GUADALUPE OPERATING, LLP

1407 West Cuthbert Ave. Midland, Texas 79701 (915) 686-8632 (915) 684-5270 FAX



9-15-2002

YATES FEDERAL WELL#3

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPT OIL CONSERVATION DIVISION 1301 GRAND AVE. ARTESIA, N.M. 88210

ATT; GERRY GUYE

MR. GUYE;

PURSUANT TO YOUR LETTER AND OUR PHONE CONVERSATION PLEASE BE ADVISED THAT THE REFERENCED WELL #3 IN YOUR LETTER OF 9-13-2002 IS AN ACTIVE WELL. THE WELL WAS REWORKED AND PUT BACK ON PRODUCTION 2-3 YEARS AGO. ABOUT 6 MONTHS AGO A ROD PARTED. WE ARE WAITING FOR A PULLING UNIT TO REPAIR SAME. PLEASE ADJUST YOUR RECORDS APPPROPRIATLY. SINCERELY,

JOHN BREEØLOVE MANAGING PARTNER

OM Please Active & Lative