February 13, 1998

Certified Mail Return Receipt Requested

Frank O. Cox 718 Byrd Drive Abilene, TX 79608

United New Mexico Bank-Artesia P.O. Drawer 10 Artesia, NM 88210

RE: Application of the New Mexico Oil Conservation Division for an order requiring Frank
O. Cox to properly plug its McClain Ranch Well No. 1 located in Units M in Section 15,
Township 2 South, Range 28 East, De Baca County, NM, authorizing the Division to
plug said well, and ordering a forfeiture of any plugging bond

United New Mexico Bank-Artesia Acct. No: 5000050936

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 Frank O. Cox and other interested parties to appear and show cause why the above-referenced well should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 5, 1998. 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 case, 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 2-90--- 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 FOR THE NEW MEXICO OIL CONSERVATION DIVISION Enclosures

c: Ray Smith, OCD Artesia Tim Gum, OCD Artesia District Supervisor