



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 1, 1996

Certified Mail – Return Receipt Requested

CMS Oilfield Services, Inc.
P. O. Box 316
Farmington, New Mexico 87499

John Caranta dba Cardel Oil Company
John Caranta dba Caranta Bros.
20 Rd. 3970
Farmington, New Mexico 87401

United States Fidelity and Guaranty Company
P. O. Box 1138
Baltimore, MD 21203-1138

Attn: Eugene Lushbaugh, Claim Division

RE: OCD Case No. 11498

Application of the New Mexico Oil Conservation Division for a Show Cause Hearing requiring CMS Oilfield Services, Inc., John Caranta dba Cardel Oil Company and/or Caranta Brothers and United States Fidelity and Guaranty Company to appear and show cause why the Caranta Well No. 1 located in Unit J of Section 23, T32N, R1E, Rio Arriba County, New Mexico should not be plugged and abandoned

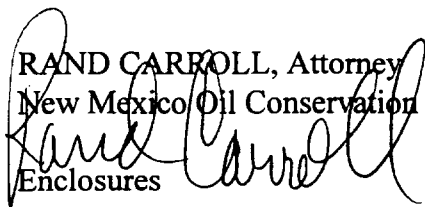
Dear Sir/Madam:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring CMS Oilfield Services, Inc., John Caranta dba Cardel Oil Company and/or Caranta Brothers and United States Fidelity and Guaranty Company to appear and show cause why it/they should not be ordered to plug and abandon the above-referenced well.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 21, 1996. You are not required to attend this hearing, but as an owner of an interest that may be affected by an order issued in this cause, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 20-90--- Enclosed) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

RAND CARROLL, Attorney
New Mexico Oil Conservation Division
Enclosures 

RC:sm

cc: Johnny Robinson, OCD Aztec