

# St Paul Surety

November 15, 2001

**SENT VIA FACSIMILE (505) 476-3462  
AND ORIGINAL BY MAIL**

The New Mexico Energy, Minerals  
and Natural Resources Department  
Attn: David K. Brooks, Assistant General Counsel  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Claim No.: 0400KJ696746H001  
Principal: Marks and Garner Production  
Bond No.: KJ6967  
Obligee: State of New Mexico Oil Conservation Commission  
Project: Blanket Plugging Bond \$50,000

Dear Mr. Brooks:

Your letter of October 24<sup>th</sup> arrived on my desk November 13, two days prior to what it indicated was the projected hearing date. I called Marks and Garner Production and talked with Linc Marks who advised me that the meeting had been postponed until the First of December; that eight of the seventeen wells had been plugged already; that one of the wells should not have been included in the seventeen in any event; and that he anticipated having the remainder of the wells plugged by the December 1<sup>st</sup> date. Accordingly, we will not be attending the hearing.

Additionally, I have noted your comments regarding "forfeiture" of the bond. I have reviewed the bond itself and note no provisions for such action. It would appear that this bond, like most, is subject to a showing of damages.

Yours very truly,

United States Fidelity and Guaranty Company



Wayne B. Anderson  
Contract Surety Specialist  
(253) 945-1557  
(253) 945-1559 Facsimile

WBA/bw

cc: Marks & Garner Production  
St. Paul Surety, Denver Branch Office  
Hartgraves Insurance, Inc.

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