

H & M Disposal  
P.O. Box 1544  
Lovington, New Mexico 88260  
April 9, 2008

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Mr. William V. Jones  
Oil Conservation Division  
Engineering and Geological Services Bureau  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Info copy to: Pecos Operating Company, 400 W. Illinois Ave. Midland, TX 79701

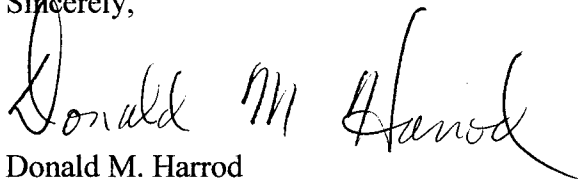
Dear Mr. Jones:

H & M Disposal recently received a copy of Pecos Operating Company's application to convert the former Shell Oil Company State "GA" No. 7 Sec. 16-T15S-R36E into a salt water disposal well.

We object to the granting of this permit for the following reasons:

1. The proposed disposal well is only 1320' away from our ongoing commercial installation that has been a gravity system for years.
2. The proposed well is unlikely to take the proposed volume of 4000 to 8000 bwpd without pumping at pressures that are likely to adversely affect our operation.
3. Pecos operating has declined to voluntarily limit the water to be disposed of to their on-lease production thus placing a competing commercial operation on our door step.

Sincerely,



Donald M. Harrod  
Operator