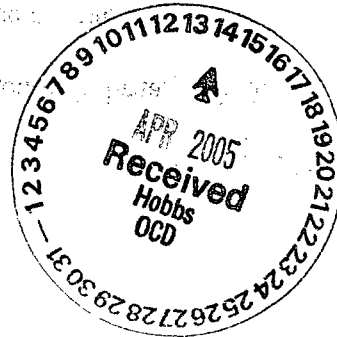


April 10, 2005

CW Trainer
C/O Oil and Gas Reports
1008 W. Broadway
Hobbs, NM 88240



NMOCD
1625 N. French Drive
Hobbs, NM 88240

RE: Shut in wells

Dear Mr. Robinson,

I am writing you as a follow up to our telephone conversation last week regarding the status of the group of wells in your letter to CW Trainer. The letter dated 9/10/04, listed wells needing work under Rule 201 (19.15.4.201). The status of the wells is as follows:

Hope State #1-API#30-025-01059 – This well was plugged in February 2005.

Gulf State Com. #1-API-30-025-23525 – This well will be plugged.

Amerada State SWD #1-API#30-025-23676 – This well will be plugged.

Tower #2-API#30-025-35093 – This well will be plugged.

State GB #1-API#30-025-03689 – This well has an AFE submitted and awaiting approval to recomplete.

McElvain #3-API#30-025-28557 – This well is being examined for recompletion possibilities.

Harris Federal #1-API#30-025-28551 – This well is being examined for recompletion possibilities.

Mr. Robinson, due to the amount of work being done it has proven difficult obtain plugging unit services.

I will contact you by the end of the week with further updates. Please do not hesitate to contact me at (432)557-7178.

Trenedy Grovey