

PRIDE ENERGY COMPANY

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March 2, 2005

ATTN: Mark E. Fesmire, Chairman
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

RE: Case No. 13153
Order No. R-12108-D

Mr. Fesmire:

In reference to the above, Pride Energy Company commenced re-entry operations on the State X #1 well (API# 30-025-01838) located 1980' fnl and 660' fwl (Unit E) of Section 12 – T 12S – R 34E, Lea County, NM, on February 15, 2005, pursuant to the above Order which stated operations must be commenced no later than March 9, 2005. Daily activity reports are being e-mailed to Yates Petroleum.

Sincerely,



John W. Pride
Pride Energy Company

Certified Mail, Return Receipt # 91-3408-2133-3930-6217-4249