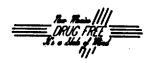
STATE OF NEW MEXICO



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

MEGA 26 #3K NI-25, 24NI-16NA

July 19, 1993

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

RE:

Illegal Pits in Northwestern New Mexico

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 <u>all pits</u> and open top tanks more than 16' in diameter shall be screened, netted or covered. Field inspections conducted by Jackie Neckels from the BLM revealed that several Bannon pits listed on the attached paper 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 dry pits. Also noted on the attached list are several unnetted pits which contained fluid and/or hydrocarbons.

You are hereby directed to submit exceptions for all dry pits to this office by August 19, 1993 and remove all fluid and properly net the remaining pits by September 3, 1993. If you have any questions please feel free to call me at 505-334-6178.

Sincerely,

Diama K. Vauhuust

Dianna K. Fairhurst Deputy Oil & Gas Inspector

xc:

Well File C-134 File

Jackie Neckels - BLM