May 14, 1973



Emery C. Arnold
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Dear Mr. Arnold,

We have been contacted a number of times by the former principals in, what we now consider to be a plot to extort double the amount of our original investment under threat of losing our original investment.

In brief, Edward Taylor Franks and Juanita Franks got money out of us- Mr. & Mrs. Bernard Dangler, Mr. & Mrs. John Sigmon and Mr. & Mrs. Dudley Nickson, on the pretext that they were selling us shares in a well about 2/3 completed.

We were under the impression that the Franks were selling us a portion of THEIR INTEREST in the well rather than a percent of another investors share. Since then 1. a substantial amount of pipe and or equipment paid for by us (the investors) has been removed from the well site and sold with no re-imbursement to us. 2. Negotiations have been entered into to re-sell our drilled well for a water well with no re-imbursement to us. 3. Negotiations have apparently been started to RE-DRILL on that well location allotment by a Mr. Ray or Roy Frank either under his name or in conjunction with Juanita FRANKS who has divorced Taylor Franks and married Ray FRANK. They are practicing the old "freeze out" game which we consider nothing short of embezzlement and larceny by conversion.

Now that the well has been drilled they plan to exploit it for their pocketbook, ignore ours, re-drill and retain all the proceeds.

We have retained an attorney, well versed in well drilling, and intend to block any attempt to re-drill that allotment unless we are credited with our investment. An example might be to divide our equity by one half as interest in the new well and the old, equally. When the Franks and the Franks' square with us financially we will be more than co-operative with them.

If you are placed in a position of feeling you must permit these people to continue what we consider to be bilking of investors by authorizing them to continue drilling, please advise us in order that we may petition the court to issue a stop order. I don't think the commission would look very good to allow these people to continue without a full accounting. If this were revealed to their other investors you might find they are also being bilked, as we feel we are being done.

Respectfully yours,

Bernard Dangler

Bernard J. Dangler
743 Rood Ave.
Grand Junction, Colorado

April 8, 197

Mr. J. A. Sigmon
1635 Juniper Court
Grand Junction, Colorado

Dear Sir:

In reply to your letter of March 28, I'm enclosing a log and information for you own evaluation. To relate a brief history of the well I will just say after Sanders Drilling Co. failed to drill the well as agreed even though he got all his money, I went in and changed the rig from a cable tool to rotary combination and drilled the well. Sanders left a hole too small to get a core with the equipment I had after the well was drilled I hired an engineer with a good professional rating to protect us and when he fraced the zone with water it ruined it. I liked the upper zone at 2550 there. The Engineer, Mr. Red Walsh of Farmington, said this area was wet. This is where I believe we all lost momentarily, however, I still have faith in the area.

was on no crooked work
at all, but I was frankly disappointed -
the way Mr. Walsh decided on trying to p
the wet zone with a water frac. Since I
relied on his twenty-five years experienc
in the San Juan basin, I did not qui
know what to think untill I talked
with other engineers who stated the 255
zone was the better perspective. I decided
then to try and redrill the area agai
Enclosed is a letter from Colonel Benson
who agreed to ~~make~~ take my deal that o
participants receive their original equi
even though there wasn't enough left for
to have any. Mr. Sigmon, I lost all
work plus $9000. hanging on my own head
I went to bed fine official times in 670

I believe you should appreciate Juanita
trying to go ahead and drill with all the
original Investors protected. I'm broke, but
tired. Mr. Greathouse who owns the lease far
at Regina N. Mexico can give you information.

OIL, GAS AND MINERAL EXPLORATION
200 PETROLEUM PLAZA BUILDING
FARMINGTON, NEW MEXICO 87401

CONSULTING PETROLEUM
GEOLOGIST

REPLY TO: P.O.BOX 1

August 12, 1971

Mr. Taylor Franks
Mineral Exploration
Box 131
Cuba, New Mexico

RE: Mineral Exploration
No. 1-H Greathouse
Sec. 10, T23N, R1W,
Rio Arriba County,
New Mexico.

Dear Mr. Franks:

This invoice covers professional services, mileage, and expenses on the above captioned well.

| | | |
|---|---|---|
| 1. | Seven days @ $125.00/day | $875.00 |
| 2. | Expenses | 32.75 |
| 3. | Mileage - 437 miles @ 12¢/mile | 52.44 |
| | | $960.19 |
| | State Tax | 38.41 |
| | | $998.60 |

W. D. Stricklin

W. D. STRICKLIN
Certified Professional Geologist

September 14, 1971

Mrs. E. T. Franks
P. O. Box 56
Brigusdale, Colorado 80311

RE: Mineral Exploration Company
#1 Greathouse, Section 10,
Township 23 North, Range 1
West, McKinley County, New
Mexico.

Dear Mrs. Franks:

Pursuant to Mr. Franks instructions, I am forwarding my recommendations on the above capticned well.

There is no question that after a good clean up, this well will produce economic quantities of hydrocarbon. There is no way to be absolutely sure how good a well it will make until it has been cleaned up and tested, but it looks as good as any well in the area. The structural position is excellent and the well should have a long productive life. Depletion and water encroachment of the structurally lower wells in the area, will only drive hydrocarbon to this well and increase its productivity.

Sincerely,

W. D. STRICKLIN
Certified Professional Geologist

WDS/ns

OIL, GAS AND MINERAL EXPLORATION
200 PETROLEUM PLAZA BUILDING
FARMINGTON, NEW MEXICO 87401

CONSULTING PETROLEUM
GEOLOGIST

REPLY TO: P.O. BOX 1543

September 23, 1971

Mr. E.T. Franks
P.O. Box 131
Cuba, New Mexico

Re: Mineral Exploration Co.
No. 1-H Greathouse.

Dear Mr. Franks:

I ran a water resistivity on the fluid you have been swabbing from the above captioned well. The Rw is 5.32 ohms at 65° F. This value translates to approximately 1,000 ppm NaCl, and isn't as fresh as I thought it would be. You are probably swabbing a small amount of formation water, which would increase the salinity and decrease the Rw.

At this point I can only reiteriate what I told you on Wednesday------ that is to keep swabbing untill you have recovered all of the frac water. Further, I do not believe you have a communication problem, from either up or down the hole.

If I can be of further help, do not hesitate to call.

Sincerely

W. D. Stricklin

W.D. Stricklin
Certified Professional Geologist

WDS/lom

FARMINGTON, NEW MEXICO 87401

Certified Professional
Geologist

Repl
P. O. B

October 5, 1971

Mr. E. T. Franks
P.O. Box 131
Cuba, New Mexico

RE: Mineral Exploration Co.
No. 1-H Greathouse.

Dear Mr. Franks:

I ran water resistivities on both the dark and clear water samples you brought to me on the evening of Oct. 1, 1971.

The dark colored water ran almost identical to the water I ran on Sept. 23, 1971. The Rw is 5.02 ohms @ 65°F. This value translates to approximately 1200 ppm NaCl, or 200 ppm higher than the first sample.

The clear water sample was very fresh. The Rw is 13.8 and contains approximately 200 PPM NaCl.

To date this well has not fallen within predictiable geologic and engineering parameters. All data indicates a dry well at approximately 2850' on the electrical survey.

You have been swabbing for 17 days and have apparently recovered all of the frac water. Therefore, the water you are now recovering is formation fluid, and has to be coming from somewhere other than the perforated zone. Since the bond log indicates a good cement job, the water isn't coming from either up or down the hole. The only conclusion I can reach (with all available data) is that the frac reached a water unit not indicated on the electrical survey. If this is the case, then the well will not be commercial and your costly operations should be suspended immediately.

Sincerely,

W. D. STRICKLIN
Certified Professional Geologist

WDS/hs

October 26, 1972

Mr. Edward T. Franks
PO Box 33
Regina, New Mexico

Dear Edward:

We are working on the proposed oil lease drilling program, and I hope that everything will be resolved so that I might be able to be in Regina either this weekend or the first part of next week to consummate the leases. At that time I will discuss with you in detail the finalization of this program and hope that everything will meet with your approval.

Very truly yours,

Virgil H. Benson

Virgil H. Benson

VHB:rnp