



American Cometra, Inc.

March 15, 1991

STATE OF NEW MEXICO
Energy & Minerals Department
Oil Conservation Commission
1000 W. Broadway
P.O. Box 1980
Hobbs, New Mexico 88240

Attn: Mr. J. T. Sexton

RE: Workover
State 7 Well
Northeast Lovington Field
Lea County, New Mexico

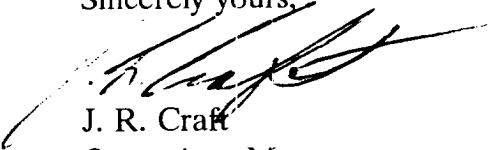
Dear Mr. Sexton:

On 2/10/91 the State 7 well, located in the Northeast Lovington Field, stopped producing oil due to a down hole pump failure while gas production remained constant. On 2/23/91 a 9-day workover was performed, and, on 3/3/91 the well was placed back on production. The subject well produced in paying quantities for a period of 6 days and again ceased producing due to down hole problems.

American Cometra, Inc., is in the process of evaluating the down hole problem and intends to have the oil production restored in a few weeks.

If you have any questions regarding the abovementioned, please do not hesitate to contact me at (817) 877-1585.

Sincerely yours,



J. R. Craft
Operations Manager
West Texas Area

JRC/tdp
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