September 25, 2001

State of New Mexico Oil Conservation Division 1301 West Grand Avenue Artesia, NM 88210

Exemption From Annual Shut-In Pressure Test Requirement RE:

Lowe State #5 1650' FSL & 2540' FWL UL-K, Section 36-T21S-R23E API 30-015-30583

Dear Sir or Madam:

Please accept this request for exemption from OCD Rule 402, requiring an annual shut-in pressure test on natural gas wells. The subject well produces a substantial amount of water, lifted by an electric submersible pump. When shut-in, a fluid level will rise in the wellbore and when returned to production, normal gas production is delayed until the well is once again stabilized.

Thank you very much for your attention to this request.

Sincerely,

Beverly Hoffman

Sr. Proration Analyst

Leverly Hoffman