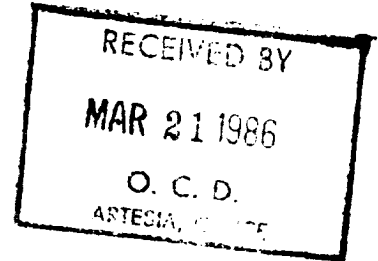


STEVENS OPERATING CORPORATION

FIRST NATIONAL TOWER - SUITE 1250
P. O. BOX 2203
ROSWELL, NEW MEXICO 88201
505 622-7273

March 20, 1986



Mr. L. A. Clements
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

EF
Re: O'Brien "00" #1
Section 33, T-7-S, R-29-E
Railroad Fusselman Gas

Dear Mr. Clements:

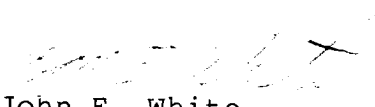
On March 19, 1986, while hauling water from the above location to A. L. Daugherty Salt Water Disposal, a valve on the stock tank was left open to the water tank. This resulted in the loss of 58 barrels of condensate being hauled to the Disposal.

Please note that the above referenced zone has been plugged. The well name has been changed to the O'Brien "EA" #1.

If you have any questions regarding this matter, please don't hesitate to call our office.

Yours very truly,

STEVENS OPERATING CORPORATION


John E. White
Field Manager

JEW/clw