



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 23, 1997

Permian Resources, Inc. DBA Permian Partners Inc.
P.O. Box 590
Midland, Texas 79702

Attention: Mr. Robert H. Marshall

Re: State "M" Well No.1
Unit O, Section 18, T-17S, R-36E,
Lea County, New Mexico

SFPRR Well No. 15
Unit B, Section 34, T-9S, R-37E,
Lea County, New Mexico

Dear Mr. Marshall:

In an effort to update our records concerning the State "M" Well No. 1 and SFPRR Well No. 15, the Division is requesting that you supply the following described information:

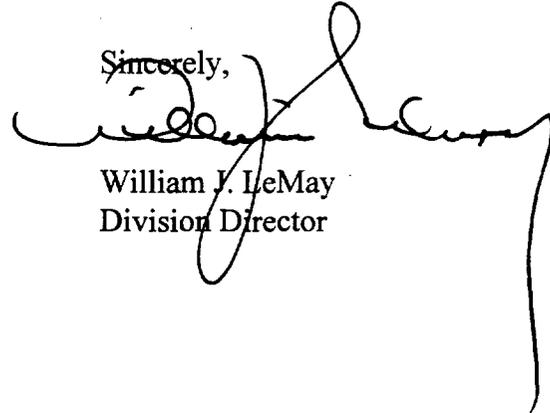
A description and analysis of the fluid being injected into the commercially operated State "M" Well No. 1 and SFPRR Well No. 15. This includes an analysis of each and every water source and a description of its point of origin (i.e. San Andres produced water from the Grayburg-Jackson Pool). In addition, this includes water delivered to the well by pipeline and truck.

Division and Federal UIC Rules and Regulations require that all operators of disposal wells provide source water analysis at reasonable frequency. Our information indicates that the State "M" Well No. 1 was permitted by Tom L. Ingram in June, 1978, and that our files have not been updated since that time. Our information also indicates that the SFPRR Well No. 15 was permitted by Santa Fe Energy Company in August, 1985, and that our files have not been updated since that time.

Please provide the information requested within 60-days from the date of this letter. If you need additional time, or you wish to discuss the matter further, please contact Mr. David Catanach at (505) 827-8184.

Failure to comply may result in the imposition of fines and/or the termination of injection authority.

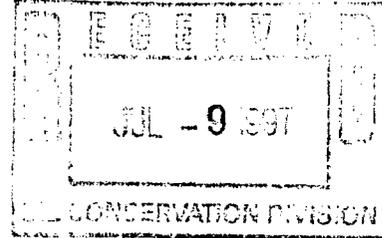
Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over the typed name and title.

William J. LeMay
Division Director

xc: Case File-6244 /
Case File-8659
OCD-Hobbs
UIC Enforcement File

July 7, 1997



New Mexico Energy, Minerals &
Natural Resources Department
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

CASE FILE - 6244

Re: Case file 6244 and 8659
OCD Hobbs District
State "M" #1 & SFPRR #15
Lea Co., NM

Gentlemen:

As requested in your letter dated June 23, 1997, we are providing the following information in regard to water sources.

SFPRR #15 - Water injected is from San Andres in the West Sawyer (San Andres) Field

STATE "M" #1 - Water injected is from the Abo Formation in the Vacuum (Abo) Field

If you desire anything further, please call.

Very truly yours,

PERMIAN RESOURCES, INC.


Robert H. Marshall

RHM/dt



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 15, 1997

Permian Resources, Inc. DBA Permian Partners Inc.
P.O. Box 590
Midland, Texas 79702

Attention: Mr. Robert H. Marshall

Re: State "M" Well No.1
Unit O, Section 18, T-17S, R-36E,
Lea County, New Mexico

SFPRR Well No. 15
Unit B, Section 34, T-9S, R-37E,
Lea County, New Mexico

Dear Mr. Marshall:

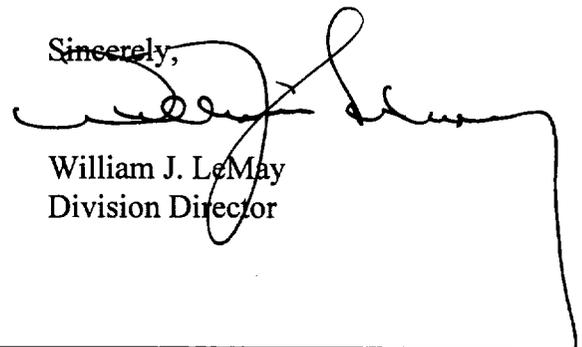
We have received your letter dated July 7, 1997, whereby you informed the Division that the source water for the SFPRR Well No. 15 is from the West Sawyer-San Andres Pool, and that the source water for the State "M" No. 1 is from the Vacuum-Abo Pool.

In addition to the source water data, the Division is also requesting that you furnish a general chemistry water analysis from these two water sources.

Please provide the information requested within 60-days from the date of this letter. If you need additional time, or you wish to discuss the matter further, please contact Mr. David Catanach at (505) 827-8184.

Failure to comply may result in the imposition of fines and/or the termination of injection authority.

Sincerely,



William J. LeMay
Division Director

xc:: Case File-6244
Case File-8659
OCD-Hobbs
UIC Enforcement File