OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178 Fax (505)334-6170

GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

August 26, 1997

Ms Marcia McCracken SG Interest I Ltd PO Box 2677 Durango Co 81302

RE: W Bisti State 26-13-36 #2, M-36-26N-13W, 30-045-29076

Dear Marcia:

I have requested from SG Interest I Ltd. a C-103 stating your intentions for the above-mentioned well. To this date I have not received a C-103 from SG or Maralex. As per our telephone conversation earlier I understand your problem with Maralex operating the well but the state recognizes the bond holder as the responsible party. Plans for the well were to be submitted prior to July 6, 1997. If I have not received a C-103 prior to September 5, 1997, I will submit the paper work to Rand Carroll (Attorney for the OCD) asking for a show cause hearing as to why the well should not be plugged and abandoned.

Feel free to call me at 505-334-6178 if I can be of any assistance in this matter.

Sincerely:

Johnny Robinson

Deputy O&G Inspector

JR/sh

cc:

well file

Frank Chavez

TA file