

Americo

2006 DEC 27 PM 12 49

Energy Resources, LLC

EMNRD- Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
Attn: Gail MacQuesten

Via Certified Mail Parcel No. 7005 1160 0003 4637 6229

December 18, 2006

Re: Payment of Fine
Agreed Compliance Order 70-A (ACOI 70-A)
Denton Field
Lea County, NM

Dear Ms. MacQuesten,

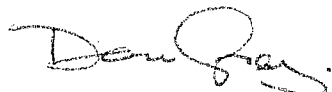
Pursuant to our e-mail correspondence, I have enclosed Americo Energy Resources, LLC's check number 3382 in the amount of \$3,000.00 as payment of the fine due for non-compliance under the referenced Agreed Compliance Order.

As you may be aware, Americo has since completed its testing on substantially all of the affected wells and is considering the feasibility of conducting further operations in an effort to bring them back into production.

Further to your instructions, we will contact Mr. David Sanchez regarding the possibility of entering into a new agreed order.

Your consideration in this matter has been greatly appreciated.

Sincerely,



Robert M. (Don) Gray
Land Manager

7575 San Felipe, Ste 200 Houston, TX 77063
Tel: 713-984-9700 Fax: 713-984-9933
E-mail: americoenergy@americoenergy.com

Case 14189
Americo Energy Resources, LLC
OCD Exhibit No. 16