SEELY OIL COMPANY 815 WEST TENTH STREET FORT WORTH, TEXAS 76102

August 3, 2001

State of New Mexico Energy, Mineral and Natural Resources Dept. Oil Conservation Division 1625 North French Drive Hobbs, New Mexico 88240

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Attention: Mr. Gary Wink

Re: Repair of Water Injection Well EK Queen Unit #67 EK Yates – SR – Queen Field API No: 30-025-02350

Dear Mr. Wink:

Seely Oil Company forwarded a C-103 Sundry Notice for OCD approval to repair the subject water injection well. A copy of the C-103 is enclosed. The work has yet to be performed.

A recent mechanical integrity test was performed which showed a leak in the wellbore.

This letter serves as notice that we plan to proceed with the repair work as soon as a workover unit can be obtained.

If any additional information is required, please do not hesitate to contact me.

Very truly yours,

SEELY OIL COMPANY

David & Anderso

David L. Henderson

DLH:pa

Enclosure