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April 8, 1996

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Rand L. Carroll, Esq. New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505

Re: OCD Case No. 11499: Application of the New Mexico Oil Conservation Division for a Show Cause Hearing concerning Deanie Lou, American Manufacturers Mutual Insurance Company and Ring Well No. 1, located in Unit C of Section 32, T6S, R26E, Chaves County, New Mexico

Dear Mr. Carroll:

I am writing to confirm that American Manufacturers Mutual Insurance Company, rather than American Employers Insurance Company, posted the surety bond at issue in this case covering the proper plugging and abandonment of oil and gas wells. I understand that the examiner hearing in this matter, initially scheduled for March 21, 1996, has been rescheduled for a later date. I further understand that, because the bond at issue was posted by American Manufacturers Mutual Insurance Company, American Employers Insurance Company is not involved in any way in this case and need not attend the rescheduled hearing.

Please advise me if my understanding is in any way incorrect.

Sincerely,

Nachurd

Edmund H. Kendrick

EHK:km cc: CharCretia V. Di Bartolo, Esq.

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