

Correspondence Summary

Enron Oil & Gas Company (Enron)
Mr. Patrick Tower

- 1) 11-22-96 MOC letter via certified mail w/AFE proposing the MOC Scanlon Draw "34" State #1 Well.
- 2) 1-9-97 phone call from Pat Tower, Enron will respond asap to our well proposal.
- 3) 1-9-97 MOC follow up letter regarding MOC proposal.
- 4) 2-7-97 MOC follow up letter.
- 5) 2-20-97 MOC follow up letter.
- 6) 2-20-97 MOC follow up phone call, left message.
- 7) 2-25-97 MOC follow up phone call, left message.
- 8) 2-25-97 Pat returned my call, said management hasn't had time to review our proposal.
- 9) 2-28-97 Pat advised me this date via phone that Enron would non-consent our well proposal in exchange for well information and 300% non-consent penalty.
- 10) 3-3-97 MOC proposed letter to Enron regarding Enron's election to non-consent.
- 11) 3-4-97 MOC revised proposed letter to Enron.
- 12) 3-4-97 received MOC revised letter to Enron via fax.

NEW MEXICO
OIL CONSERVATION DIVISION
EXHIBIT 3
CASE NO. _____

Harvey E. Yates Company (Heyco)
Ms. Melissa Randle;
Yates Energy Corporation
Ms. Shari Hamilton
Jalapeno Corporation and Cibola Energy Corporation
Mr. Harvey E. Yates, Jr.

- 1) 11-22-96 MOC letter via certified mail w/AFE proposing the MOC Scanlon Draw "34" State #1 Well

- 2) 1-7-97 Melissa Randle called regarding our well proposal, I advised her of their interest.
- 3) 1-9-97 MOC follow up letter.
- 4) 2-7-97 MOC follow up letter.
- 5) 2-7-97 phoned Heyco this date, left message.
- 6) 2-11-97 MOC follow up letter.
- 7) 2-11-97 received fax from Heyco regarding Heyco Yates Energy, Cibola and Jalapeno title.
- 8) 2-20-97 letter to Cibola and Jalapeno regarding well proposal.
- 9) 2-20-97 MOC letter to Yates E. regarding well proposal.
- 10) 2-21-97 received fax from Yates E. regarding well proposal.
- 11) 2-24-97 follow up call to Heyco.
- 12) 2-27-97 met with Heyco and Yates E. in Roswell to discuss well proposal and their title.
- 13) 3-3-97 follow up call to Cibola and Jalapeno.
- 14) 3-4-97 Harvey E. Yates, Jr. w/Cibola and Jalapeno advised me this date that he would participate.
- 15) 3-5-97 faxed Heyco and Yates E. an ownership tabulation regarding their interest.

Western Reserves Oil Company (Western)
 Mr. Robert G. Elliott

- 1) 9-20-96 MOC letter proposing to purchase their interest.
- 2) 10-14-96 follow up call, left message.
- 3) 11-11-96 counteroffer letter from Western.
- 4) 11-22-96 MOC letter via certified mail w/AFE proposing the MOC Scanlon Draw "34" State #1 Well.

- 5) 1-9-97 follow up letter regarding well proposal.
- 6) 1-20-97 Western's letter advising me they would sell under certain terms.
- 7) 1-27-97 advised Western by letter MOC wasn't interested in the terms they offered, again invited Western to join.
- 8) 2-7-97 follow up letter.
- 9) 2-25-97 follow up phone call.
- 10) 2-28-97 offered to purchase term assignment under certain terms by phone.
- 11) 3-4-97 follow up call regarding our offer, deadline to respond is at 12:00 noon today.
- 12) 3-4-97 Western accepted MOC's offer, subject to mutually agreeable form of assignment per our phone conversation.