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WRITER:

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June 24, 2008

Mr. Winston Ballard 1819-2-N Canal Carlsbad, NM 88220 June 24, 2008

Re: Mesquite SWD, Inc. Application to Modify Permit No. SWD 180 for the Exxon

State No. 8 Produced Water Disposal Well

Dear Mr. Ballard:

Enclosed please find Mesquite SWD, Inc.'s application to modify Permit SWD-180 for the Exxon State No. 8, a salt water disposal injection well. The Exxon State No. 8 has operated at a total depth of 694 feet since 1978 and is currently permitted for disposal of produced water to a depth of 600 feet in the Yates formation. The application seeks to formally increase the permitted depth of the well to 694 feet, which is still within the Yates formation.

Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM, 87505 within 15 days of receipt of this letter.

If you have any questions, or if I can be of assistance, please do not hesitate to contact me at (505) 982-4554.

Very truly yours,

Thomas M. Hnasko

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MR. Winston Ballard 1819-2-N Central Callsbad, NM 88220 3. Service Type Retrifted Mail Express Mail Registered Insured Mail Co.D. 4. Restricted Delivery? (Extra Fee) Yes 2. Article Number (Transfer from service label) PS Form 3811, February 2004 Domestic Return Receipt 100395-02-M-1540 13SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 13SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 13SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 14SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 15SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 15SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 15SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 15SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 15SE Fostal Scry (CC Celebrate Delivery And Insurance Contract Response Province) 15SE Fostal Scry (CC Celebrate Delivery Contract	■ Complete items 1, 2, and 3. Alse item 4 if Restricted Delivery is d ■ Print your name and address or so that we can return the card to the back of to or on the front if space permits. 1. Article Addressed to:	o complete esired. It the reverse o you. The mailpiece, D. Is	MPLETE:THIS SECTION ON DELL Signature	Agent Addressee C. Date of Delivery
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