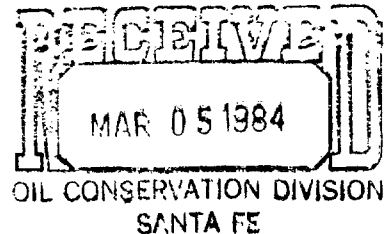


Braden-Deem, Inc.

SUITE 1250, 125 NORTH MARKET • WICHITA, KANSAS 67202 • (316) 265-1731

Oil and Gas Production
Lease Operations and Engineering
Cable-tool Rigs

March 1, 1984



State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: State DB #8
Chaveroo Field
Roosevelt County, New Mexico

Attention: Mr. Gilbert Quintana

As per our telephone conversation this date, enclosed are two copies of Application for Salt Water Disposal which was submitted on January 23, 1984. You said you would pass on one copy to the Commissioner of Public Lands.

You will note from Certified Mail Receipts attached that the Original application dated January 23, 1984 was received in your office on January 27, 1984. A copy of Certified Mail Receipts of all offset operators is attached.

As discussed with you by phone, we wish to dispose of water in the lower San Andres formation - this zone does not produce oil within one mile of the proposed SWD well - State DB #8. Injected water will be upper San Andres produced water from leases within the immediate area. The only well within one mile of the proposed SWD well (State DB #8) which has the lower San Andres open is the Braden-Deem, Inc. State DF salt water disposal well located in C NE SE Section 25-7S-33E. The State DF SWD well disposed salt water (upper San Andres) into the lower San Andres. The State DF SWD well will be plugged and abandoned as it is not taking water satisfactorily. The State DF SWD well is over one-half mile from the State DB #8.

We request administrative approval for this application.


Doy C. Deem

DCD:dms

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

March 5, 1984

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: State DB No. 8 SE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 25, Twp. 7S, Rge. 33E

Attn: Mr. Gilbert Qunitana

Dear Mr. Quintana:

Upon reviewing the subject application for Braden-Deem Incorporated application to convert State "DB" to a salt water injection well, our oil and gas lease records reflect that the record title holder of State Lease No. K-1276-2 embracing this land is Stan E. Wisdom, 403 R.H. Garvey Bldg., Wichita, Kansas 67202.

Obviously, Braden-Deem Incorporated has obtained permission from the lessee to utilize this well as a salt water injection well.

Because an oil and gas lessee is entitled to use so much of the land as is reasonably necessary to explore for and remove the oil and gas, he does not need additional permission of the Land Commissioner to dispose of the salt water being disposed of if produced exclusively from wells located upon the lease lands. In any case, such easements are issued subject to prior rights.

Yours truly,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in dark ink, appearing to read "Floyd O. Prando", with a long horizontal stroke extending to the right.

BY: Floyd O. Prando
Assistant Director
Oil and Gas Division
AC/505-827-5744

JB/FOP/cm

cc: Becky Archuleta
Braden-Deem Inc., Applicant