

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

Case No. 14312

EXHIBIT

14

Swazo, Sonny, EMNRD

From: John Green [jgreen@pyramidgom.com]
Sent: Thursday, February 19, 2009 12:28 PM
To: Swazo, Sonny, EMNRD
Cc: Mike Myers; Brooks, David K., EMNRD; Macquesten, Gail, EMNRD

Mr. Sonny Swazo,

As I indicated in past communications, several of the wells listed in the OCD'S 17 page Proof of Claim (119-1) filed in Orbit's bankruptcy case on 10/09/2008, will not be purchased by Vista. On page 2 of that Claim the OCD showed a Plugging Cost Estimate Summary for several entities. The wells owned by the entity Tipton & Denton, and those owned by Tipton, Denton & Denton were never acquired by Orbit; they were retained by the Tiptons, and thus will not be part of Vista's purchase of Orbit's bankruptcy assets.

Additionally, page 3 of the OCD'S Claim lists other wells that are not included in Orbit's bankruptcy assets. They either were never assigned to Orbit or, if assigned to Orbit they were subsequently assigned by Orbit to another party(ies) prior to the bankruptcy and the assignment(s) were not filed of record by the assignee(s). These wells are:

<u>WELL NAME</u>	<u>API #</u>
Archer 001	30-041-20787
Archer 002	30-041-20798
Brown 51 001	30-025-07061
Brown 51 002	30-025-21703
Line State 001	30-041-20451
Steber 001	30-041-20791
State BA 001	30-041-10003
State BA 002	30-041-20048

Hopefully this information will be helpful to you in preparing the Compliance Order.

On another note:

I anticipate that Vista's operator bond will cover all of the Company's obligations on active producing wells to be acquired from Orbit's bankruptcy Estate. And for each of the wells that the OCD shows to be out of compliance according to the list you gave me in Santa Fe, I will prepare a Cash Bond with Collateral Assignment. Since our purchase

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of Orbit's assets is subject to the Court's approval, I suppose we should offer the Compliance Order along with the Cash Bonds and Collateral Assignments to the Court to be held contingent upon approval. Is that ok with you, or do you have a different way to handle these situations?

Thanks for your assistance, please contact me with questions and/or comments.

Respectfully,

*John M Green,
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