

Travelers Insurance
1 Farmington Boulevard
P.O. Box 1201
Farmington, CT 06034

April 24, 1996

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Attn: Rand Carroll

Re: Our File: (Pending)
Principal: Salkar, Inc.
Obligee: State of New Mexico
Bond No.: 427F2424
Old Case No.: 11490 (El Cheapo Well No. 1)

Gentlemen:

Travelers is in receipt of your March 15, 1996 letter stating that a Show Cause Hearing, requiring Salkar, Inc. to appear and show cause why it should not be ordered to plug and abandon the above well, has been set for March 7, 1996. If, as we suspect, the hearing date stated in your letter is incorrect, kindly provide us with the correct date. If said hearing has already occurred, please so advise us and notify us of the outcome at your earliest convenience.

All future correspondence relating to this matter should be directed to the undersigned at the above address.

Very truly yours,

THE TRAVELERS INDEMNITY COMPANY



Richard R. Deshais
(860) 954-0704