

Surety Group - Claim

Matthew L. Silverstein, Esquire

Claims Specialist Phone: 410-205-0022 FAX: 410-205-1321

June 26, 1997

Johnny Robinson, Deputy O&G Inspector New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division Aztec District Office 1000 Rio Brazos Road Aztec, NM 87410

Re: Bond No.:

19-0130-29849-01-1

Principal: Claim No.:

John Caranta 9901-208456-01-1 DECEIVED JUL - 2 1997

OIL COM. DIY.

Dear Mr. Robinson:

This letter follows our telephone conversation of June 25, 1997. I am writing to report that I have been in contact with Mr. Caranta and have been assured by him that Caranta #1 will be brought into compliance not later than July 14, 1997. I have requested that Mr. Caranta communicate with your office prior to July 14, 1997 so that you may be kept updated on this matter. Mr. Caranta's cellular phone number is (505) 320-1912. He has expressed a willingness to resolve this matter, and I expect will be amenable to discussing a resolution with your office.

In the event that this matter remains unresolved by July 9, 1997, I would appreciate your contacting me so that USF&G may intervene.

Thank you for your cooperation.

Very truly yours,

Matthew L. Silverstein

cc: John Caranta

a/JRobin