

Wellfile 30-045-25334

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February 28, 2000

VIA CERTIFIED U. S. MAIL
RETURN-RECEIPT REQUESTED

Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: January 29, 2000 Accident at Well Location Fee 12-A
San Juan County, New Mexico

Dear Mr. Chavez:

I spoke with you on the telephone earlier this month concerning the referenced accident. I called, and write now, as counsel for Energen Resources Corporation (Energen), the operator of the designated well. I have read the Sheriff's Report dated February 2, 2000.

The purpose of my call, and this letter, is to confirm that any investigation your office may wish to conduct at the site has been completed. Energen does not want to take any action at the site which would interfere with any investigation that you, or any other agency, wishes to conduct at the site.

I understood you to confirm in our telephone conversation that you have completed whatever site visit and investigation you think is necessary. I further understood you to state that it is necessary for the Company to clean-up the site and that what is now an open storage tank is not appropriate. I indicated that Energen would move promptly to clean-up the site as soon as we were assured that all investigations had been completed. I am confirming that proposition now with you, the BLM and the San Juan County Sheriff's Office. If there is any other agency which you think I should contact on this matter, please let me know.

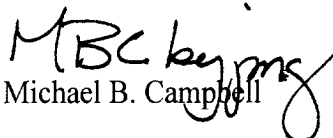
For your information, it is Energen's intent to scrape the tank site, and scrap the tank, the tank top and other miscellaneous pieces of equipment at the site. The tank and its pieces are no longer usable. Please advise me immediately if you have any objection to this proposal. The Company will

Mr. Frank Chavez
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undertake this action, unless notified otherwise, in the next week or two.

Thank you for your attention and assistance.

Very truly yours,


Michael B. Campbell

MBC/jmg

cc: Detective Levi Countryman
Randy Tracy
Joe E. (Rusty) Cook
Joe D. Niederhofer