

NEW MEXICO OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

December 22, 1995

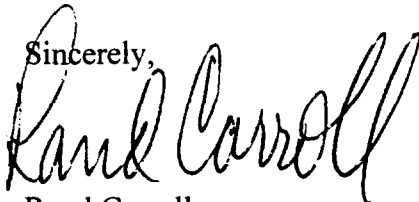
Paul S. Guardalabene
Assistant Vice President, Claims
Old Republic Insurance Companies
P.O. Box 1635
Milwaukee, WI 53201

Re: Claim No. 22187
Bond No. DLI 867464 for \$50,000
Principal: **Diamond Back Petroleum, Inc.**
Company: Northwestern National Insurance Company/Old Republic
Surety Company

Dear Mr. Guardalabene:

In response to your letter dated December 21, 1995, and received by our office via FAX on that date, the OCD agrees to continue the plugging hearing on the Diamondback wells to the January 25, 1995 hearing date and will dismiss the case before that date if we receive word from Ray Smith, the Artesia OCD Field Representative, that the well has been plugged according to OCD specifications..

If you have any questions, please feel free to call me at 505/827-8156 or FAX 505/827-8177.

Sincerely,

Rand Carroll
Legal Counsel

cc: Tim Gum, OCD Artesia District Supervisor
Ray Smith, OCD Artesia Field Representative