

MID-CONTINENT CASUALTY · MID-CONTINENT INSURANCE · OKLAHOMA SURETY

August 30, 1998

Rand Carroll
Attorney for NM Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

SEP - 2

Re:

Bond No:

47456

Bond Type:

Plugging Bond

Principal:

Harlow Corporation

Obligee:

State of NM

Subject:

Case No. 12039: Hearing regarding plugging and abandoning wells.

Dear Mr Carroll:

Please reference your letter to us dated August 14, 1998 regarding the above referenced bond.

According to our records, the above referenced bond was terminated in 1988 and is no longer in force. Please advise if your records indicate otherwise. If you records do indicate otherwise, I would appreciate your sending us a copy of the bond as it exists in your files.

This letter does not acknowledge the sufficiency of your notice but merely the receipt of same. We reserve all legal rights, remedies and defenses available to our principal, as well as those afforded to us as surety. You are not to deem our promise to investigate your pending claim as a waiver of any of these aforementioned legal rights, remedies and defenses.

If you have questions, please contact me at your convenience.

Sincerely yours,

Paul LaForge,

Surety Services Manager

PL/bc