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May 16, 2003

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*File
Case No 12976*

RECEIVED

MAY 20 2003

**OIL CONSERVATION
DIVISION**

(VIA FACSIMILE (505) 476-3462 & FIRST CLASS MAIL)

David K. Brooks, Esq.
Assistant General Counsel
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

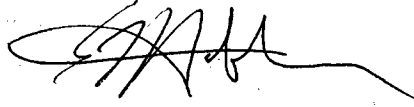
Re: Bond No.: CR 7200649
Surety: Commercial Union Insurance Company
Principal: Mayfair Minerals, Inc.
Obligee: State of New Mexico
Well: Rhonda PG State Well No. 1

Dear Mr. Brooks:

This letter follows my receipt of Mr. Kenneth Crews' letter of May 15, 2003 (copy enclosed), wherein he states that the Vannie Cook Trusts, the sole shareholder of the now dissolved Mayfair Minerals, Inc., has agreed to plug the above referenced well. In light of the foregoing, Commercial Union Insurance Company ("CUIC") will take no further action with respect to the New Mexico Oil Conservation Division's claim on the bond at this time. Please, however, keep me advised of the status of the plugging procedure.

As always, CUIC reserves and does not waive all of its rights and defenses under the bond and applicable law. Thank you for your attention to this matter and please do not hesitate to call me if you have any questions.

Very truly yours,



Eric H. Loeffler

cc: Martin B. Cohen, Esq.
CharCretia V. DiBartolo, Esq.
Kenneth D. Crews, Esq.

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