

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

*FUT.*  
*DM*  
*JD*

July 9, 2004

Mr. Chris Williams  
New Mexico Oil Conservation Division  
1625 N. French Drive  
Hobbs, NM 88240

**RE: Gandy Corporation, State "T" Well No. 2, T16S, R34E, NMPM, Lea County, New Mexico NMOCD 836**

Dear Mr. Williams:

This letter is to inform you that Gandy Corporation has received the letter dated July 9<sup>th</sup> from the NMOCD authorizing utilization of the above referenced well in such a manner as to permit injection of produced water for disposal purposes. The injection operations will commence at 5:30P. M. on this date and we will comply with all conditions set forth by the Division.

Sincerely,

*Larry Gandy*  
Larry Gandy