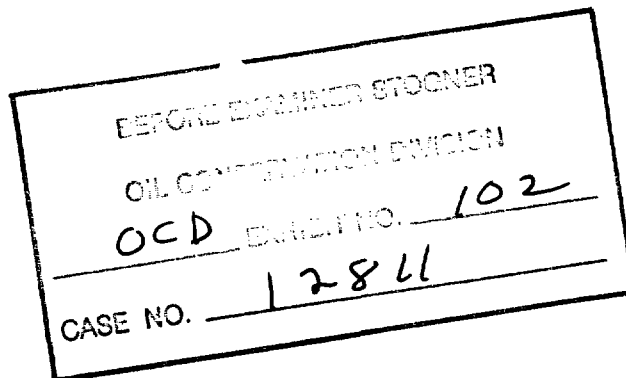


**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

September 8, 2000

12581
KERSEY & CO & E A HANSON
PO BOX 316
ARTESIA, NM 88210



Re: Current Status of Oil and Gas Wells

In May of this year, the Oil Conservation Division ("Division") sent a letter to you setting forth the Division's information on wells for which you are the operator of record. The letter requested a response with additional information. The Division has had no response to the letter. The Division presumes you agree with the information in the letter regarding your inactive wells.

The wells have not shown production or been reported on Form C-115 for more than one year. The wells are not in compliance with the Division's rules and the New Mexico Oil and Gas Act.

You are hereby directed to bring these wells into compliance within 60 days. In the alternative, within 30 days you may submit a compliance plan including a schedule of activities with dates.

Sincerely,

Tim Gum
District Supervisor

| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
|--|--|--|--|
| <ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits. | | A. Received by (Please Print Clearly) <u>M E Kersey</u> B. Date of Delivery <u>10/1/00</u> | |
| 1. Article Addressed to: | | C. Signature <u>M E Kersey</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee | |
| KERSEY & COMPANY & EA HANSON P.O. BOX 1248 FREDERICKSBURG, TX 78624 | | D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |
| 2. Article Number (Copy from service label) 7000 0600 0026 1537 0526 | | 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. | |
| | | 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes | |

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