STATE STATE

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

April 24, 1984

TONEY ANAYA GOVERNOR

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Well file

United States Fidelity and Guaranty Co. 115½ East Main St. Farmington, New Mexico 87401

Attention: James A. Hassell, Jr.

El Pozo #1

Re: Claim on Bond 29-0130-10525-81,

Sandi Production Company

L-26-78N-1E

Dear Mr. Hassell:

Thank you for your assistance with the above-referenced bond and for your warrant in the amount of \$5,000 which fulfils United States Fidelity and Guaranty Company obligation under this bond.

I have enclosed the Receipt, Release and Assignment which you enclosed with the warrant which has been completed by Mr. Joe D. Ramey as Director of the New Mexico Oil Conservation Division.

Sincerely,

W. PERRY PEARCE, General Counsel

WPP/dr enc.

cc: Frank Chavez