

Basin Disposal, Inc.

"SPECIALIZING IN DISPOSAL OF PRODUCED WATER AND DRILLING MUD"

P.O. BOX 100 - AZTEC, NEW MEXICO 87410 - PHONE: (505) 334-3013

May 22, 2006

Oil Conservation Division
Attn.: Ed Martin
1220 South St. Francis Dr.
Santa Fe, NM 87505
FAX (505) 476-3462

RE: Permit NM-01-0005, Basin Disposal Facility
Reporting and Record Keeping, Paragraph 1

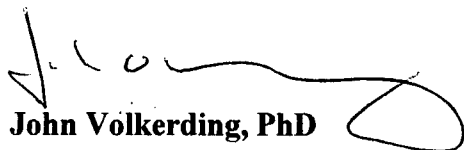
Dear Mr. Martin,

Paragraph 1 of the Reporting and Record Keeping section of Permit NM-01-0005 states "Results of the daily inspection/testing of the leak detection system must be recorded and an annual report must be submitted to the OCD Santa Fe office for review by May 17 of each year".

As you may know, Keith Johnson recently left Basin Disposal and my first week as his replacement stated May 15, 2006. I did not find the requirement for the submission of the report to your office until Friday afternoon. In speaking with Denny Foust of your Aztec office he stated that past submittals had received OCD's approval and to submit the summary for January 2006 through April 2006. If, upon review, you discover that the information from 2005 is also needed I am happy to submit that information as well. Please accept my apologies for the late submittal of this report.

If you need anything else from me, please feel free to contact me via phone at 505-334-3013 or email at bdcinc@diggii.net.

Sincerely,


John Volkerding, PhD
General Manager

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