

MESA GRANDE RESOURCES, INC.

**1200 PHILTOWER BUILDING
TULSA, OKLAHOMA 74103
(918) 587-8494**

October 28, 1987

To Working Interest Owners
(See Attached List)

Re: Crusader #1 Well
T25N-R2W, NMPM
Sec. 14: All
Rio Arriba County, New Mexico

Gentlemen:


Mesa Grande Resources, Inc., as Operator, proposed the drilling of the subject well and has received approval from the majority of working interest owners. To date, however, your executed Authority for Expenditure and signature page to the Operating Agreement dated September 17, 1987 have not been received.

Therefore, Mesa Grande has filed an application with the New Mexico Oil Conservation Commission for compulsory pooling of all interests in All of Section 14, T25N-R2W, NMPM. The hearing is scheduled for Wednesday, November 18, 1987. A copy of our application is enclosed for your records.

If your executed AFE and signature page are received by November 13, 1987, your interest will be dropped from the compulsory pooling case.

Your early response will be appreciated.

Very truly yours,



Kathy Michael
Landman

KM:dw
Enclosure

CERTIFIED MAIL _____

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>3</u>
CASE NO. <u>9257</u>

WORKING INTEREST OWNERS

Addressed in Letter dated 10/27/87

CRUSADER #1 WELL

Mesa Grande, Ltd.
1305 Philtower Building
Tulsa, Oklahoma 74103
Hand-Delivered

Mary Alice Gilliland
7420 Caruth
Dallas, Texas 75225
Certified Mail P259-367-259

Johansen Energy Partnership
1365 Regal Row
Dallas, Texas 75247
Certified Mail P259-367-255

Duer Wagner, Jr.
Post Office Drawer 980239
Fort Worth, Texas 76198
Certified Mail P259-367-260

Texaco Producing Inc.
Post Office Box 3226
Dallas, Texas 75285
Certified Mail P259-367-256

Duer Wagner III
1420 Continental Plaza
777 Main Street
Fort Worth, Texas 76102
Certified Mail P259-367-261

Reading & Bates Petroleum Co.
3200 Mid-Continent Tower
Tulsa, Oklahoma 74103
Certified Mail P259-367-257

Helmerich & Payne
Utica at 21st Street
Tulsa, Oklahoma 74114
Certified Mail P259-367-262

Hooper, Kimball and Williams, Inc.
Post Office Box 520970
Tulsa, Oklahoma 74152
Certified Mail P259-367-258

Mountain States Natural Gas Corp.
Post Office Box 35426
Tulsa, Oklahoma 74153
Certified Mail P259-367-263

Sun Operating Limited Partnership
Post Office Box 2880
Dallas, Texas 75221-2800
Certified Mail P259-367-264

P 259 367 255

RECEIPT FOR CERTIFIED MAIL

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

Sent to Johansen Energy Partnership	Postage \$ 20	Return Receipt showing to whom and Date Delivered 70
Street and No. 365 Regal Row	Certified Fee 75	Return Receipt showing Date and Address of Delivery \$ 1.67
City, State and ZIP Code Dallas, Texas 75247	Special Delivery Fee	Postmark of Date 11/18/87
Attn: Norris Adams	Restricted Delivery Fee	Postmark of Date 11/18/87
PS Form 3800, June 1985		

* U.S.G.P.O. 1985-480-794

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to:
Johansen Energy Partnership
365 Regal Row
Dallas, Texas 75247
Attn: Norris Adams

4. Article Number
P259-367-255

Type of Service:
 Registered (Certified) Insured (COD)
 Express Mail

5. Signature - Addressee
Norris Adams

6. Signature - Agent
X

7. Date of Delivery
OCT 30 1987

8. Addressee's Address (ONLY if requested and fee paid)
DALLAS, TEXAS

PS Form 3811, Feb. 1986

P 259 367 256

RECEIPT FOR CERTIFIED MAIL

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

Sent to Texaco Producing Inc.	Postage \$ 20	Return Receipt showing to whom and Date Delivered 70
Street and No. Post Office Box 3226	Certified Fee 75	Return Receipt showing Date and Address of Delivery \$ 1.67
City, State and ZIP Code Dallas, Texas 75285	Special Delivery Fee	Postmark of Date 11/18/87
Attn: Land Department	Restricted Delivery Fee	Postmark of Date 11/18/87
PS Form 3800, June 1985		

* U.S.G.P.O. 1985-480-794

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to:
Texaco Producing Inc
Post Office Box 3226
Dallas, Texas 75285
Attn: Land Department

4. Article Number
P259-367-256

Type of Service:
 Registered (Certified) Insured (COD)
 Express Mail

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery
OCT 30 1987

8. Addressee's Address (ONLY if requested and fee paid)
DALLAS, TEXAS

PS Form 3811, Feb. 1986

ILLEGIBLE

P 259 367 257

RECEIPT FOR CERTIFIED MAIL

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

Sent to	Reading & Bates Petroleum
Street	Company
P.O. State and Zip Code	3200 Mid-Continent Tower Tulsa, Oklahoma 74103
Postage	\$ 22
Certified Fee	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmaster or Agent	Clayton S. Well
Notice: compulsory pooling cases on 11/18/87	

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to: Reading & Bates Petroleum Company 3200 Mid-Continent Tower Tulsa, Oklahoma 74103 Attn: Eric Koelling	4. Article Number P259-367-257
5. Signature - Addressee X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
6. Signature - Agent X <i>Eric Koelling</i>	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 10-29-87 OCT 29 1987	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb 1986

DOMESTIC RETURN RECEIPT

P 259 367 258

RECEIPT FOR CERTIFIED MAIL

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

Sent to	Hooper, Kimball and Williams
Post Office	Post Office Box 520970
Tulsa, Oklahoma	74152
Postage	\$ 22
Certified Fee	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmaster or Agent	Clayton S. Well
Notice: compulsory pooling cases on 11/18/87	

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to: Hooper, Kimball and Williams Post Office Box 520970 Tulsa, Oklahoma 74152 Attn: Greg D. Owens	4. Article Number P259-367-258
5. Signature - Addressee X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
6. Signature - Agent X <i>Greg D. Owens</i>	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery OCT 29 1987	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb 1986

DOMESTIC RETURN RECEIPT

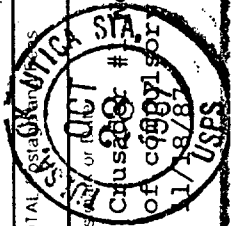
ILLEGIBLE

P 259 367 259

RECEIPT FOR CERTIFIED MAIL

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

Sent to	Mary Alice Gilliland
Street and No	7420 Caruth
P.O. State and Zip	Dallas, Texas 75225
Postage	\$ 20
Certified Fee	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67



* U.S.G.P.O. 1985-480-794 PS Form 3800, June 1985

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to:
Mary Alice Gilliland
7420 Caruth
Dallas, Texas 75225

4. Article Number
P259-367-259

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X *Mary A. Gilliland*

6. Signature - Agent
X

7. Date of Delivery

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

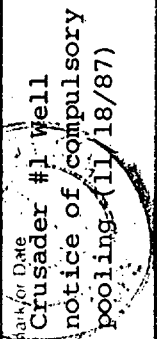
PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

P 259 367 260

RECEIPT FOR CERTIFIED MAIL

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

Sent to	Duer Wagner, Jr.
Street and No	Post Office Drawer 980239
P.O. State and Zip	Fort Worth, TX 76198
Postage	\$ 20
Certified Fee	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67



* U.S.G.P.O. 1985-480-794 PS Form 3800, June 1985

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to:
Duer Wagner, Jr.
P. O. Drawer 980239
Fort Worth, Texas 76198

4. Article Number
P259-367-260

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X *980239*

6. Signature - Agent
X *Robertson*

7. Date of Delivery

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

P 259 367 261

RECEIPT FOR CERTIFIED MAIL

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

Sent to	Duer Wagner III
Address	1420 Continental Plaza
	777 Main Street
	Fort Worth, Texas 76102
Postage	22
Certification	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom Delivered and Date of Delivery	70
Return Receipt showing to whom Delivered and Address of Delivery	
TOTAL Postage and Fees	1.67
Postmark or Date	

Crusader #1 Well
notice of compulsory pooling
case on 11/18/87

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

- 1. Show to whom delivered, date, and addressee's address.
- 2. Restricted Delivery.

3. Article Addressed to:

Duer Wagner III
1420 Continental Plaza
777 Main Street
Fort Worth, Texas 76102

4. Article Number
P259-367-261

Type of Service:

Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X *[Signature]*

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

6. Signature - Agent
X *[Signature]*

7. Date of Delivery
OCT 30 1987

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 259 367 262

RECEIPT FOR CERTIFIED MAIL

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

Sent to	Helmerich & Payne
Address	Utica at 21st Street
	Tulsa, Oklahoma 74114
Postage	22
Certification	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom Delivered and Date of Delivery	70
Return Receipt showing to whom Delivered and Address of Delivery	
TOTAL Postage and Fees	1.67
Postmark or Date	

Crusader #1 Well
notice of compulsory pooling
case 11/18/87

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

- 1. Show to whom delivered, date, and addressee's address.
- 2. Restricted Delivery.

3. Article Addressed to:

Helmerich & Payne
Utica at 21st Street
Tulsa, Oklahoma 74114
Attn: Land Department

4. Article Number
P259-367-262

Type of Service:

Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X *[Signature]*

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

6. Signature - Agent
X *[Signature]*

7. Date of Delivery
OCT 30 1987

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 259 367 263

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

Sent to	Mountain States Natural
Street	Gas Corporation
P.O. Street	Post Office Box 35426
City and State	Tulsa, Oklahoma 74153
Postage	\$ 00
Certified Fee	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Fee	
Return Receipt to Whom	70
Date and Address of Return	
Postmark or Date	10/29/86
Postmark or Date	11/18/87

* U.S.G.P.O. 1985-480-794 PS Form 3800, June 1985

Crusader #1 Well - notice
of compulsory pooling
case on 11/18/87

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to:
Mountain States Natural
Gas Corporation
Post Office Box 35426
Tulsa, Oklahoma 74153

4. Article Number
P259-367-263
Type of Service:
 Registered Insured
 Certified COD
 Express Mail

5. Signature - Addressee
X

6. Signature - Agent
X [Signature]

7. Date of Delivery
10-29-86

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

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 * U.S.G.P.O. 1985-480-794

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

P 259 367 264

Sent to	Sun Operating Limited
Street	Partnership
P.O. Street	Post Office Box 2800
City and State	Dallas, Texas 75221-
Postage	2800
Certified Fee	75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	70
Return Receipt showing Date and Address of Return	
TOTAL Postage and Fees	67
Postmark or Date	10/29/86
Postmark or Date	11/18/87

Crusader #1 Well - notice of compulsory pooling case on 11/18/87

SENDER: 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 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 fees and check box(es) for additional service(s) requested.

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

3. Article Addressed to:
Sun Operating Limited
Partnership
P. O. Box 2880
Dallas, Texas 75221-2800
Attn: Land Department

4. Article Number
P259-367-264
Type of Service:
 Registered Insured
 Certified COD
 Express Mail

5. Signature - Addressee
X

6. Signature - Agent
X [Signature]

7. Date of Delivery
OCT 30 1987

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

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

MESA GRANDE RESOURCES, INC.
1200 PHILTOWER BUILDING
TULSA, OKLAHOMA 74103
(918) 587-8494

October 20, 1987

To Working Interest Owners
(See Attached List)

Re: Crusader #1 Well
T25N-R2W, NMPM
Sec. 14: All
Rio Arriba County, New Mexico

Ladies and Gentlemen:

On September 18, 1987, we sent you an Operating Agreement and Authority for Expenditure for the captioned well. As of this date, we have yet to receive a response from you. As you know, we are planning to commence the Crusader #1 Well on or before December 1, 1987.

Mesa Grande Resources, Inc. has scheduled a force-pooling case for November 18, 1987. We respectfully request that you return the executed instruments by November 9, 1987 if you plan to participate. If we do not hear from you, your interest will be included in the force-pooling.

I have been recently advised of changes in ownership which affect the percentages of working interest owners as listed on Exhibit "A" to our Operating Agreement dated September 17, 1987. Enclosed is a copy of the Revised Exhibit "A" for inclusion in your agreement.

We look forward to your timely reply.

Sincerely,



Diane Wehrenberg
Land Department

dw
Enclosure

WORKING INTEREST OWNERS
Addressed in Letter dated 10/20/87

CRUSADER #1 WELL

Mesa Grande, Ltd.
1305 Philtower Building
Tulsa, Oklahoma 74103

Mary Alice Gilliland
7420 Caruth
Dallas, Texas 75225

Arriba Company, Ltd.
Post Office Box 35304
Tulsa, Oklahoma 74153

Duer Wagner, Jr.
Post Office Drawer 980239
Fort Worth, Texas 76198

Johansen Energy Partnership
1365 Regal Row
Dallas, Texas 75247

Duer Wagner III
1420 Continental Plaza
777 Main Street
Fort Worth, Texas 76198

Texaco Producing Inc.
Post Office Box 3226
Dallas, Texas 75285

Helmerich & Payne
Utica at 21st
Tulsa, Oklahoma 74114

Reading & Bates Petroleum Co.
3200 Mid-Continent Tower
Tulsa, Oklahoma 74103

Martha B. Oliver
15512 William St. #E
Tustin, California 92680

Hooper, Kimball and Williams, Inc.
Post Office Box 520970
Tulsa, Oklahoma 74152

Mountain States Natural Gas Corp.
Post Office Box 35426
Tulsa, Oklahoma 74153
Certified Mail P259-367-253

P 259 367 253

RECEIPT FOR CERTIFIED MAIL

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

★ U.S.G.P.O. 1985-480-794	
Mountain States Natural Gas Corporation	
Street and No. P. O. Box 35426	
Tulsa, OK 74153 P.O. State and ZIP Code	
Attn: Albert J. Blair, Jr.	
Postage	\$.22
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom, Date, and address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmark	TULSA OK JUN 21 1987
Crusader #1 Well - request to return executed pages to AFE/OA by 11/9/87	

SENDER'S COPY TO BE RETURNED TO ADDRESSEE WITH ADDITIONAL SERVICES REQUESTED AND COMPLETED BY ADDRESSEE

YOUR RETURN TO: (See on the reverse) A failure to do this will prevent the return of the mail to you. The return receipt fee will provide you the name of the person to whom and the date of delivery. For additional fees the following services are available. Consult the carrier for rates and check box(es) of additional services requested.

Show to whom delivered, date and address of delivery Restricted Delivery

1 Article Number
2259-367-253

Type of Service:
 Certified Insured Registered
 Registered Certified Registered Insured COD
 Express Mail

Always obtain receipts on addresses on domestic return receipts.

1 Address by Addressee ONLY if requested and fee paid.

Domestic Return Receipt

PS Form 3800, June 1985