

Old Republic Insurance Company
Bituminous Casualty Corporation
International Business & Mercantile Reassurance Company

P.O. Box 1635, Milwaukee, WI 53201 Phone: (414) 797-2640 / Fax: (414) 797-9495

FACSIMILE TRANSMISSION

DATE: March 27, 1996

TO: Rand Carroll, Esq.

COMPANY: New Mexico Oil Conservation Division

LOCATION: Santa Fe, NM

FACSIMILE TELEPHONE NUMBER: 505-827-8177

TOTAL NUMBER OF PAGES INCLUDING THIS COVER LETTER: 1

FROM: PAUL S. GUARDALABENE - 414/797/2675

If you do not receive all pages, please call as soon as possible

Phone (414) 797-3449

Re: Claim No.: 22817

Bond No.: DLI 867464

Principal: Diamond Back Petroleum, Inc.

Company: Northwestern National Insurance Company/

Old Republic Surety Company

Dear Mr. Carroll:

We just received the hearing examiner's docket sheet for April 4, 1996. I noticed that the above-referenced matter is supposed to be dealt with at the hearing on April 4. Is this just a formality? The wells have been capped and brought into compliance with all applicable laws. Will the bond be released at the time of the hearing? Is there any more documentation which the Oil Conservation Division needs from our company or from Pride Petroleum Services? Thank you for your anticipated prompt response.

Very truly yours,

OLD REPUBLIC SURETY

Paul S. Guardalabene

Assistant Vice President, Claims

414/797-2675

PSG/beh