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FELKER & ISH, P. A.

running to the benefit of the State, conditioned that his wells be plugged and abandoned in compliance with the rules and regulations of the Division. I have verified the existence of this bond.

Please provide me with the Division's assessment of the expense which will be required to plug the wells and to reclaim the property in accordance with the Division's rules and regulations. The well has been abandoned for almost two years, as stated above, with no plugging or reclamation work undertaken. Notwithstanding my willingness to discuss the situation with you and to assist you in any way possible, demand is made upon the Division to act immediately to plug the wells, to reclaim the property, and to enforce its rules and regulations against Tom Ingram. If necessary, the State can act to compel a forfeiture of the bond and, if the bond proves insufficient to cover the cost of plugging these wells and State funds are expended from the reclamation fund to meet additional expenses, the State may also bring suit against Mr. Ingram for indemnification of costs incurred by the Division. My client views the State's obligation as a mandatory one as it is my hope that the Division will fulfill its legal obligations promptly.

I will look forward to your response and to meeting with you on this subject. Thank you.

Sincerely Mark L. /sh MLI/cts mlic1-

cc: Chappell Spade Ranch