

New Mexico  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON  
Governor

JENNIFER SALISBURY  
Cabinet Secretary

1-23-98

Mr. Allen Hodge  
Salado Operating L.L.C.  
P.O.Box 1925  
Hobbs, NM. 88241

Re: Shut in wells.

Dear Allen;

For your convenience a copy of my first letter in regard to your shut in wells is enclosed. Because there was no response from you on this matter Ray Smith contacted you by phone October 7, 1997 and you assured him you would send us your plan to address this problem. Because there has been no response from you, I have instructed Ray to ask our legal department in Santa Fe to schedule a hearing so you may appear and show cause why these wells should not be plugged.

Yours truly,

  
Tim Gum