

Sirgo Brothers Energy Corp.

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1512 W. MURRAY DR. • FARMINGTON, NM 87401
(505) 326-7700 • FAX (505) 325-7400

April 7, 1997

VIA FAX 505.827.8177

STATE OF NEW MEXICO
Energy, Minerals & Natural Resources Div.
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. David Catanach

RE: Application to Force Pool Mineral Interests

Dear David:

As per our conversation, following is the information you requested on the first well in which we wish to force pool a mineral owner.

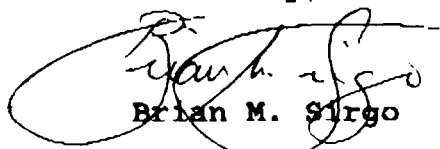
1. Moore #1 Well: 80 acres S/2 NW/4 Sec. 12, T29N, R15W, San Juan County, NM - Unit Letter E 1980 FNL, 660 FWL API 30-045-24742 Cha Cha Gallup Pool

At this time, I wish to proceed on this well only. We have not finished leasing all the owners in the other well.

We have leased all owners in the Moore #1 with the exception of Mr. Kennedy (see attached letter).

Thanks for your help.

Sincerely,


Brian M. Sirgo

BMS/pr

Attachment

*This well will be operated under :
MOUNTAIN STATES PETROLEUM CORP.*

OFF: (505) 325-5667



LAB: (505) 325-1556

March 24, 1997

Mr. Walter M. Kennedy
P.O. Box 527
Kirtland, NM 87417

RE: Mineral Interest in the Bob & Blanche # 1 and the Moore # 1

Dear Mr. Kennedy:

During the months of February and March of this year, I have contacted you, on behalf of Sirgo Brothers Energy Corporation (SBEC), three times personally via telephone and two times through your attorney, Mr. Tom Hynes in regards to your mineral interest in the above mentioned wells. It is SBEC's desire to re-work these wells and put them on line to generate revenue for both SBEC and the mineral owners as soon as possible.

The purpose of this letter is to request your position as to participation as a mineral owner in the Bob & Blanche #1 and the Moore # 1. You may sign the enclosed Oil & Gas Leases or participate your mineral interest as working interest. Either of the selections are acceptable to SBEC. If we do not hear from you within 7 days of receipt of this letter, SBEC will seek Force Pooling of your interest in accordance with New Mexico Oil Conservation Division Rules & Regulation No. 104.M. In the event Force Pooling becomes necessary, you will receive payment after pay back.

I am awaiting your reply.

Sincerely,

Robert L. Crabb
On Site Technologies, LTD.
Agent for Sirgo Brothers Energy Corporation

kenlet.doc


rlc/RLC

enc

cc: Mr. Thomas J. Hynes, Attorney
1000 W. Apache
Farmington, NM 87401

Mr. Brian Sirgo
c/o Sirgo Brothers Energy Corporation
P.O. Box 3531
Midland, TX 79702

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER: a Complete items 1 and/or 2 for additional services. a Complete items 3, 4a, and 4b. a Print your name and address on the reverse of this form so that we can return this card to you. a Attach this form to the front of the mailpiece, or on the back if space does not permit. a Write "Return Receipt Requested" on the mailpiece below the article number. a 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. <input type="checkbox"/> Addressee's Address 2. <input checked="" type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: 		4a. Article Number P10 308821	
5. Received By: (Print Name) F. W. Allen Kennedy		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) X W. Allen Kennedy		7. Date of Delivery 3-27-97	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid) Domestic Return Receipt	

Thank you for using Return Receipt Service.