

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Spence Energy Company 4925 Greenville Suite Dallas, TX 75206

Underwriters Indemntiy Company 8 Greenway Plaza Suite 400 Houston, TX 77046

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. <u>/3523</u>: Application of the New Mexico Oil Conservation Division for an Order Requiring Spence Energy Company to Properly Plug One Well, Authorizing the Division to Plug Said Wells and Ordering a Forfeiture of Applicable Plugging Bond; Lea 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 well located in Lea County, New Mexico, specifically identified in said application.

A hearing on this application will take place before a Division hearing officer on Thursday, July 14, 2005, at 8:15 a.m., in Porter Hall, 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.

You posted a surety bond, in the amount of \$50,000, No.BO2741 issued by Underwriters Indemntiy Company. That security 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

