

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 9, 2002

Ammonite Energy Texas, Inc P.O.Box 50587 Midland, TX 79710

Underwriters Indemnity Company 8 Greenway Plaza, Suite 400 Houston, TX 77046

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 12947: Application of the New Mexico Oil Conservation Division for an Order Requiring Ammonite energy Texas, Inc. to Properly Plug One (1) Well, Imposing Civil Penalties for Failure to Comply, Authorizing the Division to Plug Said Well and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico

Ladies and Gentlemen:

You are hereby notified that on December 2, 2002, the New Mexico Oil Conservation Division enter the enclosed order directing you to properly plug your Dickinson Cattle Co. 33 Well No. 2 (API No. 30-025-27818) in Lea County, New Mexico by January 15, 2003. Failure to comply with this order may result in assessment of civil penalties in addition to forfeiture of your bond.

You should contact Bill Prichard in the Hobbs district office of the Oil Conservation Division, at 505-393-6161, ext, 107, prior to commencing work, to obtain the approved procedure and to file your form C-103 Notice of Intent.

You may appeal this order by filing an application for review by the Oil Conservation Commission within thirty (30) days from the date of the enclosed order.

Very truly yours,

David K. Brooks Assistant General Counsel

ec: Chris Williams, OCD Hobbs

