



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 13, 1998

Certified Mail
Return Receipt Requested

1998 FEB
RECEIVED
OCD - ARTESIA

Rocky Mountain Resources Inc.
7409 South Alton Court, Suite 210
Englewood, CO 80112

United States Fidelity and Guaranty Co.
P.O. Box 1138
Baltimore, MD 21203

Case No. 11947

RE: Application of the New Mexico Oil Conservation Division for an order requiring Rocky Mountain Resources Inc. to properly plug its Border Hills State Well No. 1 located in Units O in Section 17, Township 11 South, Range 20 East, Lincoln County, NM, authorizing the Division to plug said well, and ordering a forfeiture of any plugging bond

United States Fidelity and Guaranty Co. Bond No: 56-0130-13356-82-9

Dear Sir/Madam:

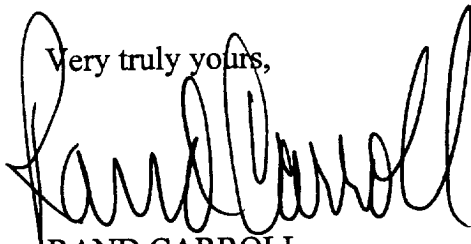
This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring Rocky Mountain Resources Inc. and other interested parties to appear and show cause why the above-referenced well should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by an order issued in this case, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90--- Enclosed) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing

statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is fluid and cursive, with the first name "Rand" and last name "Carroll" clearly distinguishable.

RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

c: Ray Smith, OCD Artesia

Tim Gum, OCD Artesia District Supervisor