

As additional wells are drilled, which will pro-rate down the direct cost of the Amine plant, we feel that these will be very economical wells, when the price of gas goes higher which should happen in the near future.

We are planning to re-enter an offset well and complete that well in the same zones, plus three or more additional zones down to 3,500'. We are hoping to commence this well within the next sixty days. Should these deeper zones be capable of production, we will probably deepen the D. L. Cook 1-24 Fed. also to test and produce these zones.

We plan to leave the well in a shut-in gas well status at the present time. When the second well is completed, we will re-evaluate the economic feasibility of putting both these wells on production, and continue the development of this lease.

We are also planning to re-enter or twin the Chapparral No. 1 Juniper Canyon well, in section 14 of this lease and attempt a recompletion of the Morrow formation. We feel that this well was badly mistreated when drilled and should have been a producer. We are attempting to schedule this re-entry by the end of this summer.

We are also enclosing a zerox copy of the logs for this well, which apparently have been lost or misplaced. These are the only copies available at this time. We have contacted Schlumberger, and apparently all their records for that period of time were destroyed and this well was not sent to their archives. We also contacted PI and various other log storage companies and have been unable to find any original copies except these zeroxes. Should original copies be found in the future, we shall forward them to you.

If you have any further questions or need additional information, please contact me.

Very truly yours,

D. L. COOK

By: 

David Conn

Enclosures:

