



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

Gary Johnson
GOVERNOR
Jennifer A. Salisbury
CABINET SECRETARY

3/9/00

C.W. Trainer
C/O Gaye Heard
Oil Reports & Gas Services, Inc.
1008 W. Broadway
Hobbs, NM 88240

Re: Morse A #1, SWD;Devonian API # 30-025-04995, ULA-S28-T10S-37E

Dear Mr. Trainer:

Before The C-104 approval for operator change can be approved, this well needs to be brought into compliance. According to ONGARD the last date of disposal was 12/97. A letter was sent to TOCO, LLC. On October 27,1999 discussing the status of this well (see attached letter). The status has not changed and the same options still apply. Also, before disposal operations can begin, it will be necessary to file for permission to dispose with the Santa Fe office. After six months of non-use of a disposal or injection well the authority for using the well for that purpose is automatically cancelled.

C.W. Trainer has 30 days to comply with New Mexico Oil Conservation Division concerning this well or the matter will be brought to a "Show Cause" hearing in Santa Fe.

Sincerely

A handwritten signature in cursive script that reads "Chris Williams".

Chris Williams
District 1 Supervisor