



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 2, 2005

UHC New Mexico Corporation
P.O.Box 1956
Cleburne, TX 76033

U.S. Specialty Insurance Company
13403 Northwest Freeway
Houston, TX 77040

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 13548: Application of the New Mexico Oil Conservation Division for an Order Requiring UHC New Mexico Corporation to Properly Plug 186 Well(s), Authorizing the Division to Plug Said Wells and Ordering a Forfeiture of Applicable Plugging Bond; Chaves, Eddy and Roosevelt Counties, 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 186 well(s) located in Chaves, Eddy and Roosevelt Counties, New Mexico, specifically identified in said application.

A hearing on this application will take place before a Division hearing officer on Thursday, August 25, 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 \$175,000, No.B001075 issued by U.S. Specialty Insurance 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

1. Article Number
(Transfer from service label)
US Form 3811, August 2001

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FD 102596-02-M-1540

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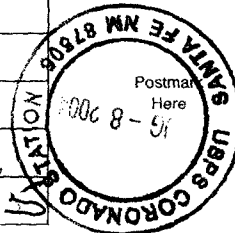
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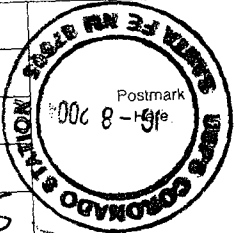
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