

P.O. BOX 8206 WICHITA FALLS, TEXAS 76307-8206 TELEPHONE (940) 716-5100 PRODUCTION FAX (940) 716-5110 WELL LOG FAX (940) 716-5180 LAND FAX (940) 716-5120 ACCOUNTING FAX (940) 716-5150 EXPLORATION FAX (940) 716-5170

August 23, 2001

New Mexico Oil Conservation Division 1625 N. French Drive Hobbs, New Mexico 88240

RE: State 3 #1 Unit Letter F, Section 3, T10S-R36E API # 30-025-33721

Dear Gentlemen:

The above captioned well was plugged back to a depth of 4,198 feet on January 28, 1997 to be evaluated for the possibility of use as a saltwater disposal well. An application was made and approved by the Oil Conservation Division on October 9, 1998. The well was not converted to disposal and Cobra Oil & Gas Corporation will plug and abandon the well in accordance with New Mexico Oil Conservation Division regulations. Included is Form C-103 outlining the plugging procedure for the unplugged portion of the wellbore. Upon approval, Cobra will proceed with the plugging of the well.

Should you require additional information, please advise.

Sincerely,

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Rory Edwards Production Supervisor

Enclosure

RE/bas

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