

SOUTHWEST ROYALTIES, INC.  
Southwest Royalties Building  
407 N. Big Spring, Midland, TX. 79701-4326  
P.O. Box 11390, Midland, TX. 79702-8390  
(915) 686-9927, 1-800-433-7945



SOUTHWEST ROYALTIES

RECEIVED

APR 19 1999

OPERATIONS DEPARTMENT

April 14, 1999

Attn: Chuck Morgan  
SDX Resources, Inc.  
P.O. Box 5061  
Midland, Texas 79704

APR 16 1999

Re: Cities Federal SWD  
Jalmat Tansill Yates 7 Rivers Field  
Section 20, T22S, R36E  
Lea County, New Mexico

Dear Mr. Morgan:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc. pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

Please sign in the space provided below and return to the undersigned in the postage paid envelope provided. Thank your assistance with this project.

Sincerely,

C.M. Bloodworth, P.E.  
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

SDX Resources, Inc.

Name

Title

Date

SOUTHWEST ROYALTIES, INC.  
Southwest Royalties Building  
407 N. Big Spring, Midland, TX. 79701-4326  
P.O. Box 11390, Midland, TX. 79702-6390  
(915) 686-9927, 1-800-433-7945



April 14, 1999

Attn: Chris Huff  
Jack Huff  
4000 N. Big Spring, Ste 101  
Midland, Texas 79702

RECEIVED  
APR 20 1999  
OPERATIONS DEPARTMENT

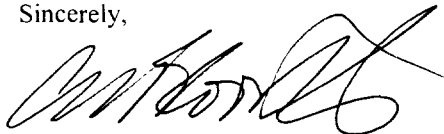
Re: Cities Federal SWD  
Jalmat Tansill Yates 7 Rivers Field  
Section 20, T22S, R36E  
Lea County, New Mexico

Dear Mr. Huff:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc. pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

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Sincerely,



C.M. Bloodworth, P.E.  
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

Jack Huff

Name CHRIS HUFF  
Title OPERATIONS MANAGER

Date 4-16-99

SOUTHWEST ROYALTIES, INC.  
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(915) 686-9927, 1-800-433-7945



RECEIVED

APR 27 1999

OPERATIONS DEPARTMENT

Friday, April 23, 1999

Attn: Richard Lauderdale  
Anadarko Petroleum Corporation  
P.O. Box 2497  
Midland, Texas 79702

Re: Cities Federal SWD  
Jalmat Tansill Yates 7 Rivers Field  
Section 20, T22S, R36E  
Lea County, New Mexico

Dear Mr. Lauderdale:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc, pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

Please sign in the space provided below and return to the undersigned in the postage paid envelope provided. Thank your assistance with this project.

Sincerely,

C.M. Bloodworth, P.E.  
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

Anadarko Petroleum Corporation

Richard E. Lauderdale

Name

PRODUCTION ENGINEER

Title

4/26/99

Date

SOUTHWEST ROYALTIES, INC.  
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407 N. Big Spring, Midland, TX. 79701-4326  
P.O. Box 11390, Midland, TX. 79702-8390  
(915) 686-9927, 1-800-433-7945



Monday, April 19, 1999

Attn: Mr. John Seay  
Seay Exploration, Inc.  
407 N. Big Spring, Suite 200  
Midland, Texas 79701

Re: Cities Federal SWD  
Jalmat Tansill Yates 7 Rivers Field  
Section 20, T22S, R36E  
Lea County, New Mexico

Dear Mr. Seay:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc, pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

Please sign in the space provided below and return to the undersigned in the postage paid envelope provided. Thank your assistance with this project.

Sincerely,

C.M. Bloodworth, P.E.  
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

Seay Exploration, Inc.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Received for Record  
May 5<sup>th</sup>, 1999  
John Seay  
Agent for  
Quantum  
Energy, Inc.

SOUTHWEST ROYALTIES, INC.  
Southwest Royalties Building  
407 N. Big Spring, Midland, TX. 79701-4326  
P.O. Box 11390, Midland, TX. 79702-8390  
(915) 686-9927, 1-800-433-7945



Tuesday, April 20, 1999

Attn: Ms. Bobbie Young  
Bureau of Land Management  
P.O. Box 1778  
Carlsbad, NM 88220

Re: Cities Federal SWD  
Jalmat Tansill Yates 7 Rivers Field  
Section 20, T22S, R36E  
Lea County, New Mexico

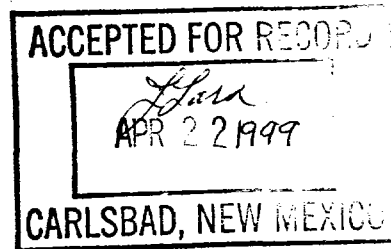
Dear Ms. Young:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc, pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

Please sign in the space provided below and return to the undersigned in the postage paid envelope provided. Thank your assistance with this project.

Sincerely,

C.M. Bloodworth, P.E.  
Area Supervisor



The undersigned surface owner has no objection to conversion of the Cities Federal #2 to disposal.

Bureau of Land Management

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_