

TravelersPropertyCasualty
A member of **citigroup**



Mike D. Dill
Bond Claim Manager
P.O. Box 3510
Tulsa, Oklahoma 74101-3510
Tel 918-624-2782
Fax 918-624-2708

November 4, 1999

New Mexico Energy, Minerals & Natural Resources Dept.
Oil conservation Division
2040 South Pacheco Street
Santa Fe , NM 87505

NOV - 8 1999

ATTN: RAND CARROLL

RE: OUR PRINCIPAL: MERIT ENERGY COMPANY
BOND NUMBER: 071 S 100832237 BCA
CLAIM NUMBER: 071 SC NR

Dear Mr. Carroll

This will serve to acknowledge receipt of your letter dated October 15, 1999, in which you advised us of your desire to file a claim against the above referenced bond. This claim has been assigned to me for handling. Please direct all future correspondence concerning this matter to me at the above address.

We are in the process of attempting to discuss this matter with our principal in order to ascertain their position with regards to this claim. In the meantime, please be advised we are investigating this matter under a full reservation of rights. Please do not construe our attention to this matter as an admission of liability on either the part of Travelers Property Casualty Company or our principal.

I may be contacted at either the above address, phone, or fax number.

Best Regards

A handwritten signature in black ink, appearing to read 'M. Dill', written in a cursive style.

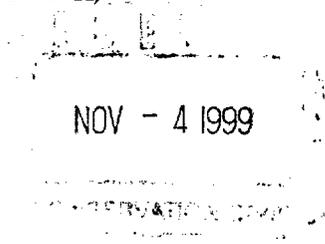
Mike Dill
Bond Claim Manager



Carol A. Thompson
Customer Service Representative
Bond Claim, 3PB
Tele: (860-277-4018)
Fax: (860-277-5722)

One Tower Square
Hartford, CT 06183

October 29, 1999



New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Rand Carroll

Re: Principal: Merit Energy Company
Bond#: 71 S 100832237 BCA
Case#: 12279

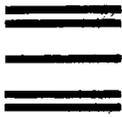
Dear Mr Carroll:

Your notice of October 15, 1999, in connection with Merit Energy Company has been referred to our Texas Claim Office, (918-624-2782) located at 9820 East 41st Street, Tulsa, OK 74146, to the attention of Mike Dill .

Since our information is limited, our attention to this matter is without prejudice to the interests of the principal and surety.

Sincerely,
Carol Thompson

TRAVELERS PROPERTY CASUALTY



CRUM & FORSTER INSURANCE
P.O. BOX 2942
SHAWNEE MISSION KS 66201-1342

ATTENTION: *Tim Forster*

