

**GANDY CORPORATION**  
OILFIELD SERVICES  
P.O. BOX 827  
TATUM, NEW MEXICO 88267  
(505) 398-4960  
FAX 505-398-6887

June 30, 2004

Gail MacQuesten  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**RE: Emergency Permit Approval for State T #2**

Dear Ms. MacQuesten:

Gandy Corporation respectfully requests an emergency injection permit to restart injection operations on the State T #2 SWD due to the following hardships.

Gandy Corporation has considerable obligations to its clients to accept their produced water to keep their leases in operation. The availability of capacity at the other area public injections wells makes it extremely difficult to satisfy our clients needs and adds a burden of financial distress because of the additional trucking costs.

Sincerely,



Larry Gandy