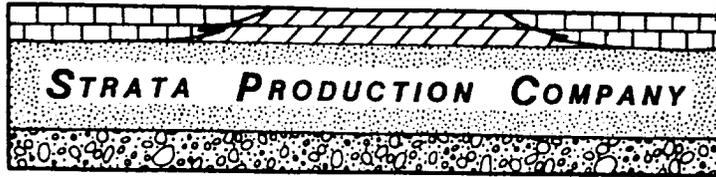


GEORGE L. SCOTT, JR.
FRANK S. MORGAN
JAMES G. McCLELLAND



N. M. OIL CONS. COMMISSION
P. O. BOX 1000
HOBBS, NEW MEXICO 88240

648 PETROLEUM BLDG.
ROSWELL, NM 88201
(505) 622-1127
(505) 622-5891

January 5, 1989

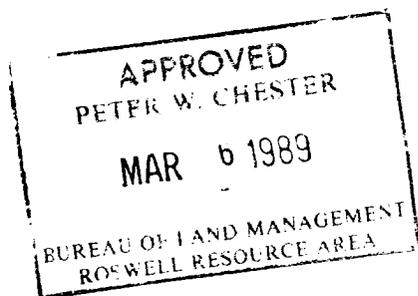
Bureau of Land Management
P.O. Drawer 1857
Roswell, NM 88201

Re: NM-046153-A
Miller Federal Lease
Section 33 T7S R31E
Chaves County, New Mexico

Dear Sir:

In regards to the above referenced lease, Strata Production Company, disposes of its produced water into the Ingram Federal #2. This lease is operated by Murphy Operating and is located in Unit Letter I, Section 5, T8S, R31E, Chaves County, New Mexico. The water is transported via 2" black poly-pipe.

If you have any questions, please call me at (505) 622-1127. Thank you for your cooperation in this matter.



Sincerely,

Frank S. Morgan
Frank S. Morgan

FSM/rlm