

SAND TANK "32" ST. COM #1

Parties To Be Force Pooled

S/2 - 320 Acre Spacing

OXY USA INC.
Fair Oil, Ltd:

Trustees of Fair Foundation
Trustees of Fair Relatives Trust
Trustees of Fair Grandchildren's Trust
Trustees of Fair Key Employees Trust
Trustees of Fair Employees Trust
Trustees of Kinfolks Trust

* Ballard E. Spencer Trust, Inc.

* Heirs of Frieda C. Heflin, a widow:

Tom E. Bryan

Betty Jo Bryan Bradshaw

Regents of the University of New Mexico, Carl A. Hatch Professorship of Law & Public Administration Fund

Carla Leet - Assaf, separate property

Frederika A. Leet, separate property

* Jeannie H. Collins (now Hutchinson), separate property

* Glen F. Leet, Jr., separate property

Frank Hatch, separate property

* Heirs of J. R. Cole and wife, Audrey S. Cole, Deceased

* Heir of Albert S. (Sidney) Johnson and wife, Claire Johnson, both deceased:

Thelma Richards

Texas Commerce Bank, successor to The State National Bank of El Paso, Texas, Trustee
for Lee Moor Children's Home created under Trust Indenture dated December 28, 1949

TOTAL

12.5000000 %
6.2500000 %
1.8750000 %
1.8750000 %
1.5625000 %
.9375000 %
6.2500000 %
1.5625000 %

.7812500 %
.7812500 %
.4413590 %
.1709220 %
.0398570 %
.6315240 %
.2616810 %
.5555290 %
1.0416670 %
.5208330 %

.5208330 %

38.5592050 %

SW/4 - 160 Acres Spacing

Fair Oil Ltd:

Trustees of Fair Foundation
Trustees of Fair Relatives Trust
Trustees of Fair Grandchildren's Trust
Trustees of Fair Key Employees Trust
Trustees of Fair Employees Trust
Trustees of Kinfolks Trust

Regents of the University of New Mexico, Carl A. Hatch Professorship of Law & Public Administration Fund

Carla Leet - Assaf, separate property

6.2500000 %
1.8750000 %
1.8750000 %
1.5625000 %
.9375000 %
12.5000000 %
.2942390 %
.1139480 %

SW/4 - 160 Acres Spacing Continued:

Frederika A. Leet, separate property	.0265710 %
* Jeannie H. Collins (now Hutchinson), separate property	.4210160 %
* Glen F. Leet, Jr., separate property	.1744540 %
Frank Hatch, separate property	.3703525 %
* Heirs of J. R. Cole and wife, Audrey S. Cole, Deceased	.6944445 %
* Heir of Albert S. (Sidney) Johnson and wife, Claire Johnson, both deceased: Thelma Richards	.3472220 %
Texas Commerce Bank, successor to The State National Bank of El Paso, Texas, Trustee for Lee Moor Children's Home created under Trust Indenture dated December 28, 1949	.3472220 %
* Ballard E. Spencer Trust, Inc. Heirs of Frieda C. Heflin:	3.1250000 %
* Tom E. Bryan	1.5625000 %
* Betty Jo Bryan Bradshaw	1.5625000 %
TOTAL	34.0394695 %

S/2 SW/4 - 80 Acre Spacing

* Ballard E. Spencer Trust, Inc. Heirs of Frieda C. Heflin:	6.2500000 %
* Tom E. Bryan	3.1250000 %
* Betty Jo Bryan Bradshaw	3.1250000 %
TOTAL	12.5000000 %

* Parties who have not committed to voluntary agreement. Totals of **5.580705%** on 320 acre spacing;
7.8871365% on 160 acre spacing; **12.5%** on 80 acre spacing.

[Balance of parties have indicated they will enter into agreement however agreements have not been executed. Once executed these parties will be dismissed.]

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11578 Exhibit No. 2

Submitted by: Enron Oil & Gas Company

Hearing Date: July 25, 1996

ENR
Oil & Gas

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11578 Exhibit No. 3

P. O. Box 2267 Midland, Tex.

Submitted by: Enron Oil & Gas Company

July 22,

Hearing Date: July 25, 1996

OXY USA INC.
P. O. Box 50250
Midland, Texas 79710

Attention: Mr. T. Kent Woolley

Re: Requested changes to OXY's Farmout
Agreement dated May 15, 1996,
S/2 of Section 32, T-17-S, R-30-E,
Eddy County, New Mexico
Sand Tank "32" State Com #1
OXY No. 6-3012389/3012389
EOG's Sand Tank Prospect
K0012169

Dear Mr. Woolley:

Please be advised that Enron Oil & Gas Company is willing to accept OXY's form of agreement, with the requested following changes:

1. **Page 2 - 2. (d) and Page 3 - 5. (c)** - correct the "thirty percent (30%)" to "twenty-five (25%)" to reflect the agreed to back-in.
2. **Page 4 - 7. and Exhibit B - 3.** - add the words "or lands pooled or communitized therewith." to the end of the paragraphs.
3. **Page 5 -**
 12. (b) - delete the words "name OXY as an additional insured under items (3) and (4) above and further agrees"
 12. (c) - delete the words "additional insured".

Add the following language as 12. (e):

"In the event Enron Oil & Gas Company assigns its interest in this Agreement and Assignment earned pursuant hereto, such assignment shall not be valid until Enron Oil & Gas Company's assignee provides a Certificate of Insurance satisfactory to OXY certifying the above coverage and naming OXY as additional insured with a waiver of subrogation."

4. **Page 6 - 15. (a)** - in the third line after the word "desired", add "by not less than thirty (30) days advance written notice,"
5. **Exhibit "C" - 3.** - change "2000 ft." to "4000 ft."

Page Two
Mr. T. Kent Woolley
July 22, 1996

6. **Exhibit "D"** - delete in its entirety and replace with the attached Operating Agreement dated June 20, 1996 being utilized by the joining parties in the drilling of the referenced well.

If the above changes are acceptable, it is requested that same be made and substitution pages be sent Enron to insert in the two originals.

Should you have any questions, please feel free to call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jr
u:\lan3temp\woolley.doc

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 28, 1996

CERTIFIED MAIL - RETURN RECEIPT

OXY U.S.A. Inc.
P. O. Box 50250
Midland, Texas 79710

Attn: T. Kent Woolley

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mr. Woolley:

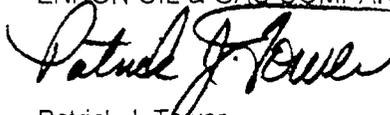
Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

Official Business

Penalty for Private Use to Avoid Payment of Postage and Fees



Print your name, address and ZIP code here

Sanitank 32
of Com #1

ENRON OIL & GAS COMPANY
Attn: Mr. Patrick J. Tower
P. O. Box 2267
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

also wish to receive the following services (for an additional fee)

- 1 Addressee's Address
- 2 Restricted Delivery
Consult postmaster for fee.

3 Article Addressed to:

OXY U.S.A. Inc.
Attn: T. Kent Woolley
P. O. Box 50250
Midland, TX 79710

4a Article Number

P 329 296 393

4b Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7 Date Delivered by

APR 20 1995

5 Signature (Addressee)

6 Signature (Agent)

8 Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$5.00
Postmark or Date	5-20-95

Sanitank 32
of Com #1

OXY U.S.A. Inc.
Attn: T. Kent Woolley
P. O. Box 50250
Midland, TX 79710

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

P. 329 296. 393

ENRON

Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 20, 1996

Mr. J. Mark Strawn
FAIR OIL, LTD.
P. O. Box 687
Tyler, Texas 75710

Re: Farmout Agreement
N/2 SE/4, N/2 SW/4, Section 32,
Township 17 South, Range 30 East,
Eddy County, New Mexico
Sand Tank "32" State Com. No. 1 Well
Sand Tank Prospect
K0012160

Dear Mr. Strawn:

In accordance with recent telephone conversations, enclosed are two originals of the subject Farmout Agreement dated June 20, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

I have not been able to research Fair's interest in the tract offsetting Enron's Cedar lake well to my satisfaction and will address this when I return to the office on June 27th. In the mean time you are welcome to hold the Farmout pending its review. A quick glance would indicate Enron ended up on a 320 acre basis with 4% in the Anadarko well as a result and 25% of the deep rights below 11,478'.

Also as discussed, the following Fair entities show up with the title that we are crediting Fair Oil, Ltd. in this Farmout. If you could provide the curative placing this into Fair Oil, Ltd. we would appreciate it. These entities are:

Page 2
Mr. J. Mark Strawn
Fair Oil, Ltd.
June 21, 1996

Trustees of Fair Foundation
Trustees of Fair Relatives Trust
Trustees of Fair Grandchildren's Trust
Trustees of Fair Key Employees Trust
Trustees of Fair Employees Trust
Trustees of Kinfolks Trusts

Should you have any questions regarding this transaction, please give me a call at (915) 683-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/pcl

Enclosures
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ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 20, 1996

Mr. J. Mark Strawn
FAIR OIL, LTD.
P. O. Box 687
Tyler, Texas 75710

Re: Farmout Agreement
N/2 SE/4, N/2 SW/4, Section 32,
Township 17 South, Range 30 East,
Eddy County, New Mexico
Sand Tank "32" State Com. No. 1 Well
Sand Tank Prospect
K0012160

Dear Mr. Strawn:

In accordance with recent telephone conversations, enclosed are two originals of the subject Farmout Agreement dated June 20, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

I have not been able to research Fair's interest in the tract offsetting Enron's Cedar lake well to my satisfaction and will address this when I return to the office on June 27th. In the mean time you are welcome to hold the Farmout pending its review. A quick glance would indicate Enron ended up on a 320 acre basis with 4% in the Anadarko well as a result and 25% of the deep rights below 11,478'.

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Fair Oil, Ltd.
June 21, 1996

Trustees of Fair Foundation
Trustees of Fair Relatives Trust
Trustees of Fair Grandchildren's Trust
Trustees of Fair Key Employees Trust
Trustees of Fair Employees Trust
Trustees of Kinfolks Trusts

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

A handwritten signature in black ink that reads "Patrick J. Tower". The signature is written in a cursive style with a large, prominent initial "P".

Patrick J. Tower
Project Landman

PJT/pcl

Enclosures

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ENRON

Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 1, 1996

CERTIFIED MAIL - RETURN RECEIPT

Fair Oil Company
P. O. Box 389
Tyler, Texas 75710

Attention: J. Mark Strawn

RE: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Gentlemen:

Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/ms
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISAMF

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ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

July 16, 1996

Betty Jo Bryan Bradshaw
Tom Bryan
c/o Jack McCall
Box 127
Artesia, New Mexico 88211-0127

Re: Sand Tank #32 ST. Com No. 1

Dear Jack:

Following our conversation enclosed please find excerpts from Hinkle, Cox's title opinion showing the Frieda C. Heflin's interest. Also, following our conversation and the original farmin offer, please be advised that Enron would accept an escalation in the ORRI after payout (APO) in lieu of the 25% back-in based on delivering Enron a 70% NRI APO. This would give the Heflin heirs a 10% gross override APO, all subject to proportionate reduction to their leasehold and proration unit interest.

Please advise if this alternative is acceptable.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/r

u:\antemp\mccall.doc

FAX

ENRON Oil & Gas Company

P. O. BOX 2267
4000 N. BIG SPRING ST., SUITE 500
MIDLAND, TEXAS 79705
(915) 686-3600

DATE: 7/10/96

NO. PAGES: 3

Betty Jo Bryan Bradshaw

(INCLUDING COVER PAGE)

TO: C/O Dr. Martin Bradshaw

COMPANY: _____

TELE NO: _____

FROM: Patrick J. Tower

FAX NO: 505 - 277 - 1439

TELE NO: 915 - 686 - 3758

FAX NO: 915 - 686 - 3773

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,
PLEASE CALL NUMBER LISTED ABOVE.

URGENT CONFIDENTIAL REPLY REQUESTED

MESSAGE: Following the conversation with Mr. Jim McMichael, here is a copy of Enron's well

proposal and AFE. According to our records you own a 6.25% WI (5% NRI) in

the SE/4 SW/4 of Section 32 below 3,225 feet. As the well will encompass 320 acre

spacing your interest in the well is 0.78125% WI (0.625% NRI).

It is our understanding that you will forward a copy of this proposal to your brother, Tom

Bryan in Arlington, VA., If you would prefer that Enron send him a proposal, please let us

know where to send it.

Your earliest election is most appreciated. Most parties have all made their elections.

As we have been trying to locate your interest we did not get a proposal to you earlier.

A Force Pooling has been filed for July 25, 1996 to cover the small interests we have

been unable to locate.

Should you have any questions, please feel free to call me at (915) 686-3758.

Hard copies will be mailed.

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600
July 10, 1996

VIA FAX

Betty Jo Eryan Bradshaw
c/o Dr. Martin Bradshaw
University of New Mexico
41 Paseo De San Antonio Road
Placitas, New Mexico 87043-8734

*7/10/96
Went to see McGee
to discuss those people
Suggested excluding Roy
vs Cookin. To send him
to see if he will talk to
about.*

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mrs. Bradshaw:

Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

Patrick J. Tower
Patrick J. Tower
Project Landman

PJT:jr
Enclosures

cc: R. L. Mikulec
R. L. Adams
G. L. Thomas
R. L. Ingle
W. D. Smeltzer
T. J. Adair
L. G. Hale

u:\landtemp\bryan.doc

ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600
June 20, 1996

Regents of the University of New Mexico
Carl A. Hatch Professorship of Law and Public Administration Fund
% School of Law Development Office
1117 Stanford N.E.
Albuquerque, New Mexico 87131-1431

Attention: Ms. Jan Hosea

Re: Farmout Agreement N/2 SE/4, N/2 SW/4,
S/2 NW/4, Section 32, Township 17 South,
Range 30 East, Eddy County, New Mexico
Sand Tank "32" State Com. No. 1 Well
Sand Tank Prospect
K0012144

Gentlemen:

Enclosed are two originals of the subject Farmout Agreement dated May 31, 1996, with the revisions requested by Mr. Gratton on pages 2 and 3. Copies of these pages with notations showing the changes for quick reference are enclosed separately. If these changes meet with your approval, please execute these Farmout Agreements and return one fully executed copy to the undersigned as soon as possible. We thank you for your help in this matter and we will furnish you a copy of the fully executed Farmout Agreement as soon as it is available.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/pcl

Enclosures

xc: Patrick J. F. Gratton w/attachment
2403 Thomas Avenue ;
Dallas, Texas 75201-2037

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ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600
June 10, 1996

Regents of the University of New Mexico
Carl A. Hatch Professorship of Law and Public Administration Fund
% School of Law Development Office
1117 Stanford N.E.
Albuquerque, New Mexico 87131-1431

Attention: Ms. Jan Hosea

Re: Farmout Agreement N/2 SE/4, N/2 SW/4,
S/2 NW/4, Section 32, Township 17 South,
Range 30 East, Eddy County, New Mexico
Sand Tank "32" State Com. No. 1 Well
Sand Tank Prospect
K0012144

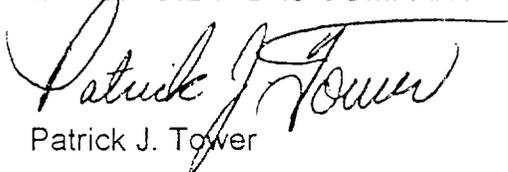
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Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY


Patrick J. Tower

Project Landman
PJT/pcl

Enclosures

xc: Patrick J. F. Gratton w/attachment
2403 Thomas Avenue
Dallas, Texas 75201-2037

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FAX

ENRON Oil & Gas Company

P. O. BOX 2267
4000 N. BIG SPRING ST., SUITE 500
MIDLAND, TEXAS 79705
(915) 686-3600

DATE:	5/3/96	NO. PAGES:	4
TO:	Jan Hosea	COMPANY:	
		TELE NO:	
		FAX NO:	505 - 277 - 1597
FROM:	Patrick J. Tower	TELE NO:	915 - 686 - 3758
		FAX NO:	915 - 686 - 3773

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,
PLEASE CALL NUMBER LISTED ABOVE.

URGENT CONFIDENTIAL REPLY REQUESTED

MESSAGE:

Pursuant to your conversation with
Jim McMichael, attached is copy of
Bill Proposal for the Sand Tank "32"
State Com No. 11 Bill.

ENRON

Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Regents of the University of New Mexico,
Carl A. Hatch Professorship of Law and
Public Administration Fund
251 Scholes Hall
University NE
Albuquerque, New Mexico 87131

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

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Sincerely,

ENRON OIL & GAS COMPANY



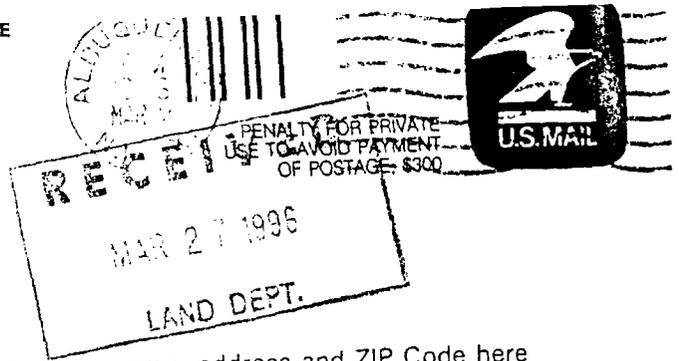
Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters pj\regents.doc

Official Business



Print your name, address and ZIP Code here

Sanct Tank "32"
St. Com No. 1

ENRON OIL & GAS COMPANY
Attn: Mr. Patrick J. Tower
P. O. Box 2267
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Regents of the University of New Mexico
Carl A. Hatch Professorship of Law
251 Scholes Hall
University NE
Albuquerque, NM 87131

4a. Article Number
P 229 296 279

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
[Signature]

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

24 296 279

U.S. Postal Service
Receipt for Certified Mail
The Insurance Coverage Provided

Regents of the University of New Mexico
Carl A. Hatch Professorship of Law
251 Scholes Hall
University NE
Albuquerque, NM 87131

Postage	\$
Certified Fee	
Special Delivery Fee	
Insulated Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark of Date	

Thank you for using Return Receipt Service

ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 11, 1996

Ms. Carla Leet
4409 Cynthia
Bellaire, Texas 77401

Re: Farmout Agreement
N/2 SE/4, N/2 SW/4, S/2 NW/4, Section 32,
Township 17 South, Range 30 East,
Eddy County, New Mexico
Sand Tank "32" State Com. No. 1 Well
Sand Tank Prospect
K0012143

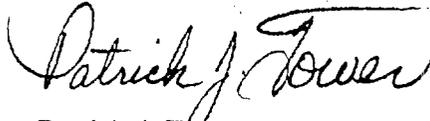
Dear Ms. Leet:

In accordance with our recent communications, enclosed are two originals of the subject Farmout Agreement dated May 31, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/pcl

Enclosures

m:\winword\letters\pjt\leet.doc

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 31, 1996

Ms. Carla Leet-Assaf
4409 Cynthia
Bellaire, Texas 77401

Re: Farmout Agreement
N/2 SE/4, N/2 SW/4, S/2 NW/4, Section 32,
Township 17 South, Range 30 East,
Eddy County, New Mexico
Sand Tank "32" State Com. No. 1 Well
Sand Tank Prospect
K0012143

Dear Ms Leet-Assaf:

In accordance with our recent communications, enclosed are two originals of the subject Farmout Agreement dated May 31, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/pcl

Enclosures

m:\winword\letters\pjt\leet-asf.doc

FAX

ENRON

Oil & Gas Company

P. O. BOX 2267
4000 N. BIG SPRING ST., SUITE 500
MIDLAND, TEXAS 79705
(915) 686-3600

DATE: 5/24/96

NO. PAGES: 2
(INCLUDING COVER PAGE)

FROM: PATRICK TOWER

TELE NO: 915-686-3758

FAX NO: 915-686-3773

TO: CARLA LEET-ASSAF

COMPANY: _____

TELE NO: _____

FAX NO: (713)668-1033

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,
PLEASE CALL NUMBER LISTED ABOVE.

URGENT CONFIDENTIAL REPLY REQUESTED

MESSAGE:

PLEASE CALL Jim McMichael
@ (915) 689-8057 CONCERNING
ENRON'S SAND TANK "32" ST. Com #1
WELL. I believe you may have
called him but ASKED for MR.
McDOOGAL AND his wife thought
you had the WRONG party.

I Xeroxed
his business
card attached

THANK YOU

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 7, 1996

CERTIFIED MAIL - RETURN RECEIPT

Carla Leet-Assaf
4409 Cynthia
Bellaire, Texas 77401

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Ms. Leet-Assaf:

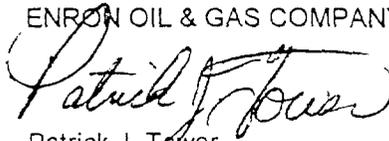
Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

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Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pjt\assaf.doc

Official Business



RECEIVED

MAY 14 1996

Print name and address and ZIP Code here

Sand Tank #32
St Com No 1

ENRON OIL & GAS COMPANY
ATTN: PATRICK J. TOWER
P. O. BOX 2267
MIDLAND, TEXAS 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for a fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Carla Leet-Assaf
4409 Cynthia
Bellaire, TX 77401

4a. Article Number

P 329-305 537

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

5-11-96

8. Addressee's Address (Only if requested and fee is paid)

Signature (Addressee)
Signature (Agent)

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service

PS Form 3800, April 1995

Postmark or Date	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
Postmark or Date	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$

Sand Tank #32
St. Com #1
will be prepared

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

P 329-305 537

34

UNITED STATES POSTAL SERVICE

MIDLAND/DDESEA TX 797 05/10/96

Official Business

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE \$300

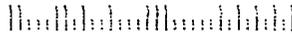


RECEIVED
MAY 13 1996
LAND DEPT.

Print your name, address and ZIP Code here

Serial Tank "32"
St Com #1

ENRON OIL & GAS COMPA NY
Attn: Mr. Patrick J. Tower
P. O. Box 2267
Midland, Texas 79702



Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Carla Leet - Assaf
6146 Camer St.
Houston, TX 77074

4a. Article Number

P 237 021 127

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

MAY 10 1996

8. Signature (Addressee)

[Signature]

Signature (Agent)

[Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991

U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

PS Form 3800, June 1991

Postage	
Insurance	
Registration	
Return Receipt	
Signature	
Postage	
Insurance	
Registration	
Return Receipt	
Signature	

Receipt for Certified Mail
Do not use for International Mail (see Reverse)

P 237 021 127

25



ENRON Oil & Gas Company

P. O. Box 2267
Midland, Texas 79702

CERTIFIED

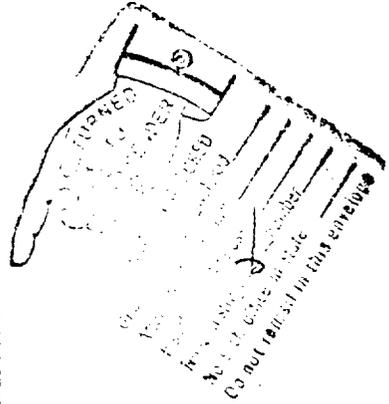
P 237 021 127

MAIL



119.395
U.S. POSTAGE
\$2.50

CARLA LEET-ASSAF
6146 Camer St.
Houston, TX 77074



*Mailed letter slip (per SM)
new letter to Carla Leet-
Assaf, Houston, TX 77074*

3811PS Form 3811, December 1991
of additional postage is not required

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address #1
2. Restricted Delivery #1

Consult postmaster for fee.

3. Article Addressed to:

Cailla Leet-Assaf
3224 Timmons Lane, No. 168
Houston, TX 77027

4a. Article Number
329 296 383

4b. Service Type
 Registered
 Certified
 Express Mail
 Insured
 COD
 Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 *U.S. GPO: 1989-352-714 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

ENRON Oil & Gas Company

P. O. Box 2267
Midland, Texas 79702

CERTIFIED

P 329 296 383

MAIL

MIDLAND ADDRESS TX 797 03/20/96 20:41

Carla Leet-Assal

Carla Leet-Assal
3224 Timmons Lane, No. 168
Houston, TX 77027



RETURNABLE AS ADDRESSED—
AWARNING ORDER ON FILE

RETURNABLE AS ADDRESSED—
NO FORWARDING ALLOWED

*returned 3/27/96
mailed again 3/1/96*

ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Carla Leet-Assaf
3224 Timmons Lane, No. 168
Houston, TX 77027

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Ms. Leet-Assaf:

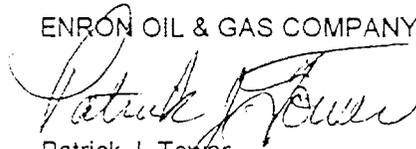
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In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

ur:letters\pjt\assaf.doc

P 329 296 383

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Carla Leet-Assaf
3224 Timmons Lane, No. 168
Houston, TX 77027

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 20
Postmark or Date	3- 14 96 Sand Jank "32" St Com #1

ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 20, 1996

Frederika A. Leet
113 Walnut Tree Hill Road
Sandy Hook, Connecticut 06482

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Ms. Leet:

Following your discussions with Jim McMichael enclosed please find two (2) copies of an Assignment for your execution. Please sign, have notarized, and return one (1) original in the enclosed stamped envelope.

Should you have any questions feel free to call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jr

Enclosures

u:\a ndtemp\leet.doc

ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Frederica A. Leet
2 Briar Oak Drive
Weston, CT 06883

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Ms. Leet:

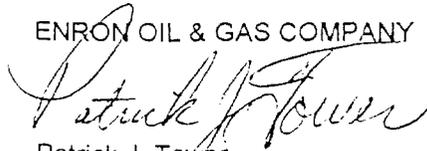
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In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

J: letters\p\Leet.doc

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 18, 1996

Mr. and Mrs. Carl Hutchinson
42 Wood Creek Drive
Wimberley, Texas 78676-3342

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mr. and Mrs. Hutchinson:

Following our conversation, enclosed please find a plat depicting in red the planned spacing unit for Enron's well. Mrs. Hutchinson's ownership falls in the acreage colored in yellow. The ownership is as follows:

		<u>W.I.</u>	<u>N. R. I.</u>
Tract 1:	N/2 SE/4 (80 acres)	1.684064%	1.347252%
Tract 2:	N/2 SW/4 (80 acres)	0.842032%	0.673626%
Tract 3:	S/2 NW/4 (80 acres)	0.842032%	0.673626%

Noting that Tract 1 and 2 above are in the spacing unit for the planned well with each contributing 25% of the spacing unit (80 acres + 320 acres), your interests are reduced to the 25% they represent as follows:

Tract 1:	1.684064% X .25 = 0.421016%	1.347252% X 25% = 0.336813%	
Tract 2:	0.842032% X .25 = <u>0.210508%</u>	0.673626% X 25% = <u>0.168407%</u>	
Total in Well	W.I. <u>0.631524%</u>	N.R.I. <u>0.505220%</u>	

Thus, if you joined this well your share of costs based on Enron's estimated well costs would be:

0.631524%	W.I.	X	\$518,100	=	\$3,271.93	Dry Hole Exposure
0.631524%	W.I.	X	\$871,600	=	\$5,504.36	Completed Well

Should you farmcut delivering a 75% NRI with the option to convert at payout your interests would be as follows:

A. Before 100% Payout of Well:

.505220% N.R.I. / .631524% W.I. = 80% Avg. N.R.I.
-75% To Enron
Retain 5% ORRI

5% O.R.R.I. X .631524% W.I. = .0315762% Net ORRI

B. After 100% Payout of Well: (If elect to convert ORRI)

.631524% WI X 25% = .157881% W.I.
@ 80% N.R.I. = .1263048% N.R.I.

Under this farmout option you will not bear any of the risk dollars of a dry hole but will own an overriding royalty share of production should the well prove successful. If it reaches payout you could come back in with a working interest should you choose.

Under the Farmout Enron is including your acreage in the S/2 NW/4, however Enron will be required to drill a second well in the N/2 within 180 days after the referenced well or the S/2 NW/4 acreage will no longer be committed.

As these are such small interests, Enron would also present you a third option of you granting an assignment of your interest with you retaining the 5% gross ORRI. Under this scenario you will have no risk dollars of a dry hole and will retain a share of production from the well if successful (5% ORRI X your .631524% WI = .0315762% Net ORRI). This would avoid you having to keep track of all invoicing and paperwork associated with having a working interest through joining or after payout if you farmed out.

I have enclosed an assignment filed in the title records which depicts your family's various ownership as you requested.

As we would like to proceed with this project we would request that you advise of your decision as soon as possible. Please call me at (915) 686-3758 should you have questions.

Yours very truly,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:j
Enclosure

u:\landtemp\hutch.doc

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Jeannie H. Collins
3500 D Enfield
Austin, TX 78703

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Ms. Collins:

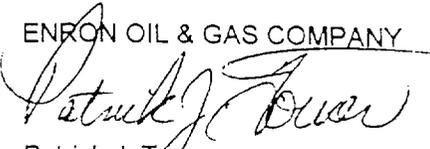
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Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY


Patrick J. Tower
Project Landman

PJT:jn
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pjt\collins.doc

- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Jeannie H. Collins
3500 D Enfield
Austin, TX 78703

5. Signature (Addressee)
Jeannie Collins

6. Signature (Agent)

4a. Article Number
P 329296386

4b. Service Type

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Return Receipt for Merchandise

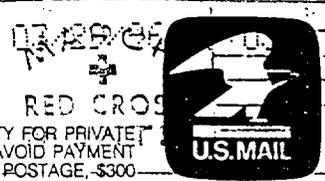
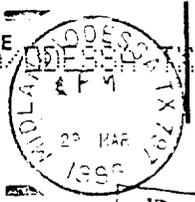
7. Date of Delivery
MAR 29 1995

8. Addressee's Address (Only if requested and fee is paid)

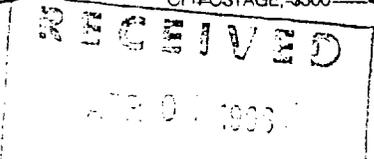
PS Form 3811, December 1991 U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

UNITED STATES POSTAL SERVICE

Official Business



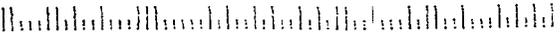
PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300



Print your name, address and ZIP Code here

*end tank 32
St Com #1*

ENRON OIL & GAS COMPANY
Attn: Mr. Patrick J. Tower
P. O. Box 2267
Midland, Texas 79702



PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$2.00
Postmark or Date	MAR 29 1995

*David Jankle 32
St Com #1*

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Jeannie H. Collins
3500 D Enfield
Austin, TX 78703

P 329 296 386

40

ENRON
Oil & Gas Company

P. O. Box 2267
Midland, Texas 79702

CERTIFIED

P 329 296 386

MAIL

Jeannie H. Collins
3500 D'Enfield
Austin, TX 78703

406

119 3952

RECEIVED BY MAIL SERVICE 02-20-88



Official Business

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300

RECEIVED

MAY 02 1996

Print your name, address and ZIP Code here

Send Tank
1132" ST Com #1

ENRON OIL & GAS COMPANY
Attn: Mr. Patrick J. Tower
P. O. Box 2267
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
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- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Jeannie H. Collins Hutchison
72 Woodcreek Dr.
Wimberly, TX 78676

4a. Article Number

P 237 021 125

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

7/29/96

5. Signature (Addressee)

Jeannie H. Hutchison

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1990-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

PS Form 3800, June 1991

To: Jeannie H. Hutchison 72 Woodcreek Dr. Wimberly, TX 78676	P 237 021 125
Amount of Postage: \$	Amount of Insurance: \$

Receipt for Certified Mail
 The Insurance Coverage Provided
 Do not use for International Mail
 Fees Invoiced

P 237 021 125

42

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600
June 18, 1996

CERTIFIED MAIL - RETURN RECEIPT

(P 329 355 530)

Glen F. Leet, Jr.
113 Walnut Tree Hill Road
Sandy Hook, Connecticut 06482

RE: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mr. Leet:

Attached please find Enron Oil & Gas Company's original well proposal for the Sand Tank "32" St. Com No. 1 well. We wish to apologize for the delay in forwarding said proposal to you. Our records apparently reflected a wrong address when mailed the first time. Again, please accept our apology and should you have any questions or comments, please do not hesitate to call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

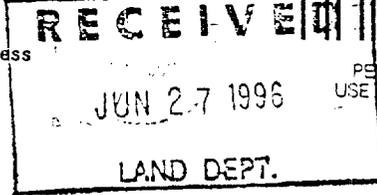


Patrick J. Tower
Project Landman

PJT/ms
enclosures

UNITED STATES POSTAL SERVICE

Official Business



PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300



Print your name, address and ZIP Code here

Sand Tank "32"
St Com #1

ENRON OIL & GAS COMPANY
ATTN: PATRICK J. TOWER
P. O. BOX 2267
MIDLAND, TEXAS 79702



Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Glen F. Leeth, Jr.
113 Walnut Tree Hill Rd.
Sandy Hook, CT 06482

4a. Article Number
P 329 305 530

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
6-22-96

5. Signature (Addressee)
Glen F. Leeth, Jr.

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 *U.S.GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

PS Form 3800, April 1995

Postmark or Date	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$

Sand Tank 32
St Com #1

Street & Number
Glen F. Leeth Jr

Post Office, State, & ZIP Code

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

P 329 305 530

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Glen F. Leet, Jr.
2 Briar Oak Drive
Weston, CT 06883

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mr. Leet:

Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY


Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pt\glenleet.doc

45

Official Business

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300



RECEIVED
APR 01 1996

Print your name, address and ZIP Code here

Sand tank
32 St. Court

ENRON OIL & GAS COMPANY
Attn: Mr. Patrick J. Tower
P. O. Box 2267
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Glen F. Leet, Jr.
2 Briar Oak Drive
Weston, CT 06883

4a. Article Number

P 329 296 387

b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

Date of Delivery

MAR 28 1996

5. Signature (Addressee)

Glen F. Leet, Jr.

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

P. 329 296 387

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Glen F. Leet, Jr.
2 Briar Oak Drive
Weston, CT 06883

PS Form 3800 April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$25
Postmark or Date	5-14-96 Dan's Bank 32 St Conn #1

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 22, 1996

Mr. Frank Hatch
9111 Splendo Way
Elk Grove, California 95758

Re: Farmout Agreement
N/2 SE/4, N/2 SW/4, S/2 NW/4, Section 32,
Township 17 South, Range 30 East,
Eddy County, New Mexico
Sand Tank "32" State Com No. 1 Well
Sand Tank Prospect
K0012132

Dear Mr. Hatch:

In accordance with our telephone conversations, enclosed are two originals of the subject Farmout Agreement dated May 22, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/pcl

Enclosures

u:\letters\p.t.frhatch.doc

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Frank Hatch
9111 Splenido Way
Elk Grove, CA 94758

Re: Sand Tank "32" St. Com No. 1 Well
360' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mr. Hatch:

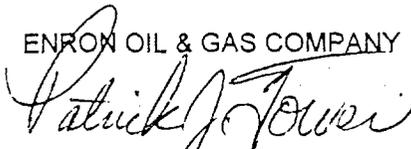
Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pjt\frkhatch.doc

Official Business

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE \$300



RECEIVED

APR 01 1996

Print your name, address and ZIP Code here

LAND DES
ENRON OIL & GAS COMPANY
Attn: Mr. Patrick J. Tower
P. O. Box 2267
Midland, Texas 79702

Sand Tank 32
St Com #1

SENDER:
 * Complete items 1 and/or 2 for additional service.
 * Complete items 3 and 4a & b.
 * Print your name and address on the reverse of this form and return it with your return to the card to you.
 * Attach this form to the front of the mailpiece or on a separate sheet if space does not permit.
 * Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

If also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fees.

3. Article Addressed to:
 Frank Hatch
 9111 Splendo Way
 Elk Grove, CA 95758

4a. Article Number
 7329296388

4b. Service type:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 3/26/96

5. Signature (Addressee)
Frank Hatch

6. Signature (Agent)
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991, U.S. GPO: 1991-533-714

DOMESTIC RETURN RECEIPT

PS Form 3800, April 1995

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.

Frank Hatch
 9111 Splendo Way
 Elk Grove, CA 95758

Certified Fee	9
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$9.00
Postmark or Date	3-26-96

Sand Tank 32
 St Com #1

J Bar Cane, Inc.
Oil & Gas Properties
Petroleum & Mineral Land Services

RECEIVED

JUN 4 1996

LAND DEPT.

16 Spring Court Sandia Park, New Mexico 87047 Telephone (505) 281-8186 FAX 281-8196

May 29, 1996

Enron Oil and Gas Company
P. C. Box 2267
Midland, TX 79702

Attn: Patrick J. Tower, CPL

**Re: Records Search
J. R. Cole and Audrey S. Cole
Probate
Santa Fe County, New Mexico**

Via Facsimile 915-686-3773

Dear Pat,

As per your request, we have run the general indices, county probate records, and the district court Probates records of Santa Fe County, New Mexico in search of a probate filec. for either J. R. Cole and or Audrey S. Cole. We found a few Warranty Deeds into and out of these parties that were 1958 - 1960 vintage, but found no other entries pertinent to same. If we can be of any further assistance to you regarding this matter, please advise.

Sincerely
J Bar Cane, Inc.



John Michael Richardson, CPL
JMR:ms

MEMO

To: Mr. Patrick J. Tower
Enron Oil & Gas Company
From: Jim R. McMichael
Date: July 15, 1996
Subject: Efforts made to Locate J.R. Cole and Albert Sydney Johnson their heirs or Assigns:

I in compliance with your instructions I did a take-off of the mineral and/or Leasehold interest in Section 32, T-17-S, R-30-E, Eddy County, New Mexico based On the County Records of Eddy County, New Mexico, and in addition to developing the Interest of the owners to develop the addresses as to where said parties could be Contacted. In addition to the Eddy County records I was furnished take-offs prepared By the Federal Abstract Company.

Two of the tracts involved, being the N/2SE/4 and the N/2SW/4 of said section 32. These two tracts were covered by State of New Mexico Lease No. B-4108, and by an Assignment dated April 1, 1940 J.R. Cole and Sidney Johnson (there is an affidavit of Record that Albert S, Albert Sidensy and Sidney Johnson are all and the same person) acquired a jointly owned 1/18th interest in the said lease insofar as it covered the N/2SE/4 of Sec. 32 no addresses for these parties appeared on the assignment and the Assignor is now Deceased. By an unrecorded Unit Agreement dated March 19, 1947 all the parties to the Above assignment agreed that the N/2SE/4 would be unitized with the N/2SW/4 of said sec. And that Mr Cole and Johnson would have an undivided joint interest of 1/36th in the N/2SW/4. A copy of this agreement was obtained from Mr. Doug Lunsford.

As to the interest of Albert Sidney Johnson: from a later assignment he made to Lee McCore of 1/2 of his interest he was acknowledged in Dallas County, Tx. A check of a current Dallas telephone directory did not show a listing for he or his wife Clara Gribbble Johnson. Due to the time since he acquired his interest a check was made of the Dallas County Probate Records and we were able to acquire copies of the probate proceedings for both he and his Wife. His wife pre-deceased him and left all to him if living if not to her father Robert Gribble. His will left everything to Thelma Richards no address shown. We attempted to locate the attorney who handled the probate; however he is not listed as an attorney in The Dallas directory nor does he have a personal listing. When then checked the Dallas Area for Robert Gribble, Mrs Johnson's father, and found a Robert Gribble Jr. He said that Mr. Johnson was his Uncle and that Thelma Richards was Mr. Johnson's nurse and he did *NOT* know where she was. He could not give me anyone to contact who might know.

As to the interest of J.R. Cole; By an assignment of the shall ^{ow} rights he and his wife Audrey S. Were acknowledged in Santa Fe County, New Mexico. A check of information and

Probate records of Santa Fe County did reveal any information. We were given some information that they might have lived in Albuquerque, NM. A check there both information and probate did not reveal anything.

I ran both names thru the Grantor^s-Grantee Indexes of Eddy County, New Mexico from the time they acquired their interest thru June 1996 without obtaining and new information.

ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600
June 11, 1996

Texas Commerce Bank Trustee
Lee Moor Children's Home
created U/T/I dated 12/28/49
Drawer 140
El Paso, Texas 79980

Re: Farmout Agreement N/2 SE/4, N/2 SW/4,
S/2 NW/4, Section 32, Township 17 South,
Range 30 East, Eddy County, New Mexico
Sand Tank "32" State Com. No. 1 Well
Sand Tank Prospect
K00121445

Gentlemen:

In accordance with our recent communications, enclosed are two originals of the subject Farmout Agreement dated June 6, 1996. We ask that you execute these Farmout Agreements as Trustee for the Lee Moor Children's Home created under Trust Indenture dated December 28, 1949, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower

Project Landman
PJT/pcl
Enclosures

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 7, 1996

Texas Commerce Bank - Trust Dept.
Attn: Terry Crenshaw
(Lee Moore Children's Home Trust)
Drawer 140
El Paso, Texas 79980

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Gentlemen:

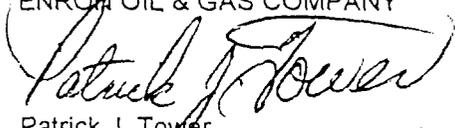
Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

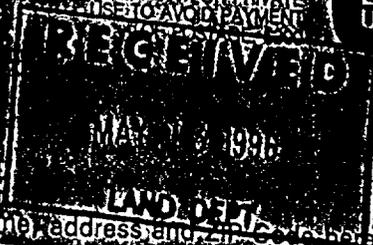
PJT: ms
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF
u:\letters\pjt bcommer.doc

Official Business

PENALTY FOR PRIVATE USE TO AVOID PAYMENT

U.S. MAIL



Print your name, address and zip code

Sand Tank 32
St. Com No. 1

ENRON OIL & GAS COMPANY
ATTN: PATRICK J. TOWER
P. O. BOX 2267
MIDLAND, TEXAS 79702

Is your RETURN ADDRESS completed on the reverse side?

DER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
Texas Commerce Bank - Trust Dept.
Attn: Terry Crenshaw
(re: Lee Moore Children's Home Trust)
Drawer 140
El Paso, TX 79980

5. Signature (Addressee)
[Signature]

6. Signature (Agent)

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery
Consult postmaster for fee.

4a. Article Number
P 329 305 536

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Signature of Addressee
[Signature]

8. Addressee's Address (Only if requested)



PS Form 3811, December 1991 U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service

PS Form 3800, April 1995

Postmark or Date	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date & Addressee's Address	
TOTAL Postage & Fees	\$

Sand Tank 32 St. Com No. 1
Well Support

P 329 305 536

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail. (See reverse)

Sent to: Terry Crenshaw
Attn: Lee Moore Children's Home Trust
Post Office, State, & ZIP Code

ENRON

Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 7, 1996

CERTIFIED MAIL - RETURN RECEIPT

Carl F. Hatch
101 S. Front #9
Rio Vista, California 94751

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mr. Hatch:

Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

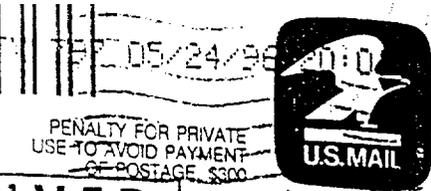


Patrick J. Tower
Project Landman

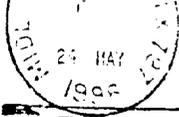
PJT:ms
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

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Official Business



PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE \$300

RECEIVED
MAY 28 1996

Print your name, address and ZIP Code here

*Sand Tank "32"
St Com No. 1*

ENRON OIL & GAS COMPANY
ATTN: PATRICK J. TOWER
P. O. BOX 2267
MIDLAND, TEXAS 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
*Carl Hatch
101 S. Front #9
Rio Vista, CA 94751*

4a. Article Number
P 329 296 070

4b. Service-Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
5-21-96

5. Signature (Addressee)
Carl Hatch

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

PS Form 3800, April 1995

U.S. Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Serial Number: *101 Hatch*

Post Office, State, & ZIP Code

Postage: \$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees: \$

Postmark or Date: *Sand Tank 32 St Com #1*

Well-Approved

P 329 296 070

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Estate of Lincoln Aston
Charles A. Aston, III,
Personal Representative
704 Parkview Dr.
P. O. Box 457
Round Rock, Texas 78681

Re: Sand Tank "32" St. Com No. 1 Well
660' FSL & 1980' FWL Section 32,
S/2 Section 32 Proration Unit
Township 17 South, Range 30 East
Eddy County, New Mexico
EOG's Sand Tank Prospect

Dear Mr. Aston:

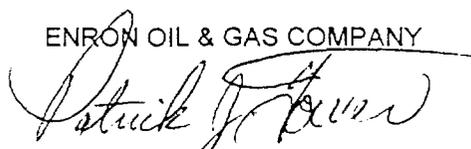
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Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT:jh
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston
G. L. Thomas/ R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pjt\linaston.doc

1. Attach this form to the front of the mailpiece or on the back if space does not permit.

2. Write Return Receipt Requested on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Estate of Lincoln Aston
 Charles A. Aston III, Personal Rep.
 704 Parkview Dr., P.O. Box 457
 Round Rock, TX 78681

4. Signature (Addressee)

5. Signature (Agent)

6. Address (Agent) (If requested)

7. Date of Delivery

8. Restricted Delivery

PS Form 3811, October 1991

DOMESTIC RETURN RECEIPT

UNITED STATES POSTAL SERVICE

Official Business

RECEIVED

MAR 26 1996

LAND DEPT.

Print your name, address and ZIP Code here

Sand tank #324
 St. Conn No. 1

ENRON OIL & GAS COMPANY
 Attn: Mr. Patrick J. Tower
 P. O. Box 2267
 Midland, Texas 79702

U.S. MAIL

P 329 296 290

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Estate of Lincoln Aston
 Charles A. Aston III, Personal Rep.
 704 Parkview Dr., P.O. Box 457
 Round Rock, TX 78681

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$2.00
Postmark or Date	Mar 26 1996
	Sand tank #324
	St-Conn #1

PS Form 3800, April 1995

Drilling AFE

Enron AFE Am (DHC)	\$0
(CWC)	\$0
Division	MIDLAND
AFE Beg. Date	2/23/96
Budget Year	1996

AFE Type _____ Wildcat(31) Development(32)

Drilling Completion _____ Re-Entry _____ Oil Gas _____ High Cost Gas _____

Lease & Well No. Sand Tank "32" St. Com No. 1	Prospect Name Sand Tank	Total Depth 11,800'	Water Depth
Location & Survey 660' FSL & 1980' FWL	Sec-Twn-Rng Sec. 32-17S-30E	Producing Horizon Lower Morrow	Spud Date
Operator Enron Oil & Gas Company	County & State Eddy, New Mexico	Regulatory Field Sand Tank	DD&A Field Sand Tank
AFE Description Drill and complete a 11,800' Lower Morrow gas well.			

CODE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
230-401	Access, Location & Roads	\$20,000	\$2,000	\$22,000
230-402	Rig Move	30,000		\$30,000
230-403	Footage Cost S/Ft			\$0
230-404	Day Work Cost 31/3 days @ \$ 4800	148,800	14,400	\$163,200
230-405	Bits, Reamers & Stabilizers	40,000		\$40,000
230-406	Fuel	500		\$500
230-407	Water	18,000	3,000	\$21,000
230-408	Mud & Chemicals	41,000	3,000	\$44,000
230-409	Cementing & Service	21,000	18,000	\$39,000
230-410	Coring	18,000		\$18,000
230-411	OH Logging & Testing	38,000	5,000	\$41,000
230-412	Mud Logging	12,500		\$12,500
230-413	Perforating		25,000	\$25,000
230-414	Stimulation		23,000	\$23,000
230-415	Transportation	5,500	4,000	\$9,500
230-416	Drilling Overhead days @ \$	6,600		\$6,600
230-417	Equipment Rental	6,000	3,000	\$9,000
230-418	Completion Rig days @ \$		9,800	\$9,800
230-419	Other Drilling Expense	22,000	7,000	\$29,000
230-420	Fishing & Equip. lost in hole			\$0
230-421	Environmental & Safety Charges	3,600	5,000	\$8,600
230-422	Directional Drilling			\$0
230-423	Equipment Usage			\$0
230-424	Supervision	17,000	2,800	\$19,800
230-431	Communications	2,000		\$2,000
230-432	MWD Logging			\$0
TOTAL INTANGIBLES		\$448,500	\$125,000	\$573,500

	FEET	SIZE	GRADE	S/FT			
230-101	40	20	Conductor Casing		\$3,500		\$3,500
230-102	650	11-3/4	Surface Casing	H-40	14.78	9,600	\$9,600
230-103	4500	8-5/8	Intermediate Casing	S-K	11.00	49,500	\$49,500
230-103			Intermediate Casing				\$0
230-104	12050	5-1/2	Production Casing	N-S	7.25		\$87,400
230-104			Production Liner				\$0
230-104			Tie-Back Casing				\$0
230-106	11600	2-7/8	Tubing	N	3.5	40,600	\$40,600
230-106			Tubing				\$0
230-107			Well Head Equipment and Tree		7,000	25,000	\$32,000
230-108			Tanks			25,000	\$25,000
230-109			Flow Lines			5,000	\$5,000
230-110			Valves & Fittings			7,500	\$7,500
230-111			Rods				\$0
230-112			Pumping Equipment - Surface				\$0
230-113			Production Equipment - Subsurface				\$0
230-114			Engines & Motors				\$0
230-115			Heater-Treater & Separators			25,000	\$25,000
230-116			Other Equipment				\$0
230-117			Buildings				\$0
230-118			Metering Equipment			3,000	\$3,000
230-119			Non-Controllable Equipment				\$0
230-120			Liner Equipment				\$0
230-122			Construction Cost			10,000	\$10,000
TOTAL TANGIBLES					\$69,600	\$228,500	\$298,100
TOTAL WELL COST					\$518,100	\$353,500	\$871,600

ENRON APPROVAL

Division					Headquarters
By	Date	By	Date	By	Date
W.D. Smeltzer	02/23/96				
By	Date	By	Date	By	Date

JOINT OPERATOR APPROVAL

Firm	By	Title	Date
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**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 11578 Exhibit No. 4

Submitted by: Enron Oil & Gas Company

Hearing Date: July 25, 1996

LARGE FORMAT
EXHIBIT HAS
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AND IS LOCATED
IN THE NEXT FILE

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