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February 2, 2000

New Mexico Oil Conservation Division

Via Fax#(505)827-1389

Attention: Mr. Ben Stone

Re: S. Redlake Grayburg (Unit) Project
Eddy County, New Mexico

Dear Mr. Stone:

Pursuant to discussions with the attorney representing McQuadrangle, L.C., present operator of what was formerly known as the S. Redlake Grayburg Unit, regarding its pending legal action against the prior operator, Mason Phillips Properties of Florida, I am in need of an original letter, at least, from your division, stating that "Mason Phillips", as operator, was denied authorization to inject water into subject "unit", due to non-production, etc., under state rule's and reg's Rule 705(c) and 705 (c-1)?.....

Ben, all I need is a one sentence, original letter addressing this issue. Even a certified or acknowledged copy of statement or correspondence regarding the termination of authorization to inject will suffice.

Please send whatever you can to the letterhead address above.

I, as always, appreciate you help and consideration.

Truly,



Jim Pierce

JP