



December 29, 2004

Billy Pritchard
NMOCD
1625 N. French Dr.
Hobbs, New Mexico 88240

Billy,

Attached is the January, 2005 report for December, 2004's activity related to InFlow Petroleum Resources, LP's Compliance Order 01-04-003 signed under Operator OGRID number 225789.

Each month, we are required to act on two wells. For December, the New Mexico AN State #11 was TA'd and the New Mexico AN State #19 was returned to production. It is my understanding that you will forward a copy of this report to the State Attorney's office in Santa Fe. Please call if you have any questions.

Best Regards,

A handwritten signature in black ink, appearing to read "Matt Houston", is written above the typed name.

Matt Houston
Chief Operating Officer
InFlow Petroleum Resources, LP

InFlow Petroleum Resources, LP

NMOCD Monthly Report Regarding Compliance Order 01-04-003

Well Name	API #	Previous Status	Current Status	Date of Status Change	Date of MIT test	Notes	Notice of Intent Filing Date	Subsequent Report Filing Date
New Mexico AN State #011	30-025-28236	SI	TA'd	12/10/2004	12/14/2002	CIBP @ 9700'	12/8/2004	12/17/2004
New Mexico AN State #019	30-025-35297	SI	Producing	12/15/2004	NA	pumping	12/9/2004	12/17/2004