

SHINNERY OIL COMPANY, INC.

606 W. TENNESSEE, SUITE 107
MIDLAND, TEXAS 79701-4260

JACK W. HOOD, P.E.
PRESIDENT

AREA CODE 915 686-8846

FACSIMILE
(915) 686-8847

January 8, 2004

Attn: Mr. Mike Bratcher
NMOCD
1301 W Grand Ave
Artesia NM 88210

Re: State 16 Lease # |
J-16-16S-30E
API 30-015-25488

RECEIVED
JAN 12 2004
OCD-ARTESIA

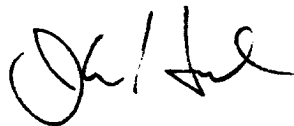
Dear Mr. Bratcher:

The captioned well has been scheduled for plugging by our company, as soon as possible. The necessary forms will be submitted to your office by the end of this month. Son Holmes/BCM & Associates, Inc. will likely be the plugging contractor.

The well sign referred to in the attached letter will be reattached to the wellhead prior to the January 10, 2004 Corrective Action Due date. The pumping unit was removed some time last year, and the existing well sign likely was attached and left with it at that time.

We are sorry for the inconvenience of you having to write the directive letters of October 8, October 9, and December 4, 2003, and will perform whatever functions to remove this well from incompliance with OCD rules. Please don't hesitate to call if you have any questions.

Sincerely,



Jack W. Hood

JWH/kt