Morexco, Inc.

Office (505) 746-6520 Fax (505) 748-1014



January 7,1998

Oil Conservation Division Artesia District Office 811 South First Street Artesia, New Mexico 88210 Attention: Mr. Tim Gum

> Re: Apex St. #1 30-015-22872 K 35-18-27

Dear Mr. Gum,

In reference to your letter dated December 3,1997, the status of the captioned well is shut-in. Morexco, Inc. plans to plug this well at a later date. However, this well is owned by Mr. Wayne Head and Mr. J. T. Haile and Morexco does not have any interest in the property other than it being listed on our plugging bond.

Mr. Haile is in poor health and Mr. Head has not responded to my numerous requests over the past two years to take care of plugging this well. We would like to avoid turning this over to our attorney if possible and any help you could offer toward resolving the issue would be greatly appreciated.

Thank you.

Very truly yours,

MOREXCO. INC

Donald G. Becker, Jr. President

DGB/rmr

cc: Wayne Head J. T. Haile c/o Sylvia Childress H & S Oil