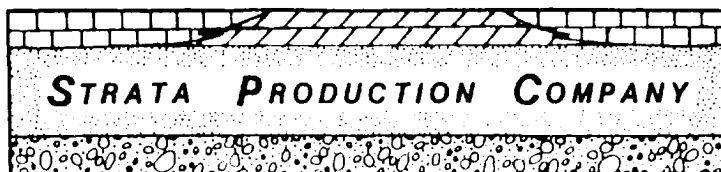


GEORGE L. SCOTT, JR.
FRANK S. MORGAN
JAMES G. McCLELLAND



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

To: Shannon Shaw
Bureau of Land Management
PO Box 1778
Carlsbad, NM 88220

October 24, 1989

Re: Stivason Federal #5
Application for Permit to Drill
Section 27, T-19-S, R-34-E
Lea County, New Mexico

Dear Shannon,

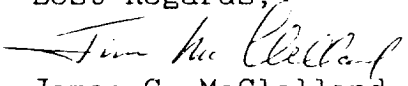
Please attach to and make a part of that certain APD concerning the above captioned well and dated 10-04-89.

ESTIMATED GEOLOGIC MARKERS:

Rustler	1696'
T/Salt	1786'
T/Tansill	3322'
Yates	3512'
Seven Rivers	3829'
Queen	4495'
Penrose	4808'

Contact me for any further information.

Best Regards,


James G. McClelland

/jgm

RECEIVED