AGHORN OPERATING, INC.

P.O. Box 12663 Odessa, TX 79768-2663 (915) 550-0804 • Fax (915) 550-0822

January 8, 2002

State of New Mexico Energy, Minerals & Natural Resources Oil Conservation Division 1301 West Grand Ave. Artesia, NM 88210

Attn: Mr. Gerry Guye

Re: Form C-103 Northeast Square Lake Unit Eddy County, NM

Dear Mr. Guye:

Attached please find three (3) original completed Form C-103's for the certain wells in the Northeast. Square Lake Unit along with a copy of the letter that was submitted with these same reports on December 11, 2001.

Please contact me at (915) 550-0804 if you have any questions or need additional information

Very truly yours,

Frosty Gilliam, Jr. President

FG\mc Enc.

