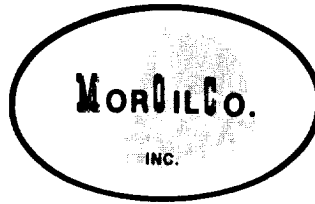


PHONE (505) 748-2194
PHONE (505) 748-2325



DRAWER I
ARTESIA, NEW MEXICO 88210

June 14, 1988

Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88240

Re: Stivason Federal Lease
NM-57287
Sec. 33 T19S R34E
330 FNL 330 FEL
Lea County, New Mexico

Gentlemen:

MorOilCo, Inc., requests approval to dispose of produced water in the Mescalero Ridge Unit #35 of Lea County, New Mexico, located in Section 35 Township 19S, Range 34E. Installation of a three inch high pressure poly-pipe line with pump and meters was completed in April, 1988. The route was surveyed and all stipulations required by Federal Agencies were finalized. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Frank S. Morgan".

Frank S. Morgan

FSM/rlm