

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 28, 1994

City of Carlsbad
P.O. Box 1569
Carlsbad, New Mexico 88221-1569

Attention: Mayor Gary L. Perkowski

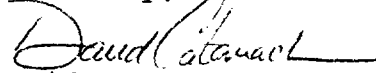
Dear Mayor Perkowski:

Please be advised that as per your request dated July 22, 1994, the application of Collins & Ware Inc. to convert its West Airport Federal Com Well No. 1, located in Section 29, Township 22 South, Range 26 East, NMPM, to a disposal well has been set for hearing before the Division on September 1, 1994.

In case you are not aware, the Oil Conservation Division has received primacy from the Environmental Protection Agency to administer the Underground Injection Control Program in this state. Under the UIC Program, it is the primary responsibility of the Oil Conservation Division to assure that injection of produced water into disposal wells and/or waterflood injection wells does not endanger any fresh water aquifers. If it is determined that injection into the subject well poses a threat to the Capitan Reef, such injection will not be allowed.

We look forward to meeting you or your representative at the hearing on September 1. If I can be of further assistance please contact me at (505) 827-5800.

Sincerely,


David Catanach
Petroleum Engineer

xc: Jim Morrow, OCD-Artesia