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PKRV 03/3330117 OIL CONSERVATION DIVISION

Willis Ranch George and Joyce Willis P.O. Box 307 Jal, New Mexico 88252

Oil Conservation Division P.O. Box 6429 1220 South Saint Francis Drive Santa Fe, New Mexico

July 24, 2003

RE: Xeric Oil application to inject on Section 33, T25, R37E (SE 1/4 SE 1/4)

In the matter concerning the protest to Xeric Oil application for disposal of produced water, we do hereby withdraw that protest. The items that were addressed in the protest have been addressed by Xeric Oil and an agreement has been drawn. The concerns have been adequately addressed. We do however, reserve the right to protest if need arises and these concerns are not addressed in the future. Specifically if the well is used to dispose of commercially taken water from another lease, then Willis Ranch will protest on the use of that disposal well.

Respectfully submitted,

George Willis and Joyce M. Willis

Owners Willis Ranch