

*Pulling together for you  
in Eddy & Lea Counties.*

**Western Commerce Bank**

**RECEIVED**

MAY 17 2004

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**May 12, 2004**

**Gail MacQuesten  
Assistant General Counsel  
NM Energy, Minerals and Natural  
Resources Department  
1220 South St. Francis Drive  
Santa Fe, NM 87505**

**Dear Ms. MacQuesten:**

**I am in receipt of your letter dated May 5, 2004 regarding the Aztec State #1 well owned by Verde Grande Inc. I am not aware that Western Commerce Bank has any interest in this property. The Bank never had any loans to Verde Grande Inc., nor did it have any of its assets as collateral. The Bank did have loans to C&C Stock Farms, Inc. also owned by Mr. Caudill. The Banks loans were secured by real estate and the appurtenant water rights. The real property and water rights have been owned by the Bank for over five years as the result of foreclosure after the bankruptcy had run its course.**

**The Bank did not do any business with Verde Grande Inc and we are certainly not aware of any of its assets being transferred to the Bank. If I can provide any additional information, I will be happy to do so.**

**Sincerely,**

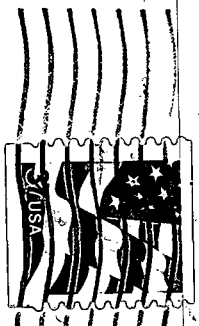
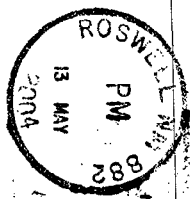
**Mike Hoyl  
Senior Vice President**

**Case 13257  
OCD Ex. 4**



**Western  
Commerce  
Bank**

P.O. Box 700 • Hobbs, New Mexico 88241



**Gail MacQuesten  
Assistant General Counsel  
NM Energy, Minerals and Natural  
Resources Department  
1220 South St. Francis Drive  
Santa Fe, NM 87505**

*[Handwritten signature]*

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