



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September 24, 2002

Fi-Ro Corporation
RR4
6628 Devonian
Roswell, NM 88210

Gulf Insurance Company
125 Broad Street, 8th Floor
New York, NY 10004

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 12950: Application of the New Mexico Oil Conservation Division for an Order Requiring Fi-Ro Corporation to Properly Plug Three (3) Wells, Imposing Civil Penalties for Failure to Comply, Authorizing the Division to Plug Said Wells and Ordering a Forfeiture of Applicable Plugging Bond; Chaves and Lea Counties, New Mexico

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking an Order requiring you to properly plug and abandon three (3) wells located in Chaves and Lea Counties, New Mexico, specifically identified in said application.

A hearing on this application will take place before a Division hearing officer on Thursday, October 24, 2002, at 8:15 a.m., in the Division Hearing Room, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application.

Your posted blanket surety bond, in the amount of \$50,000, No.B585654 issued by Gulf Insurance Company, will be forfeited if an order is entered as requested in the attached application and you fail to comply therewith.

Inquiries concerning this application may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,

David K. Brooks
Assistant General Counsel

cc: Chris Williams, OCD Hobbs