

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES
SUITE 380 LOGAN TOWER BUILDING
1580 LOAN STREET

DENVER, COLORADO 80203



WILLIAM R. SMITH
Director

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RICHARD D. LAMM
Governor

FRANK J. PIRO
Deputy Director

May 24, 1985

Mr. Melvin Peel
Northwestern National Insurance Company
P.O. Box 15098
Salt Lake City, Utah 84115

Re: Bond No. S-838844
Wyoco Petroleum, Inc.

Dear Mr. Peel:

We apologize for not answering your inquiry earlier regarding the subject bond and my claim letter of May 21, 1982. We had previously informed you that Wyoco, your principal, had filed for Chapter 11 under the bankruptcy laws in the State of New York. We had planned to accomplish the abandonment work in 1982 and had secured a contractor to do the work.

Subsequently, the attorney for Wyoco, Robert P. Herzog, obtained a restraining order from the court to prevent this agency from plugging the well. The restraining order was to allow Wyoco more time under their lease, to complete the well. Since that time no work has been done on the well and we assume that Wyoco could not raise additional money and may be "broke". The lease has a term that expires on 12-30-85 and may be still valid provided that Wyoco complied with it's terms. We have been unable to get the lessor, Victor-American Fuel Company, to write us stating that the lease is void.

In any event our claim letter remains in effect and we may move to plug the well later this year or wait until the lease expires. We will keep you informed of any action we may take regarding this matter. We enclose a copy of the court "stay order" and please advise us if you have any questions.

Very truly yours,

J. A. McKee
Supervising Petroleum Engineer

JAM/CK
cc: File