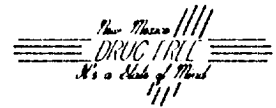




STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



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: Illegal Pits in Northwestern New Mexico
S. Blanco State 32A #1, O-32-24N-07W

To Whom It May Concern:

New Mexico Oil Conservation Order R-8952 (for the protection of migratory birds) became effective June 15, 1989 and states that all pits and open top tanks more than 16' in diameter shall be screened, netted or covered. Field inspections reveal that the above mentioned pits require compliance.

Exceptions to the order may be requested for pits which do not generally contain hydrocarbons, by filing Form C-134. No requests for exceptions have been received in this office for these pits.

You are hereby directed to submit exceptions to this office by December 1, 1992.
A C-134 has been enclosed for your convenience.

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

Sincerely,

Dianna K. Fairhurst

Dianna K. Fairhurst
Deputy Oil & Gas Inspector

xc: Well File
DKF File
Don Ellsworth - BLM Farmington