

Nerdlihc Company, Inc.
337 E. San Antonio Dr.
Suite 101
Long Beach, CA 90807

Mr. William J. Lemay
Director of New Mexico OCD
2040 Pacheco
Santa Fe, N. M. 87505

Dear Sir:

In response to the OCD Order #R-10473, Case No. 11354 dated October 4, 1995, Nerdlihc, being the current owner and operator of the five wells in question, wishes to apologize for the non-response to this problem until now, and respectfully requests that the plan to be detailed later, be reviewed and considered for approval.

The conditions which have caused these wells to be out of compliance for some time now will hopefully be corrected from this point forward. Nerdlihc's plan is to bring the subject wells into compliance with Division Rule No. 201 by temporarily abandoning these wells until such time that an engineering study of the well records can be completed. Once the engineering study is completed the feasibility and the economics of returning these wells to production can be determined. If it is determined that there is no economic benefit to returning these wells to production, the wells will be permanently plugged and abandoned in accordance with state regulations. The plan of action is outlined in detail on respective C-103's for each of the 5 wells. The actual work, depending on weather, will begin within one month of approval by the OCD. This will allow sufficient time to evaluate each well for mechanical integrity and temporarily abandon or permanently abandon, whichever the case may be, within the 6 month allotted time frame.

Very truly yours,



David W. Ault
Chief Engineer