

CAMPBELL & HEDRICK

P. O. BOX 401                      220 MID-AMERICA BLDG  
MIDLAND, TEXAS 79701

November 27, 1979

U.S.G.S.  
P.O. BOX 1157  
Hobbs, New Mexico 88240

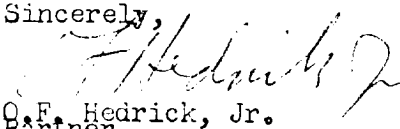
Re: ELLIOTT NO. 2  
UNIT H, S6, T23S, R38E  
LEA COUNTY, NEW MEXICO

Gentlemen:

Campbell & Hedrick have not been able to work out a definitive settlement with the surface owners to date covering damages to surface and the rehabilitation requirements for captioned well.

Negotiations are continuing and upon reaching an agreement with the surface owners Campbell & Hedrick will notify the U.S. Geological Survey in writing of this fact.

Sincerely,

  
O.F. Hedrick, Jr.  
Partner

OFH/dn