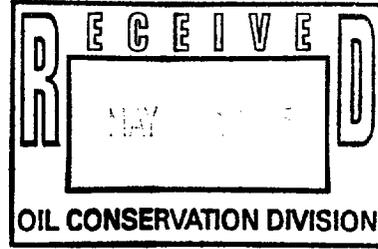


New Mexico  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

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.