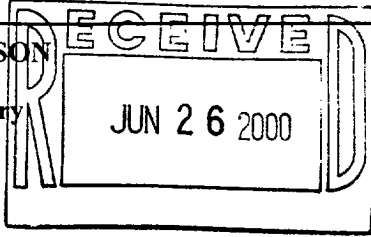




NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Copy to:
Mark
Frank
Jo

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary



June 21, 2000

Lori Wrotenbery
Director
Oil Conservation Division

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Strata Production Company
Post Office Box 1030
Roswell, NM 88202-1030

Underwriters Indemnity Company
8 Greenway Plaza #1450
Houston, TX 77046



Re: Case No. 12456

Application of the New Mexico Oil Conservation Division for an order requiring Strata Production Company to plug one well in Eddy County, New Mexico

Dear Gentlemen:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application for a hearing requiring Strata Production Company and other interested parties to appear and show cause why certain wells should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on July 13, 2000. You are not required to attend this hearing, but as 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 are required by Division Rule 1208.B, enclosed, to file a Prehearing Statement three days in advance of the hearing.

Best regards,

Marilyn S. Hebert
Attorney

c: Tim Gum, District Supervisor
Mike Stubblefield, OCD Artesia