

MERIT ENERGY COMPANY

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Done

November 18, 1999

Mr. Mike Stubblefield
New Mexico Energy, Minerals &
Natural Resources Department
Oil Conservation Division
811 South First Street
Artesia, NM. 88210

Dismissal

*Letter
dismissing*

RE: Case No. 12279
Burton Flats No. 1, 2, & 3 Wells
Section 1-T21S-R27E
Eddy County, New Mexico

Dear Mr. Stubblefield,

Pursuant to our telephone conversation on November 10, 1999, enclosed you will find (in triplicate) Forms C-103 for the proposed plugging and abandonment of the referenced wells. Merit proposes to plug and abandon these wells within 60 days after approval from the NMOCD.

It is my understanding the hearing for this case has been postponed until December 3rd. As I explained in our conversation, Merit Energy Company cannot locate the 1997 NMOCD notices to plug and abandon these wells. We received a copy of the October 15, 1999 notice of the hearing from our insurance company.

Merit Energy Company strives to be diligent in all its operations and continues to be an active producer in New Mexico. Merit agrees to plug the referenced wells and, therefore, respectfully requests the NMOCD to withdraw its application for the plugging and forfeiture of bond.

Should you need any additional information, please advise this office or call me at (972) 383-6558. Thank you again for your assistance in this matter.

Sincerely,

MERIT ENERGY COMPANY

Arlene Valliquette
Arlene Valliquette
Manager - Regulatory Affairs

Enclosures (9)

cc: Rand Carroll - NMOCD
Mike Dill - Travelers