

NEW McXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

September 24, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Shanley Oil Company P.O.Box 802415 Dallas, TX 75380

Northwestern National Insurance Co. Attn: Hugh Greene 709 Cuttis Street Middletown, OH 45044

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 12944: Application of the New Mexico Oil Conservation Division for an Order Requiring Shanley Oil Company to Properly Plug One (1) Well, Imposing Civil Penalties for Failure to Comply, Authorizing the Division to Plug Said Well and Ordering a Forfeiture of Applicable Plugging Bond; Roosevelt County, New Mexico

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking an Order requiring you to properly plug and abandon one (1) well located in Roosevelt County, New Mexico, specifically identified in said application.

A hearing on this application will take place before a Division hearing officer on Thursday, October 24, 2002, at 8:15 a.m., in the Division Hearing Room, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application.

Your posted single-well surety bond in the amount of \$7,500, No.LSC464743 issued by Northwestern National Insurance Company of Milwaukee, will be forfeited if an order is entered as requested in the attached application and you fail to comply therewith.

Inquiries concerning this application may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,

David K. Brooks

Assistant General Counsel

ec: Chris Williams, OCD Hobbs