



The Travelers Companies  
Two NorthPark East  
P.O. Box 660055  
Dallas, TX 75266-0055

Daniel L. Wolfe  
Manager  
Surety Department

Dallas Office

EL Paso #7

March 24, 1987

State of New Mexico  
Energy & Minerals Department  
Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Attn: Mr. Charlie Golson

Re: Texas Rose Petroleum  
Case 9074, Order No. R-8404  
Case 9075, Order No. R-8405  
Claim #039/5180F

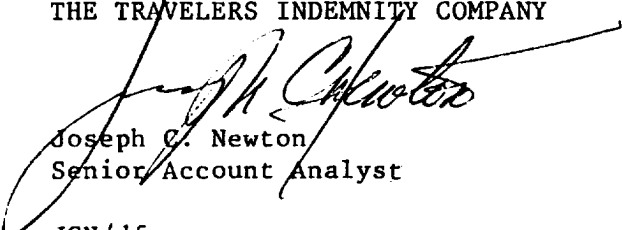
Dear Mr. Golson:

The Travelers Indemnity Company acknowledges receipt of the above mentioned orders under our Blanket Plugging Bond, number 981F609A. This letter is to advise you of The Travelers intent to honor our obligation under the above mentioned Blanket Plugging Bond.

Presently, The Travelers is soliciting bids to properly plug the referenced wells in accordance with state guidelines from various plugging contractors in the Farmington area. To date, the contractors we have verbally requested to submit bids, are those plugging contractors that your office provided to us. We will review those bids, then submit a proposal that is acceptable to your department for consideration and acceptance.

Again, The Travelers Indemnity Company does intend to honor our bond obligation and see that these wells are properly plugged. Should you have a guide for properly plugging that we could review to assist us in our proposals to the various contractor, we would appreciate it if you would forward us a copy.

Very truly yours,  
THE TRAVELERS INDEMNITY COMPANY

  
Joseph C. Newton  
Senior Account Analyst

JCN/df

RECEIVED

MAR 27 1987

OIL CON. DIV  
DIST. 3

HOME OFFICE  
One Tower Square  
Hartford, CT 06115