UHC New Mexico Corporation

April 7, 2006

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Mr. Chris Williams District Supervisor District 1 Oil Conservation Division State of New Mexico Energy and Minerals Department 1625 N. French Drive Hobbs, NM 88240

RE: UHC New Mexico Corporation, NMOCD-OGA 05-96 Well Compliance

Dear Chris:

Pursuant to the Agreed Compliance Order ("ACO") in the above referenced case, attached please find the listing of wells restored to production in March 2006. The well schedule indicates four (4) wells have been produced in March 2006 bringing them into compliance as requested.

Each month we will send you a duplication of the attached list which indicates what action has been taken on the wells that we have brought into compliance that month. UHC New Mexico Corporation will continue taking steps toward compliance as requested under the ACO.

Thank you for your consideration.

Very truly yours,

UHC New Mexico Corporation

Tamnie Stephens

Operations Controller

Enclosure



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CC: David K. Brooks, Esq. Assistant General Counsel Energy, Minerals and Natural Resources Department 1220 S. St. Francis Dr. Santa Fe, NM 87505

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UHC New Mexico Corporation

Well Compliance Schedule

Cato San Andres Unit

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| Well Number | Compliance Date | Action |
|-------------|------------------------------|------------------------|
| 10 29 | January 2006 | Producing |
| 42 | January 2006 January 2006 | Producing Producing |
| 72 | January 2006 | Producing |
| 14 | February 2006 | Producing |
| 16 | February 2006 | Producing |
| 19 | February 2006 | Producing |
| 21 | February 2006 | Producing |
| 22 | February 2006 | Producing |
| 30 | February 2006 | Producing |
| 37 | February 2006 | Producing |
| 39 | February 2006 | Producing |
| 17 | March 2006 | Producing |
| 18 | March 2006 | Producing |
| 40 | March 2006 | Producing |
| 54 | March 2006 | Producing |

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