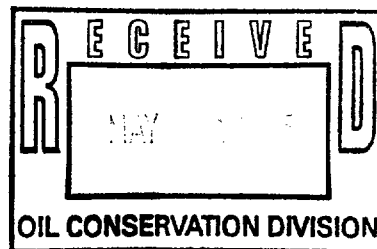


New Mexico  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

TO: David Catanach  
FROM: Nelda Morgan  
DATE: May 2, 1995  
SUBJECT: DHC-755 - Enserch Exploration Inc.  
Lambirth, 3-G, 31-5-33



As of the above date I have discussed with Jerry Sexton the aforementioned well and the amount of water on their initial test which was overproduced. In relation to this what needs to be done or what would you recommend.

Please note the order limited the water to 100 barrels and their initial test was 200 barrels.