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WRITER:

Thomas M. Hnasko Partner thnasko@hinklelawfirm.com

June 24, 2008

New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504-1148

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,

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Thomas M. Hnasko

PO BOX 10 ROSWELL, NEW MEXICO 88202 (505) 622-6510 FAX (505) 623-9332 PO BOX 3580 MIDLAND, TEXAS 79702 (432) 683-4691 FAX (432) 683-6518 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623 919 CONGRESS, SUITE 1150 AUSTIN, TEXAS 78701 (S12) 476-7137 FAX (S12) 476-7146

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