

RECEIV.

JUN 25 2003

Oil Conservation Division

energy corporation

June 23, 2003

Certified Mail Return Receipt Requested

Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87504

Attention: Ms. Lori Wrotenbery

RE: Plugging Welch A Federal Lease

Section 4, T-19S, R-31E Eddy County, New Mexico

Dear Lori:

Please advise us in writing as to when your office will be plugging the shallow wells on the above described lease. I have inquired several times in the past few years and while the process seems to be ongoing it has not reached a conclusion. I finally had the chance to go to the oilfield Sunday and went by those wells on the way to a drilling rig. Nothing has happened since I was there in December, 2001. The reason I was there previously is because the BLM requested we plug the wells since we are lessee of record. While we own a portion of the deep rights, we own no interest in the shallow. I advised the BLM that the State was in the process of plugging these wells and asked them to let that process go forward. They granted me time, but this process seems to be never ending. I have listened to the OCD and BLM talk about how problem wells only get worse over time and I believe that is true. Now, I question why your process can not be timelier as these wells are probably not getting any better.

I await your response and help in this matter.

Sincerely,

Raye Miller

Land Department -

Ray Miller

RM/mm

Cc:

Mr. Jim Amos Carlsbad BLM