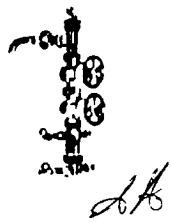


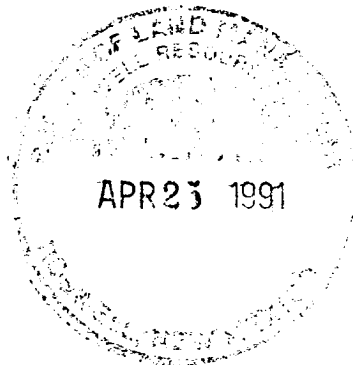


FROSTMAN OIL CORPORATION  
P. O. Drawer W  
Artesia, New Mexico 88211-0629  
Phone (505) 746-3344

N. M. OIL & GEMS COMMISSION  
BUREAU OF LAND MANAGEMENT  
35, N.W. 28-4147



April 24, 1991



Bureau of Land Management  
P. P. Box 1857  
Roswell, NM 88202-1857

Attention: Sandra L. Allen

Re: Yates 29 Federal #1 *NM-15314, N-29-125-3/E*  
Reply #3100-(066)

Dear Ms. Allen:

Frostman Oil Corporation put the above captioned well back on production April 12, 1991. So far we have produced approximately fifty barrels of oil and it is currently producing at a rate of about three to four barrels per day which we believe is profitable at the present price of oil. We plan to continue to produce this well until it is no longer profitable. If that time comes, then we plan to plug the well.

Very truly yours,

FROSTMAN OIL CORPORATION

A handwritten signature of Clarence Forister, president of Frostman Oil Corporation.

Clarence Forister, president

CF:jf

