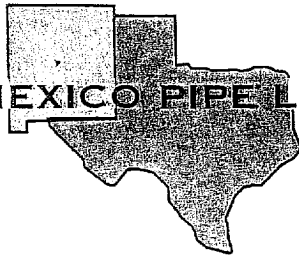


TEXAS-NEW MEXICO PIPE LINE COMPANY



EDWIN H. GRIPP  
DISTRICT MANAGER

P.O. BOX 60028  
SAN ANGELO, TX 76906  
915/949-7019  
915/944-2721 FAX

February 20, 1998

Maralo Inc.  
5151 San Felipe  
Suite 400  
Houston, TX 77056-3607

RECEIVED

FEB 25 1998

LAND DEPT.

Gentlemen:

RE: PIP - PIPELINES  
LEASE DISCONNECTS

This is to notify you that Texas-New Mexico Pipe Line Company must shut down the gathering lines which serve your **Bondurant "2" State (PLDP 0163-0030)** lease in our Tonto Yates & Lusk Gathering System.

We appreciate the business you have given us, and we regret having to take these measures. The low volume on these pipelines, as well as rising environmental costs leave us no alternative.

We plan to shut down these lines by April 1, 1998. This should allow you time to make alternative transportation plans. We will run a short tank, at no charge, immediately prior to disconnection if requested. Please have your representative contact Mr. B. D. Chapman at (505) 396-3341 (our Lovington Office) to make arrangements for disconnection of the tank header or for any questions you may have on this matter.

In order to verify your concurrence, please sign in the space provided and return to this office. Once again, we have appreciated your business and look forward to meeting your future transportation needs.

Sincerely,

*Ed H. Gripp /moo/*

/tea

BDC

Concur

By:

*M. L. Lawrence*

Title:

*Production Mgr.*