

UHC New Mexico Corporation

July 6, 2006

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:

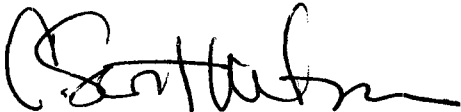
Pursuant to the Agreed Compliance Order ("ACO") in the above referenced case, attached please find the listing of wells restored to production or P & A'd in June 2006. The well schedule indicates four (4) wells have been produced or plugged and abandoned in June 2006 bringing them into compliance as 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

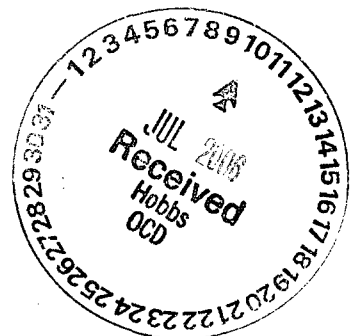


C. Scott Wilson
President & CEO

Enclosure

CC: David K. Brooks, Esq.
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UHC New Mexico Corporation

Well Compliance Schedule

Cato San Andres Unit

<u>Well Number</u>	<u>Compliance Date</u>	<u>Action</u>
54	June 2006	Producing
84	June 2006	Producing
86	June 2006	Producing
92	June 2006	Producing