



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 11, 1997

American Employers Insurance
One Beacon Street
Boston, MA 02018

RE: OCD Case No. 11255--Application of the New Mexico Oil Conservation Division to plug the Christopher Well No. 1 located in Chaves County, New Mexico and operated by Charles W. Harle

Bond No: AE 71344-11

Principal: Charles Harle

Obligee: State of New Mexico Oil Conservation Division

Dear Sir/Madam:

Reference is made to the above-listed case, well and bond. Enclosed are copies of (i) Order No. R-10406, (ii) the bond and related correspondence, and (iii) the bill for plugging the well. The contract for the plugging of this well and two other wells was awarded to Mayo Marrs Casing Pulling, Inc. The cost of plugging all three wells was \$8,800, making the average amount per well \$2,933.33.

We therefore are asking you for **\$2,933.33** for the plugging of the well covered by the \$5,000 bond issued by American Employers. The other two wells were covered by \$5,000 plugging bonds issued by American Manufacturers Mutual Insurance Company which has already reimbursed us for the other two thirds of the cost (\$5,866.67).

Once we receive the **\$2,933.33** payment from you, we will release your \$5,000 bond. Please make the check payable to "Oil and Gas Reclamation Fund" and mail it to my attention at the "Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505".

If you have any questions, please call me at 505/827-8156.

Sincerely,

Rand Carroll
Legal Counsel

cc w/enc.: Ned Kendrick, Esq.
Montgomery & Andrews, PA
P.O. Box 2307
Santa Fe, NM 87504-2307