



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 2, 2002

Leigh Operating Company
PO Box 600904
Dallas, TX 75360

Underwriters Indemnity Company
8 Greenway Plaza
Suite 400
Houston, TX 77046

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 12825: Application of the New Mexico Oil Conservation Division for an Order Requiring Leigh Operating Company to Properly Plug Two (2) Wells, Imposing Civil Penalties for Failure to Comply, Authorizing the Division to Plug Said Wells and Ordering a Forfeiture of Applicable Plugging Bonds.

Underwriters Indemnity Company Bonds Nos. BO4131 and BO4132

Ladies and Gentlemen:

You are hereby notified that on June 7, 2002, the Director of the New Mexico Oil Conservation Division entered an Order requiring Leigh Operating Company or his surety to properly plug and abandon two (2) wells located in Lea County, New Mexico, specifically identified in said application not later than July 15, 2002 and directing forfeiture of applicable bonds in event of the company's failure to comply.

A copy of the order entered in this matter is enclosed.

Inquiries concerning this order may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,

A handwritten signature in dark ink, appearing to read "DKB".

David K. Brooks