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*Code file
6806*

HAND-DELIVERY

August 22, 1985

RECEIVED

AUG 2 1985

OIL CONSERVATION DIVISION

Richard L. Stamets, Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Dear Mr. Stamets:

By Order R-6279, certain lands including Section 24, T18S, R31E, Eddy County, New Mexico, were exempted from the provisions of Order R-3221, as amended.

I have been requested by Siete Oil and Gas Corporation to seek a determination from you as to what, if any, requirements are necessary for use of unlined salt water disposal pits in Section 24. My client's intentions are to connect up to six of its wells to one pit.

Our interpretation of Order R-3221 and R-6279 is that once an area has been exempted no additional requirement is necessary except as imposed by other pertinent regulations such as filing the necessary reports on water production.

Because my client's current method of salt water disposal (trucking) is getting very expensive, I request a prompt reply to this letter so that I can properly advise my clients.

Very truly yours,

Ernest L. Padilla
Ernest L. Padilla

cc: Siete Oil and Gas Corporation

ELP/gv

*Phoned Ernie
8-29-85. Siete is
successor to original applicant
on same leases (partial)
Approval applies to
such leases in the
approved Section
OAG 8/30/85*