE/4 Sec. 31, T24N, R6W thereby extending the Escrito Gallup Associated Pool to a common boundary in the Counselor Gallup-Dakota Pool as shown on the attached Figure 1.
- 2) Bannon Energy Incorporated requests deletion from:
 - (a) Lybrook-Gallup Pool of SW/4 SE/4, E/2 SW/4, and SW/4 SW/4 Sec. 31, T24N, R6W, Rio Arriba Co., New Mexico.
 - (b) Counselor Gallup-Dakota Pool of NE/4 Sec. 6 and N/2 Sec. 5, T23N, R6W, Rio Arriba Co., New Mexico.
- 3) Bannon Energy Incorporated requests extension of the Escrito Gallup Associated Pool to include:
 - (a) All Sec. 31, T24N, R6W, Rio Arriba Co., New Mexico.
 - (b) NE/4 Sec. 6 and N/2 Sec. 5, T23N, R6W, Rio Arriba Co., New Mexico.

- 4) The proposed deletions and extensions would result in pool boundaries as shown on Figure 2.

You have advised that this may be considered at a forthcoming nomenclature meeting. Your assistance will be appreciated.

Very truly yours,



W. J. Holcomb
Agent for Bannon Energy Inc.

cc: OCD - Aztec
Merrion Oil & Gas, Farmington NM
NCRA, Denver CO
Mark E. Weidler, Farmington NM
BCO, Inc., Santa Fe NM
Dugan Oil and Gas, Farmington NM
T. H. McElvain, Santa Fe NM

BEFORE THE
OIL CONSERVATION DIVISION

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
Bannon	EXHIBIT NO. 7
CASE NO. 9791	

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF BANNON ENERGY INCORPORATED FOR
EXTENSION AND CONTRACTION OF CERTAIN
POOLS IN RIO ARriba COUNTY, NEW MEXICO.

CASE NO. 9791


AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

PATRICIA A. MATTHEWS, attorney in fact and authorized representative of
Bannon Energy Incorporated, the Applicant herein, being first duly sworn, upon oath,
states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation
Division have been complied with, that Applicant has caused to be conducted a good faith
diligent effort to find the correct addresses of all interested persons entitled to receive
notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice
has been given at the correct addresses provided by such rule.


PATRICIA A. MATTHEWS

SUBSCRIBED AND SWORN to before me this 14th day of November, 1989.


Notary Public

My Commission Expires:

August 19, 1991

EXHIBIT A

Merrion Oil & Gas Corp.
610 Reilly Avenue
Post Office Box 840
Farmington, New Mexico 87401
Attn: Greg Merrion, Sr.

NCRA
1775 Sherman Street
Suite 3000
Denver, Colorado 80203
Attn: Mickey O'Hare

BCO Inc.
135 Grant
Santa Fe, New Mexico 87501
Attn: Jim Bennett

Mark E. Wiedler
Post Office Box 3028
Farmington, New Mexico 87499

Dugan Production Corp.
Post Office Box 5820
Farmington, New Mexico 87499

T. H. McElvain Oil & Gas Properties
Post Office Box 2148
Santa Fe, New Mexico 87504

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
JOHN H. BEMIS
WILLIAM P. SLATTERY
MARTE D. LIGHTSTONE
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-8043

October 24, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Merrion Oil & Gas Corp.
610 Reilly Avenue
Post Office Box 840
Farmington, New Mexico 87401

Attn: Greg Merrion, Sr.

Re: Application of Bannon Energy Incorporated for Extension and Contraction
of Certain Pools in Rio Arriba County, New Mexico

Dear Mr. Merrion:

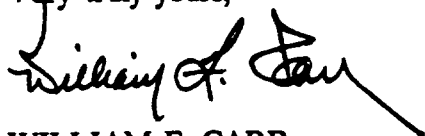
This letter is to advise you that Bannon Energy Incorporated has filed an application with the New Mexico Oil Conservation Division seeking the following extension and contraction of certain pools in Rio Arriba County, New Mexico:

1. Deletion from the Lybrook-Gallup Pool of the NE/4 SW/4, S/2 SW/4 and SW/4 SE/4 of Section 31, Township 24 North, Range 6 West.
2. Deletion from the Counselors Gallup-Dakota Oil Pool of the NE/4 of Section 6 and the N/2 of Section 5, both in Township 23 North, Range 6 West.
3. Extension of the Escrito-Gallup Associated Pool to include the E/2 NE/4, NW/4, and S/2 of Section 31, Township 24 North, Range 6 West, and the NE/4 of Section 6 and the N/2 of Section 5, both in Township 23 North, Range 6 West.

Merrion Oil & Gas Corp.
Attn: Greg Merrion, Sr.
October 24, 1989
Page Two

This application was originally set for hearing on October 18, 1989 and was continued to the hearing scheduled for November 15, 1989. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", with a long, sweeping horizontal stroke extending to the right.

WILLIAM F. CARR
ATTORNEY FOR BANNON ENERGY INCORPORATED

WFC:mlh

cc: W.J. Holcomb

P-106 679 185

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Attn: Greg Merrion, Sr. Merrion Oil & Gas Corp.	
Street and No. 610 Reilly Avenue	
P.O. State and ZIP Code Farmington, NM 87401	
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date October 24, 1985	

PS Form 3800, June 1985

<p>PS Form 3811, Mar. 1985 • U.S.A.P.O. 1985-212-985</p> <p>DOMESTIC RETURN RECEIPT</p>	
<p>1. Fee not paid</p> <p>Merrion Oil & Gas Corp. 610 Reilly Avenue Farmington, New Mexico 87401</p> <p>Attn: Greg Merrion, Sr.</p>	
<p>2. Signature - Addressee</p> <p>X</p>	
<p>3. Signature - Agent</p> <p>X <i>Greg E. Merrion</i></p>	
<p>4. Date of Delivery</p>	
<p>5. Article Number</p> <p>P 106 679 185</p>	
<p>6. Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>	
<p>7. Always obtain signature of addressee or agent and DATE DELIVERED.</p> <p>8. Addressee's Address (ONLY if requested and fee paid)</p>	
<p>Fee not paid</p>	

3 and 4. Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivering the mail and the date of delivery. For additional fees the following services are available. Contact postmaster for rates and check boxes for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge)

2. ☐ Restricted Delivery (Extra charge)

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
JOHN H. BEMIS
WILLIAM P. SLATTERY
MARTE D. LIGHTSTONE
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 24, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NCRA
1775 Sherman Street
Suite 3000
Denver, Colorado 80203

Attn: Mickey O'Hare

Re: Application of Bannan Energy Incorporated for Extension and Contraction
of Certain Pools in Rio Arriba County, New Mexico

Dear Mr. O'Hare:

This letter is to advise you that Bannan Energy Incorporated has filed an application with the New Mexico Oil Conservation Division seeking the following extension and contraction of certain pools in Rio Arriba County, New Mexico:

1. Deletion from the Lybrook-Gallup Pool of the NE/4 SW/4, S/2 SW/4 and SW/4 SE/4 of Section 31, Township 24 North, Range 6 West.
2. Deletion from the Counselors Gallup-Dakota Oil Pool of the NE/4 of Section 6 and the N/2 of Section 5, both in Township 23 North, Range 6 West.
3. Extension of the Escrito-Gallup Associated Pool to include the E/2 NE/4, NW/4, and S/2 of Section 31, Township 24 North, Range 6 West, and the NE/4 of Section 6 and the N/2 of Section 5, both in Township 23 North, Range 6 West.

NCRA

Attn: Mickey O'Hare

October 24, 1989

Page Two

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Very truly yours,

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WILLIAM F. CARR

ATTORNEY FOR BANNON ENERGY INCORPORATED

WFC:mlh

cc: W.J. Holcomb

P-106 679 186

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to Attn: Mickey O'Hare NCRA	
Street and No 1775 Sherman St., Suite 3000	
P.O. State and ZIP Code Denver, Colorado 80203	
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date October 24, 1989	

PS Form 3800, June 1985

PS Form 3811, Mar. 1985 • U.S. DP.O. 1985-212-868 DOMESTIC RETURN RECEIPT

<p>1. Article Addressed to:</p> <p>NCRA 1775 Sherman Street, Suite 3000 Denver, Colorado 80203</p> <p>Attn: Mickey O'Hare</p>		<p>4. Article Number</p> <p>P 106 679 186</p>	
<p>2. Signature - Address</p> <p>X</p>		<p>Type of Service:</p> <p><input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>	
<p>3. Signature - Agent</p> <p>X E. J. Anderson</p>		<p>5. Addressee's Address (ONLY if requested and fee paid)</p>	
<p>7. Date of Delivery</p> <p>10-26-85</p>		<p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>	

Instructions: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt is not valid unless you have the name of the person delivering it and the date of delivery. For additional information on the services and fees available, consult postmaster for rates and check booklet for additional services requested. 2. Restricted Delivery (Name change)

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
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TELEPHONE: (505) 966-4421
TELECOPIER: (505) 963-6043

October 24, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

BCO Inc.
135 Grant
Santa Fe, New Mexico 87501

Attn: Jim Bennett

Re: Application of Bannon Energy Incorporated for Extension and Contraction
of Certain Pools in Rio Arriba County, New Mexico

Dear Mr. Bennett:

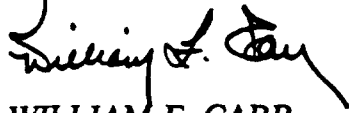
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BCO Inc.
Attn: Jim Bennett
October 24, 1989
Page Two

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Very truly yours,

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WILLIAM F. CARR
ATTORNEY FOR BANNON ENERGY INCORPORATED
WFC:mlh
cc: W.J. Holcomb

P-106 679 187

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to BCO Inc. Attn: Jim Bennett	
Street and No 135 Grant	
P.O. State and ZIP Code Santa Fe, New Mexico 87501	
Postage	\$.25
Certified Fee	\$.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	\$.90
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TOTAL Postage and Fees	\$ 2.00
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PS Form 3800, June 1985

PS Form 3811, May 1985 • U.S.G.P.O. 1985-212-966 DOMESTIC RETURN RECEIPT

<p>1. Article Addressed to:</p> <p>BCO Inc. 135 Grant Santa Fe, New Mexico 87501 Attn: Jim Bennett</p>		<p>4. Article Number</p> <p>P 106 679 187</p>	
<p>2. Signature - Addressee</p> <p>X</p>		<p>Type of Service:</p> <p><input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>	
<p>3. Signature - Agent</p> <p>X <i>Jim Bennett</i></p>		<p>8. Addressee's Address (ONLY if requested and fee paid)</p> <p>Same as 3</p>	
<p>7. Date of Delivery</p> <p>10/26</p>			

PS Form 3811, May 1985 • U.S.G.P.O. 1985-212-966 DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 24, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mark E. Wiedler
Post Office Box 3028
Farmington, New Mexico 87499

Re: Application of Bannan Energy Incorporated for Extension and Contraction
of Certain Pools in Rio Arriba County, New Mexico

Dear Mr. Wiedler:

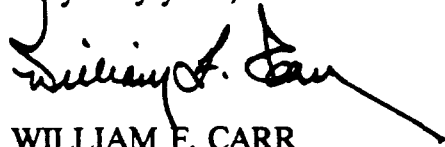
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Mark E. Wiedler
October 24, 1989
Page Two

This application was originally set for hearing on October 18, 1989 and was continued to the hearing scheduled for November 15, 1989. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", with a long horizontal flourish extending to the right.

WILLIAM F. CARR
ATTORNEY FOR BANNON ENERGY INCORPORATED
WFC:mlh
cc: W.J. Holcomb

P-106 679 188

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	
Mark E. Wiedler	
Street and No.	
Post Office Box 3028	
P.O. State and ZIP Code	
Farmington, NM 87499	
Postage	\$.25
Certified Fee	1.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date	
October 24, 1989	

PS Form 3800, June 1985

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-866 DOMESTIC RETURN RECEIPT

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Name change)

3. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Name change)

4. Article Number

P 106 679 188

5. Type of Service:

☒ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☐ Return Receipt for Merchandise

6. Addressee's Address (ONLY if requested and fee paid)

7. Date of Delivery

10-28-89

Fee not paid

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
JOHN H. BEMIS
WILLIAM P. SLATTERY
MARTE D. LIGHTSTONE
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 24, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dugan Production Corp.
Post Office Box 5820
Farmington, New Mexico 87499

Re: Application of Bannon Energy Incorporated for Extension and Contraction
of Certain Pools in Rio Arriba County, New Mexico

Gentlemen:

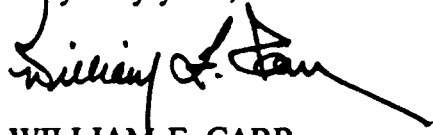
This letter is to advise you that Bannon Energy Incorporated has filed an application with the New Mexico Oil Conservation Division seeking the following extension and contraction of certain pools in Rio Arriba County, New Mexico:

1. Deletion from the Lybrook-Gallup Pool of the NE/4 SW/4, S/2 SW/4 and SW/4 SE/4 of Section 31, Township 24 North, Range 6 West.
2. Deletion from the Counselors Gallup-Dakota Oil Pool of the NE/4 of Section 6 and the N/2 of Section 5, both in Township 23 North, Range 6 West.
3. Extension of the Escrito-Gallup Associated Pool to include the E/2 NE/4, NW/4, and S/2 of Section 31, Township 24 North, Range 6 West, and the NE/4 of Section 6 and the N/2 of Section 5, both in Township 23 North, Range 6 West.

Dugan Production Corp.
October 24, 1989
Page Two

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Very truly yours,

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WILLIAM F. CARR
ATTORNEY FOR BANNON ENERGY INCORPORATED
WFC:mlh
cc: W.J. Holcomb

P-106 679 189

RECEIPT FOR CERTIFIED MAIL

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NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to Dugan Production Corp.	
Street and No. Post Office Box 5820	
P.O. State and ZIP Code Farmington, NM 87499	
Postage	\$.25
Certified Fee	\$.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	\$.90
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date October 24, 1989	

PS Form 3800, June 1985

<p>1. Addressee's name and address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this mail from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for details and check boxes for additional services requested.</p> <p>2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p> <p>3. <input type="checkbox"/> Show to whom received, date, and addressee's address.</p>		<p>4. Article Number P 106 679 189</p>	
<p>5. Signature - Addressee X <i>[Signature]</i></p> <p>6. Signature - Agent X <i>[Signature]</i></p>		<p>7. Date of Delivery 10-25-89</p>	
<p>8. <i>[Signature]</i> Post Office Box 5820 Farmington, New Mexico 87499</p>		<p>9. Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Express Mail</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>	

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 24, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

T. H. McElvain Oil & Gas Properties
Post Office Box 2148
Santa Fe, New Mexico 87504

Re: Application of Bannon Energy Incorporated for Extension and Contraction
of Certain Pools in Rio Arriba County, New Mexico

Gentlemen:

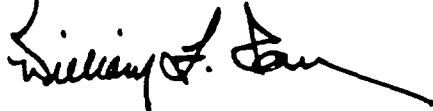
This letter is to advise you that Bannon Energy Incorporated has filed an application with the New Mexico Oil Conservation Division seeking the following extension and contraction of certain pools in Rio Arriba County, New Mexico:

1. Deletion from the Lybrook-Gallup Pool of the NE/4 SW/4, S/2 SW/4 and SW/4 SE/4 of Section 31, Township 24 North, Range 6 West.
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T.H. McElvain Oil & Gas Properties
October 24, 1989
Page Two

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Very truly yours,

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WILLIAM F. CARR
ATTORNEY FOR BANNON ENERGY INCORPORATED
WFC:mlh
cc: W.J. Holcomb

P-106 679 190

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent To: T. H. McElvain Oil & Gas Properties	
Street and No. Post Office Box 2148	
P.O. State and ZIP Code Santa Fe, New Mexico 87504	
Postage	\$.25
Certified Fee	\$.85
Special Delivery Fee	
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Return Receipt showing to whom and Date Delivered	\$.90
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Postmark or Date October 24, 1989	

PS Form 3800, June 1985

PS Form 3811, Mar. 1985 * U.S.G.P.O. 1985-212-865 DOMESTIC RETURN RECEIPT

<p>1. Article Addressed to: T.H. McElvain Oil & Gas Properties Post Office Box 2148 Santa Fe, New Mexico 87504</p>		<p>4. Article Number P 106 679 190</p>	
<p>2. Signature - Addressee <i>T.H. McElvain</i></p>		<p>Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. </p>	
<p>3. Signature - Agent <i>[Signature]</i></p>		<p>5. Addressee's Address (ONLY if requested and fee paid)</p>	
<p>6. Date of Delivery October 25, 1989</p>		<p>7. Show to whom delivered, date, and addressee's address. (Extra charge)</p>	