



March 4, 2005

Oil Conservation Division
Attn: Mark Fesmire, P.E.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Agreed Compliance Order

Dear Mr. Fesmire,

In compliance with the Agreed Compliance Order, we are submitting our monthly compliance report regarding inactive wells.

The State CL #5 (API#30-025-01577) was returned to production in February 2005 and the paper work has been filed.

The FB Gist #1 (API#30-025-23114), FB Gist #2 (API#30-025-23242) were plugged in February 2005 and C-103's have been filed.

Latigo will continue to send monthly updates. If you have any questions please give me a call at (432)684-4293.

Sincerely,

LATIGO PETROLEUM INC.

A handwritten signature in dark ink, appearing to read "Bruce Woodard", is written over the printed name.

Bruce Woodard
District Operations Manager

Cc: District Office
Chris Williams
Billy Prichard
Gail MacQuesten

