

KEVIN O. BUTLER & ASSOCIATES, INC.

500 W. Texas, Suite 955, Midland, Texas 79701 (915) 682-1178 / FAX (915) 687-5725

February 24, 1998

Mr. Sanford Fagadau
Mr. Tom Fagadau
Fagadau Energy Corporation
2323 Bryan Street, LB 140
Dallas, Texas 75201

Re: Stallion (Devonian) Field
E. B. Anderson No. 3 Well
Section 6, T13S-R38E
Lea County, New Mexico

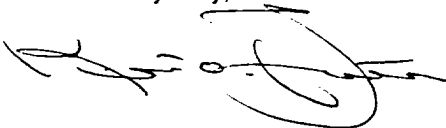
Dear Sanford and Tom:

Kevin O. Butler & Associates, Inc., is submitting to the Oil Conservation Division, State of New Mexico, an application to convert the above referenced well to a salt water disposal well.

As required under the rules of the OCD, the surface owner of the subject lease and each offset leasehold operator is being furnished a copy of this application. Your copy is enclosed.

Should you have any questions, please do not hesitate to call.

Yours very truly,



Kevin O. Butler

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Enclosures

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