



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 31, 2006

Southeastern Petroleum Inc.
P.O. Box 1893
Roswell, NM 88202

Southeastern Petroleum Inc.
c/o Sonny Longo
3000 N. Washington
Roswell, NM 88201

Southeastern Petroleum, Inc.
c/o Sonny Longo
624 6th Street E
Roswell, NM 88201

Underwriters Indemnity Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 13658: Application of the New Mexico Oil Conservation Division for an Order Requiring Southeastern Petroleum Inc. to Plug Two Wells and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance; Chaves County, New Mexico

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application (copy enclosed), seeking an Order requiring you to properly plug and abandon two wells in Chaves County, New Mexico, identified in said application.

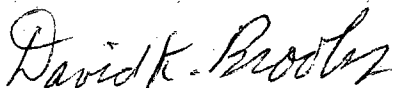
A hearing on this application will take place before a Division hearing examiner on Thursday, March 2, 2006, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico.

At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application.

You posted a surety bonds, in the amount of \$5,000 each, No.B7654 and B7655 issued by Underwriters Indemnity Company. That security will be forfeited if an order is entered as requested and you fail to comply therewith.

Inquiries concerning this application may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,

A handwritten signature in cursive script that reads "David K. Brooks".

David K. Brooks
Assistant General Counsel

cc: Tim Gum, District Supervisor