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WELL FILE
GILA EXP.
HOGAN STATE #1
B-16-18N-12W

Fidelity and Deposit Company of Maryland
6300 South Syracuse Way, Suite 477
Englewood, Colorado 80111
303•721-6335

December 14, 1992

Mr. Charles Gholson
Deputy Oil and Gas Inspector
State of New Mexico
1000 Rio Brazos Road
Aztec, New Mexico 87410

RECEIVED
DEC 30 1992
OIL CON. DIV.
DIST. 3

RE: Claim Numbers: 583 288-6 and 591 030-2
Bond Numbers : 9897538 and 9897550

Dear Mr. Gholson:

This will acknowledge receipt of and thank you for your copy of correspondence dated June 16, 1992 addressed to Ms. Florence Davidson, in connection with the above referenced bonds.

Please be advised that we are immediately taking this matter up with our Principal.

Please be advised that this action is taken at this time without waiver of or prejudice to any of the rights and defenses, past or present, known or unknown which either Fidelity and Deposit Company of Maryland or Gila Exploration may have in this matter.

Sincerely,

Kathryn M. Quigley
Claims Attorney

KMQ:jlh