

Roy Johnson

P.O. Box 2088

Commercial Union Insurance Companies Executive Offices: One Beacon Street

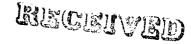
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September 14, 1989

State of New Mexico

Santa Fe, NM 87504



Supervisor of District 4 Energy, Minerals and Nature Resources Dept. Oil Conservation Division

OIL CONSERVATION DIV. SANTA FE

SEP 1 8 1989

PRINCIPAL: TOM L. INGRAM RE:

State Land Office Building

OBLIGEE: STATE OF NEW MEXICO

BOND NO.: AR-71301-94

YOUR REFERENCE: CHAPPELL "5" WELL NO. 1, LOCATED IN

UNIT E OF SECTION 5, TOWNSHIP 12 NORTH, RANGE 30 EAST, SAN MIGUEL

COUNTY, BOND CASE NO. 9712

GIHON WELL NO. 1, LOCATED IN UNIT G OF SECTION 31, TOWNSHIP 13 NORTH, RANGE 30 EAST, SAN MIGUEL COUNTY, BOND CASE

NO. 9713

Dear Mr. Johnson:

This office is in receipt of two July 24, 1989 letters from Robert G. Stovall advising of show cause hearings on August 9, 1989 relating to the two above referenced matters.

When you have the opportunity, we would appreciate your advice concerning the outcome of the hearings.

If we do not hear from your office within 60 days, we shall assume that our principal has resolved the respective situations to your satisfaction and will close our claim file.

This letter is not intended as an admission of liability or as a waiver of any of the rights, privileges or defenses of American Employers' Insurance Co. or its principal, Tom L. Ingram.

Your cooperation is appreciated.

Yours very truly,

Robert J. Donovan

SR. BOND CLAIM ATTORNEY

RJD:amt 0-50