



June 19, 2006

Oil Conservation Division
Attn: Daniel Sanchez
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

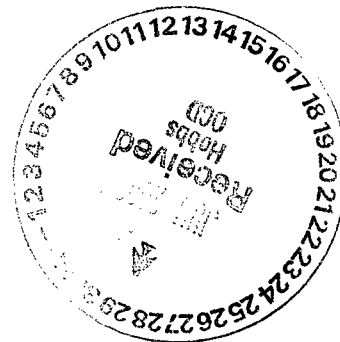
Re: Agreed Compliance Order

Dear Mr. Sanchez,

In compliance with the Agreed Compliance Order, we are submitting our semi-annual compliance report regarding inactive wells.

The following wells have been plugged and the C-103's have been filed.

Aztec State #5	(30-025-01319)	
Aztec State #14	(30-025-01313)	
Bagley State Com #1	(30-025-24182)	
Cabot C State #1	(30-025-22696)	
Central Corbin Queen Unit #215	(30-025-01580)	
Cockburn B #7	(30-025-29124)	
Dallas #1	(30-025-22330)	
E.C. Hill B Federal #6	(30-025-10969)	
E.D. Hill D Federal #4	(30-025-10950)	
Goodnight 35 Federal #1	(30-015-30196)	Not on list
Highlands 25 Federal #2	(30-015-32311)	Not on list
New Mexico BD State #1	(30-025-21443)	Not on list
Todd LSAU #351	(30-041-10210)	
Wyatt B #1	(30-025-01372)	



The following wells were returned to production and/or injection, and the C-103's have been filed.

Aztec State #2	(30-025-01317)
Aztec State #9	(30-025-23138)
Aztec State #10	(30-025-22731)
Central Corbin Queen #105	(30-025-29898)
E.C. Hill D Federal #1	(30-025-10947)
G.H. Mattix B Federal #1	(30-025-31770)

Latigo will continue to send updates as requested. If you have any questions please give me a call at (432) 684-4293.

Sincerely,

LATIGO PETROLEUM INC.

A handwritten signature in black ink, appearing to read "Joe N. Clement". The signature is fluid and cursive, with a large loop at the beginning.

Joe N. Clement
Sr. Operations Engineer

Cc: District Office
Chris Williams
Billy Prichard
Gail MacQuesten