



P.O. BOX 98
LOCO HILLS, NEW MEXICO 88255

Carl J. Chavez, CHMM
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Dr.
Santa Fe, NM 87505

December 11, 2007

Re: Eugenie #1 Brine Well
Subsidence Monitoring System

Attn: Mr. Carl J Chavez

In regards to our conversation Tuesday, 12/11/07 concerning I & W's progress on the subsidence monitoring of the Eugenie #1 Brine well. I & W has been in contact with The Dan R. Reddy Consulting and Engineering firm. We decided after visiting with this firm to wait for the completion of the cavern survey, so we would have a better idea of what monitoring points to use. The cavern survey was completed the 1st of September.

I & W's yard surrounding the brine well is in much need of repair due to all the rain in the last year. We finally received the fill material & are awaiting the road grader to level our yard. The fill material was very difficult to obtain, as there is only one place in production of this and they have been down.

However, we will be setting the monitoring points in the ground within the next few weeks. Before setting them we will contact you with our plan so you can review it before we get started. Thank you for all your help and information regarding this matter and we will be in contact with you soon. If you have any questions or need additional information, please contact me at (575)885-6663.

Sincerely,

A handwritten signature in cursive script that reads 'Kevin Wilson'.

Kevin Wilson
Operations Manager

ARTESIA
(505) 746-4214
1 (800) 748-1972

CARLSBAD
(505) 885-6663
1 (800) 858-2739

LOCO HILLS
(505) 677-2111
1 (800) 748-1972