



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 15, 2007

Mr. Martin B. Cohen
c/o Harvey Green
OneBeacon Insurance Co.
One Beacon Lane
Canton, MA 02021

**Re: Stevens Operating Corporation
Bond No. AR 71396 61
American Employers' Insurance Company, Surety**

Dear Mr. Cohen:

Reference is made to your letter of October 9.

I replied to your inquiry by e-mail on October 11, and a copy of that communication is enclosed.

In answer to your additional questions, we anticipate that the plugging of these wells and payment of the contractor's invoices will be completed by the end of 2007. A schedule of estimated costs is attached, with the caveat that costs may exceed the estimates. This caveat, however, is not particularly relevant for your purposes, as the estimated costs exceed the amount of your bond.

With reference to Stevens bankruptcy, I enclose a copy of a letter from Linda Bloom, formerly trustee for Stevens Operating Corporation, which sets forth all of the information available to me concerning the bankruptcy of that entity.

A copy of Bond No. AR 71396 61 is also enclosed.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, October 11, 2007 4:50 PM
To: 'mcohen@onebeacon.com.'
Subject: Estate of Reuben F. Momsen and Stevens Operating Corporation

Mr. Cohen

Dorothy Phillips asked that I advise you concerning the status of these cases. Orders were issued in both of these cases directing the operators to plug their abandoned wells. In both cases, work orders have been issued to a contractor to plug these wells at the expense of the State of New Mexico Oil and Gas Reclamation Fund, and they either have been, or are being plugged. We have not, however, received or processed invoices for the plugging. When we receive these invoices, we will present claims on these bonds.

In the case of the Estate of Reuben F Momsen, we did not mail any notice of our application for a plugging order except to American Employers Insurance Company. The bond we hold on this operator is in the name of the Estate of Reuben F. Momsen, and it was issued in 1977. Evidently Mr. Momsen has been deceased for more than 30 years. The State National Bank of El Paso Texas, Trustee, signed the bond as principal. We did not attempt to notify the successor to that bank, as we would not assume that an estate would remain open for that long a time. We relied on published notice to the operator in this case.

In the case of Stevens Operating, we ascertained that that entity was formerly the debtor in a Chapter 7 Bankruptcy in the US District Court for the District of New Mexico. However, that bankruptcy proceeding was dismissed. We sent a notice to the address we have for Stevens Operating, which is "United Bank Plaza, Suite 1250, Roswell NM 88201. That certified letter was returned stamped "Vacant." We also sent notice to Linda S. Bloom, the bankruptcy trustee, who advised us that, inasmuch as the bankruptcy had been dismissed, she no longer had any interest in the matter.

Please advise if I can furnish any more information.

Thanks

David K. Brooks
Legal Examiner
505-476-3450

10/11/2007



OneBeacon
INSURANCE

RECEIVED

2007 OCT 15 PM 1:07

October 9, 2007

David K. Brooks, Esq.
Assistant General Counsel
Oil Conversation Division
State of New Mexico
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Principal: Stevens Operating Corporation Oblige: State of New Mexico
Your Case No.: 13675 Bond Penalty: \$50,000
Bond No.: AR 7139661 Our File No.: OAA 304772

Dear Mr. Brooks:

It has been more than a year since we received notice of the State of New Mexico's intent to present a claim under the above referenced bond. My file indicates that during my last conversation with your office (3/7/07), I was informed that the well(s) in question have not been plugged as yet, and until that has been accomplished, you would not be sending in the final claim documents for payment under the bond.

As we continue to maintain an open claim file, we would appreciate it if you could send to me a status of the pending claim in so far as when it is expected that the well(s) will be plugged, the costs of same, and when we may expect from you office the final claim documents.

Additionally, my records indicate that you had informed me that the Stevens Operating Corporation has been adjudicated a bankrupt. Could you please confirm this for me and let me know the status of your attempt to contact Stevens Operating Corporation, and what, if any, response to this matter from them.

Also, OneBeacon does not have a copy of the bond to us at your earliest convenience.

Thank you for your attention to this.

Sincerely,

Martin B. Cohen

10/9/07
Please Address Correspondence
to me as follows:
MARTIN B COHEN
c/o HARVEY GREEN
ONEBEACON INS CO
ONE BEACON LANE
CANTON, MA 02021
(T) 781-592-0870
(cell) 781-956-5040
T. Cohen



2007 OCT 15 PM 1:07

October 9, 2007

David K. Brooks, Esq.
Assistant General Counsel
Oil Conversation Division
State of New Mexico
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Principal: Reuben F. Monson Obligee: State of New Mexico
Your Case No.: 13713 Bond Penalty: \$5,000
Bond No.: AE 7133440 Our File No.: OAA 304774

Dear Mr. Brooks:

It has been more than a year since we received notice of the State of New Mexico's intent to present a claim under the above referenced bond. My file indicates that during my last conversation with your office (1/25/07), I was informed that the well in question had not been plugged as yet, and until that has been accomplished, you would not be sending in the final claim documents for payment under the bond.

As we continue to maintain an open claim file, we would appreciate it if you could send to me a status of the pending claim in so far as when it is expected that the well will be plugged, the costs of same, and when we may expect from you office the final claim documents.

Additionally, could you please let me know what efforts you had made to contact the principal to remedy the matter, and what response, if any was made.

Also, OneBeacon does not have a copy of the bond, and requests that you furnish a copy to us at your earliest convenience.

Thank you for your attention to this.

Sincerely,

Martin B. Cohen

10/11/07
Please Direct All
CORRESPONDENCE TO:
MARTIN B. COHEN
c/o HARVEY GREEN
ONEBEACON ENT CO
ONE BEACON LANE
CANTON, MA 02021
(F) 781.592.0870
(C/F) 781.956.5040
M.B.C.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

June 29, 2006

Mr. Russell Whited
M.E.W. Enterprise
P.O. Box 39
Roswell, NM 88203

Re: "O'Brien" wells in Chaves County, Texas

Ladies and Gentlemen:

I am in receipt of your letter of June 21.

Your letter refers to the "JG O'Brien" well and the "O'Brien A#1" wells in Chaves County. This nomenclature varies slightly from ours; however, based on location, I am assuming you are referring to the following wells, formerly operated by Stevens Operating Corporation of Roswell:

O'Brien DQ #1	API No. 30-005-60731	660FSL/660FWL 30-7S-29E
O'Brien DQ #2	API No. 30-005-31017	990FSL/2310FWL 30-7S-29E

As you presumably know, OCD has ordered that these wells be plugged because they were abandoned by Stevens Operating, which was, for a time, in bankruptcy proceedings in Albuquerque.

OCD is pleased that you may have an interest in taking over these wells to restore them to production. However, since these wells are located on private land, the first step would be for you to obtain rights thereto from an owner. It seems probable, in view of the long period of time that these wells have not produced, that Stevens' leases have expired, but we do not know what lands are covered by those leases, nor what other wells may be on such lands.

Accordingly we recommend that you look into the state of the titles to these properties. If you secure a lease from an owner of minerals, or as assignment or agreement from an owner of a lease that is still in force, then we will be in a position to process a request for change of operator. In the absence of your finding a representative of Stevens Operator to sign such a request, our approval would require review of applicable documentation by one of our attorneys, but that should not present a major problem if you acquire a proper title.

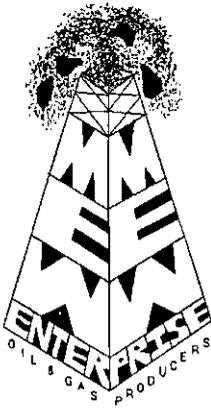
Due to funding limitations and difficulties obtaining a contractor, OCD will probably not plug these wells for several months. We would encourage you to pursue opportunities to acquire them if this is of interest to you.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel

cc: William Jones, OCD Santa Fe
Tim Gum, OCD Artesia



M.E.W. Enterprise
PO Box 39
Roswell, NM 88203

2006 JUL 19 PM 2 53

June 21, 2006

NM Oil & Gas Conservation Division

David Brooks

1220 S. Saint Francis Drive
Santa Fe, NM 87505

RE: O'Brien "DQ" wells in Chaves County, NM

Sir;

Thank you for your response to my letter in regard to the above mentioned wells. We contacted Lori with Moon Company about the lease on this property. She told us that this lease is held by Yates right now, but it is coming up for renewal in February 2007. At that time they would consider leasing the above property to MEW. If the state plans to plug these wells prior to this date please let us know.

Thanks for your help, if you need more information or have any questions please call me on my cell phone at (505) 420-3324.

Sincerely,

Russell Whited
MEW Enterprise

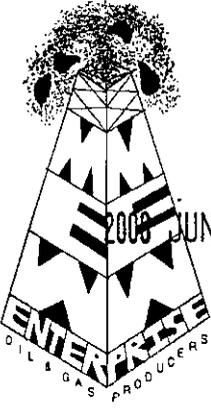
Faint, illegible text, possibly a stamp or bleed-through from the reverse side of the page.



Phone: (505) 627-2065

Fax: (505) 627-8529





M.E.W. Enterprise

PO Box 39
Roswell, NM 88203

June 21, 2006

NM Oil & Gas Conservation Division
David Brooks
1220 S. Saint Francis Drive
Santa Fe, NM 87505
RE: JG O'Brien & O'Brien A #1

Sir;

I am writing you in reference to the above listed wells. I spoke with Tim Gumm from the Artesia office concerning these well, I am interested in operating them. He told me that you are the one that could help me out with exactly what I would need to do to make this happen. The legal descriptions for these wells are as follows:

JG O'Brien
Sec 30 T07S - R29E
SW ¼ of the SW ¼
Chaves County, NM
O'Brien "A" #1
Sec 30 T07S - R29E
SE ¼ of the SW ¼
Chaves County, NM

Thanks for your help, if you need more information or have any questions please call me on my cell phone at (505) 420-3324.

Sincerely,

Russell Whited
MEW Enterprise



Phone: (505) 627-2065

Fax: (505) 627-8529

