

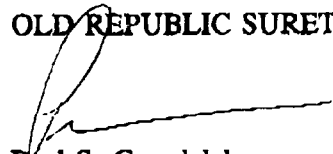
**OLD REPUBLIC****Old Republic Surety Company
Old Republic Insurance Company**P.O. Box 1635, Milwaukee, WI 53201
Phone: (414) 797-2640 / Fax: (414) 797-9495**FACSIMILE TRANSMISSION****DATE:** January 17, 1996**TO:** Rand Carroll, Esq.
COMPANY: New Mexico Oil Conservation Division
LOCATION: Santa Fe, NM
FACSIMILE TELEPHONE NUMBER: 505-827-8177**TOTAL NUMBER OF PAGES INCLUDING THIS COVER LETTER: 1****FROM:** PAUL S. GUARDALABENE - 414/797/2675If you do not receive all pages, please call as soon as possible
Phone (414) 797-3449**Re: Claim No.:** 22817
Bond No.: DLI 867464
Principal: Diamond Back Petroleum, Inc.
Company: Northwestern National Insurance Company/
Old Republic Surety Company

Dear Mr. Carroll:

We have been advised by Pride Petroleum's Raymond Maldonado that, according to Ray Smith, the January 25, 1996 hearing must be held as a matter of formality. However, it is our understanding that our company will not in any way be penalized as a result of its not attending the hearing. The oil wells have been plugged and Mr. Smith should soon have the necessary report from Pride Petroleum. We trust that the Oil Conservation Division will soon be able to issue a release of the bond. If you disagree with anything stated in this letter, please contact me immediately. Thank you.

Very truly yours,

OLD REPUBLIC SURETY


Paul S. Guardalabene
Assistant Vice President, Claims
414/797-2675

PSG/beh

1/18
Called PSG to tell
him hearing will
be continued, not
held. Will submit
once Ray tells me
it's been cleaned up.

2/25/97
Cleaned
up per
Ray



**Old Republic Surety Company
Old Republic Insurance Company
Bituminous Casualty Corporation
International Business & Mercantile REassurance Company**

P.O. Box 1635, Milwaukee, WI 53201
Phone: (414) 797-2640 / Fax: (414) 797-9495

February 21, 1996

Rand Carroll
Legal Counsel
New Mexico Oil conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Re: **Claim No.:** 22817
Bond No.: DLI 867464
Principal: Diamond Back Petroleum, Inc.
Company: Northwestern National Insurance Company/
Old Republic Insurance Company
Your Case: 11399

Dear Mr. Carroll:

Please advise us as to when can expect a release of the above captioned bond.

Very truly yours,

OLD REPUBLIC SURETY

Paul S. Guardalabene
Assistant Vice President, Claims
414/797-2675

PSG/dr