

WELL PLUGGING COMPANIES

LB Oilfield Services Inc.
P.O. Box 122
Midland, TX 79701
Ph: 915-520-4103

United Oil Services Inc.
2420 West I-20
Odessa, TX 79763
PH: 915-580-0244

Pride Petroleum Service
P.O. Box 1918
Hobbs, NM 88240
Ph: 393-9171
Ph: 1-800-798-9171

Baber-Gibson Well Services
P.O. Drawer 310
Hobbs, NM 88240

Royalty Well Service
P.O. Box 394
Grandfalls, TX 79742
Ph: 915-547-2926

K & R Oil & Gas
410 N. Atkinson
Roswell, NM 88201

Jim Kuykendall 505-623-5593

Mayo Marrs Casing Pullers
P.O. Box 863
Kermit, TX 79745
Ph: 915-586-3076

D A & S Oilfield Services
P.O. Box 2545
Hobbs, NM 88240
Ph: 505-392-6591

Sierra Well Service Inc.
P.O. Box 10460
Midland, TX 79701
PH: 915-688-0160

Odessa, TX
PH: 915-530-0430
Mr. Tex Neatherlin

NEW MEXICO OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE, NM 87505

FEBRUARY 16, 1996

Certified Mail
Return Receipt Requested

Salkar, Inc.
P.O. Box 1151
Artesia, NM 88210

The Travelers Indemnity Co.
PO Box 1201
Farmington, CT 06034
RE: Bond No. 427F242-4

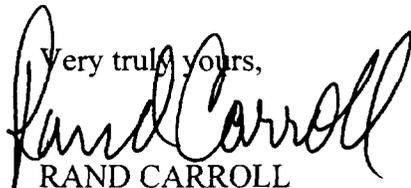
RE: OCD Case No. 11490
Application of the New Mexico Oil Conservation Division for a Show Cause Hearing
requiring Salkar, Inc. to appear and show cause why the El Cheapl Well No. 1 located in
Unit F of Sec.35, T18S, R27E, Eddy., NM should not be plugged and abandoned

Dear Sir/Madam:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring Salkar, Inc. to appear and show cause why it should not be ordered to plug and abandon the above-referenced well.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 7, 1996. You are not required to attend this hearing, but as an owner of an interest that may be affected by an order issued in this case, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90--- Enclosed) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,


RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

CURRENT

COMPANY Salkar Inc.		PROPERTY NAME El Cheapo	WELL NO. 1
DATE	LOCATION ULSTR)	FOOTAGE	
	F-35-18-27	1650 FNL & 1650 FWL	
API NO. 30-015-25238		POOL A-On-Gb. SA	

1. Spot a 40 Sx plug at 1800'. WOC and tag.
2. Load hole with mud from tag to 680'.
3. Pull up hole to 680' & fill to surface with cement.
4. Set dry hole marker, clean & level location.

Contractor will be responsible for condition of road and pad. Contractor will also handle any salvage.

CASING RECORD:

8 5/8 @ 278' C
 4 1/2 @ 2140' C
 TD 2220'
 Top Perf @ 1516'

8 5/8 @
278'

Top Perf
1516'

4 1/2 @
2140'

