

TheTravelers

The Travelers Companies
1 Farmington Boulevard
P.O. Box 1201
Farmington, CT 06034

OIL CONSERVATION DIVISION
RECEIVED

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Special Liability Group
Surety Division

October 1, 1992

Mr. Roy E. Johnston
Senior Petroleum Geologist
Energy, Minerals and Natural
Resources Department
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87504

Re: Energy Oil & Gas Corp.
Sandler Well No. 1
Your Location: 1-3-24N-29E:1980' FLS and 662' FEL
Bond No.: 572E6232
Our File: 120 SR V42 7894 R

Dear Mr. Johnston:

Thank you for your letter of September 17.

We are pleased that arrangements are being made to properly plug and abandon the above well. However, we feel compelled to point out that although The Travelers has agreed to finance Mr. Wilkerson's efforts to properly plug this well, The Travelers will not be associated with this project beyond this. Consequently, The Travelers will not be plugging this well. We believe this to be an important distinction and wanted to bring it to your attention. We will ask Mr. Wilkerson to contact your office regarding his construction schedule.

We will look forward to seeing the necessary work performed to your satisfaction and under your supervision in order to ensure that it meets your department's requirements. At the conclusion of this project, we would appreciate receiving a written release of this bond together with the original bond if it is available.

Thank you for your cooperation.

Very truly yours,

THE TRAVELERS INDEMNITY COMPANY



Christopher R. Morkan

CRM:amh
cc: Mr. Andy Wilkerson

HOME OFFICE
One Tower Square
Hartford, CT 06183