

A. S. Pen. T. M. G. m.

T. I. Good until ~~2~~ June 1, 2002

Vintage Drilling L.L.C.

**P. O. Box 158
Loco Hills, NM 88255
505-746-1669**

March 21, 2002

Mr. Tim W. Gum
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1301 W. Grand
Artesia, NM 88210



RE: Inactive Non-Compliance Well Status

Mr. Gum:

In response to your letter of February 26, 2002, please find attached a swab report for the Hill Federal #1 and the Hill A Federal #1 and a sonic fluid level for the Falgout #2 as it has rods and tubing in the hole. We do not have a tubing talley on this well in our records, but do have a pulling report which shows 72 5/8's rods, which with a ten foot pump would be 1810'. The fluid level shows 56 1/2 joints to fluid. Assuming 31' per joint, this is 1751 feet.

As for the wells we are plugging on the Penrose Lease, attached are copies of sundry notices for the High Lonesome Penrose Federal #1 and the High Lonesome Penrose Federal #3 where these wells have been plugged. We attempted to plug the High Lonesome Penrose Federal #4, ran into major problems with tubing and a packer, attached is a sundry notice where the BLM has given us some additional time to get this done. The plugging unit is on the High Lonesome Penrose Federal #5 at this time, and as soon as they finish it, they will move to the #6.

I realize this did not happen within the time frame I indicated in my last letter, however, Basics plugging rig had a water flow on their last well and were a week late getting to our wells. We had several days of bad weather which required us to shut down, and both the #3 and #1 had additional waiting time on cement plugs which were not anticipated. The BLM has had a representative on location every day that we have been plugging and they advise as long as we keep plugging and do not let the rig go until the last two wells are completed, that will satisfy their requirements.

Sincerely,


Sonny Hope