

DATE IN 6.10.04	SUSPENSE 6/25/04	ENGINEER jones	LOGGED IN 6.14.04	TYPE A	APP NO. PSCM 0416626933
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



JUN 10 AM 10:59

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

 [D] Other: Specify _____

 [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

 [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

John C. Maxey, Jr.
 Print or Type Name

Signature

Operations Manager
 Title

6/8/04
 Date

read@lookingglass.net
 e-mail Address

UNITED BANK PLAZA
400 N. PENN, SUITE 1000

CHARLES B. READ
PRESIDENT

PHONE 505 622-3770
FAX 505 622-8643

Read & Stevens, Inc.

*Oil Producers
P. O. Box 1518
Roswell, New Mexico 88202*

**CERTIFIED MAIL 7000 1530 0003 7692 1437
RETURN RECEIPT REQUESTED**

June 7, 2004

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Application For Permit To Convert To Salt Water Disposal
Bandit State SWD #1
1980' FNL & 2021' FWL
Section 10 T23S-R26E
Eddy County, New Mexico

Ladies & Gentlemen:

Enclosed is our application for administrative approval to authorize salt water disposal into the subject well. The land owner and offset operator have received a copy of the application as evidenced by the certified mail receipts enclosed.

If you should have any questions, please advise.

Sincerely,

READ & STEVENS, INC.


John C. Maxey, Jr.
Operations Manager

JCM/sr/word/r&sswdltrs/ocdbanditst#1SWD

Orig: OCD Santa Fe & 1 xc
xc: OCD Artesia
Bob
John
Well File

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No

II. OPERATOR: Read & Stevens, Inc.
ADDRESS: P. O. Box 1518 Roswell, NM 88202
CONTACT PARTY: John C. Maxey, Jr. PHONE: 505/622-3770
Ext 224

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

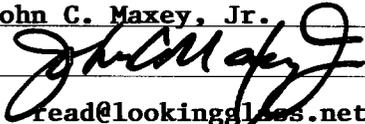
*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

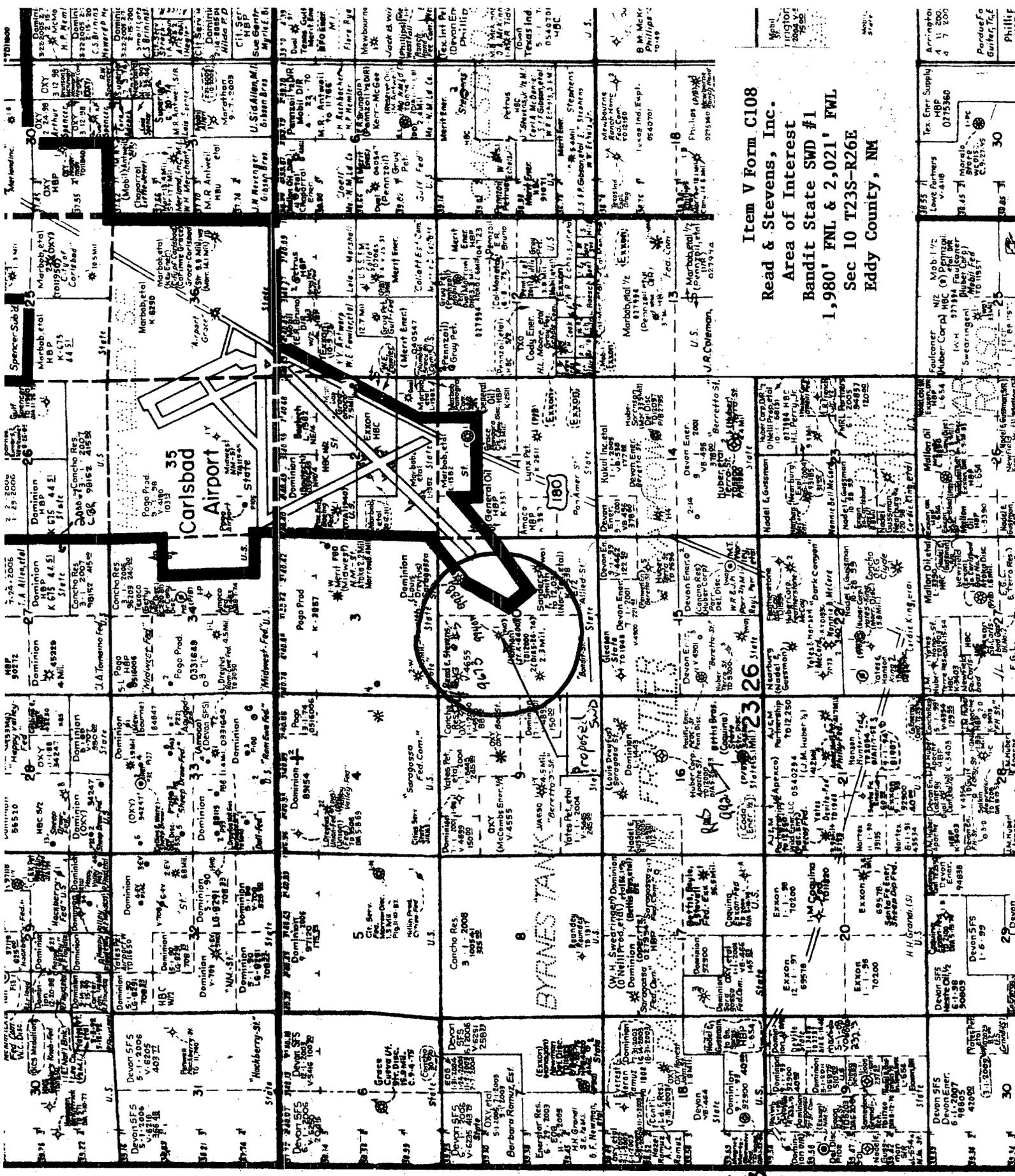
XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: John C. Maxey, Jr. TITLE: Operations Manager
SIGNATURE:  DATE: 5/13/04
E-MAIL ADDRESS: read@lookingglass.net

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____



Item V Form C108
 Read & Stevens, Inc.
 Area of Interest
 Bandit State SWD #1
 1,980' FNL & 2,021' FWL
 Sec 10 T23S-R26E
 Eddy County, NM

T 23 S

Eddy, West

**ITEM VI FORM C108
BANDIT STATE SWD #1
(FORMERLY BANDIT STATE #1)
AREA OF INTEREST
WELL DATE SHEET**

WELL NAME & NUMBER	TYPE	CASING	LOCATION	DATE DRILLED	TOTAL DEPTH	COMPLETION
Bandit State #2 ✓	Gas	13 3/8" @ 645' w/ 540 sx, circ to surface 9 5/8" @ 2,470' w/ 670 sx 7" @ 9,985' w/ 1240 sx 4 1/2" liner from 9,670' to 10,809 w/ 85 sx	10L-235-26E	August 11, 2000	10,809'	Perf 10,531'-10,589' Acidize w/ 2,300 gal 10,170'-10,175' Acidize w/ 1,000 gal 2 3/8" tbg w/ pkr @ 10,071' Flowing gas well
Bandit State #3 ✓	Gas	13 3/8" @ 648' w/ 340 sx, circ to surface 9 5/8" @ 2,435' w/ 800 sx 7" @ 9,960' w/ 975 sx 4 1/2" liner from 9,600' to 12,000' w/ 160 sx	10D-235-26E	September 13, 2001	12,000'	Perf 11,946'-11,952' Acidize w/ 500 gal CIBP @ 11,926' Perf 11,678'-11,698' Frac w/ 26,600# 20/40 2 7/8" tbg w/ pkr @ 11,601' Flowing gas well
Bandit State #4 ✓	Oil	9 5/8" @ 676' w/ 670 sx, circ to surface 5 1/2" @ 3,200' w/ 800 sx	10D-235-26E	May 10, 2003	3,200'	Perf 2,686'-2,746' Frac w/ 40,900# 16/30 2 7/8" tbg @ 2,810' Pumping oil well <i>Delaware Oil</i>
Bandit State #5 ✓	Oil	8 5/8" @ 658' w/ 350 sx cmt, circ to surface 5 1/2" @ 3,199' w/ 990 sx	10C-235-R26E	April 25, 2004	3,200'	Perf 2,682'-2,726' Frac w/ 40,000# 16/30 Currently running 2 3/8" tbg Pumping oil well
Allied State #1 ✓	Gas	13 3/8" @ 419' w/ 400 sx, circ to surface 8 5/8" @ 5,430' w/ 820 sx 5 1/2" @ 11,935' w/ 640 sx	10I-235-R26E	January 20, 1974	11,935'	Perf 11,651'-11,671' Perf 11,701'-11,776' CIBP @ 11,615' Perf 10,247'-10,277' Squeeze Perf 10,552'-10,574' Acidize w/ 6,000 gal Flowing gas well
Saragossa 10 State #1 ✓	Gas	13 3/8" @ 671' w/ 480 sx, circ to surface 9 5/8" @ 2,401' w/ 946 sx 7" @ 9,848' @ 490 sx	10B-235-R26E	August 15, 2001	12,000'	Perf 11,704'-11,714' & 11,634'-11,666' Acidize w/ 3,500 gal CIBP @ 11,600' Perf 10,966'-10,986' Acidize w/ 3,000 gal CIBP @ 10,920' Perf 10,796'-10,800' & 10,850'-10,857' Frac w/ 48,000# 20/40 sd Flowing gas well

INJECTION WELL DATA SHEET

OPERATOR: Read & Stevens, Inc.

WELL NAME & NUMBER: Bandit State SWD #1

WELL LOCATION: 1980' FNL & 2021' FWL
FOOTAGE LOCATION

UNIT LETTER F SECTION 10 TOWNSHIP 23S RANGE 26E

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 17 1/2" Casing Size: 11 3/4"
Cemented with: 600 sx. or ft³
Top of Cement: Surf Method Determined: Circ

Intermediate Casing

Hole Size: 10 5/8" Casing Size: 8 5/8"
Cemented with: 800 sx. or ft³
Top of Cement: Surf Method Determined: Circ

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"
Cemented with: 1450 sx. or ft³
Top of Cement: Above 1,000' Method Determined: CBL

Total Depth: _____
Injection Interval

3,140' feet to 3,590'

(Perforated ~~XXXXXX~~ indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" Lining Material: Fiberglass tubing
Type of Packer: Double set, nickel plated
Packer Setting Depth: 3,040'
Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

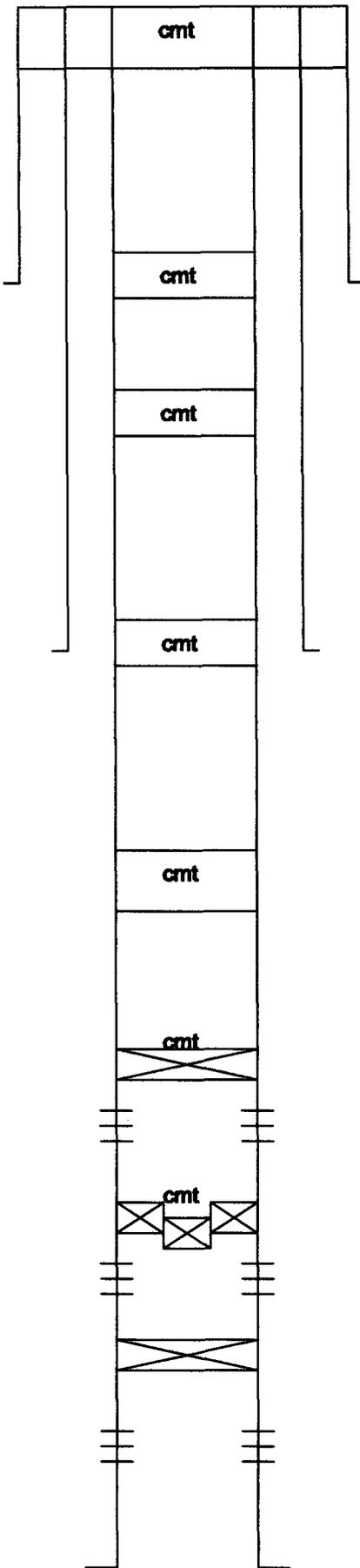
1. Is this a new well drilled for injection? Yes X No _____
If no, for what purpose was the well originally drilled? Morrow gas test

2. Name of the Injection Formation: Delaware

3. Name of Field or Pool (if applicable): Happy Valley

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. See schematic

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Upper Delaware 2,682'-2,726'
Strawn 10,574'-10,696' Atoka/Morrow 10,965'-11,729'



Bandit St. #1
May 6, 2004
Currently P&A

Plug #8 10 sx @ surf
 in 11 3/4" csg

11 3/4" 47# csg set @ 478 w/ 600 sx
 25 sx cmt plug from 589 - 349

25 sx cmt plug from 3,007 - 2,767

8 5/8" 24# & 32# csg set @ 5,441' cmt w/ 800 sx. Shot off
 Cmt circ to surf.

25 sx cmt plug from 5,487 - 5,287

25 sx cmt plug from 8,029 - 7,789.

CIBP @ 10,500' w/ 40 sx cmt on top.

Perfs 10,696 — 10,574, total 37 holes. Acidize w/ 2,000 gal 15% NEFe.

Otis permanent pkr w/ 2 3/8" x 6' tbg sub below and a 1.875" profile nipple on bottom of sub, then 1 ft of 2 3/8" below profile. Pkr set @ 10,848'. Tbg CIBP is set in 2 3/8" tbg below pkr @ 10,886. Dump 5sx cmt on Otis pkr.

Perfs 10,965 — 11,156, 31 holes. Acidize w/ 5,000 gal 15% NEFe.

CIBP @ 11,500' w/ 2 sx cmt on top.

Perfs 11,536 — 11,729, total 44 holes. Acidize w/ 1,200 gal 7.5% NEFe. Frac w/ 32,000# 20/40 Interprop.

Run 5 1/2" 17# csg, top; 23 jts S95, 216 jts L80, 34 jts S95. Set at 11,841', FC 11,797, ECP/DV 8,014, DV 5,442. Cmt w/ 1,450 sx. Circ cmt to surf on first two stages. TOC last stage above 1,000' by CBL.

Bandit St. #1
May 6, 2004
Proposed SWD

Plug #8 10 sx @ surf
 in 11 3/4" csg

11 3/4" 47# csg set @ 478 w/ 600 sx
 25 sx cmt plug from 589 - 349

5 1/2" Nickel plated double set pkr w/ 1.875" profile set at 3,040'. 2 3/8" fiberglass tubing with a minimum 1,500 psi working pressure latched to pkr with on-off tool.
 Delaware perfs 3,140 - 3590, 350 holes. Frac with 60,000# 16/30 sand.

8 5/8" 24# & 32# csg set @ 5,441' cmt w/ 800 sx. Shot off
 Cmt circ to surf.

25 sx cmt plug from 5,487 - 5,287

25 sx cmt plug from 8,029 - 7,789.

CIBP @ 10,500' w/ 40 sx cmt on top.

Perfs 10,696 — 10,574, total 37 holes. Acidize w/ 2,000 gal 15% NEFe.

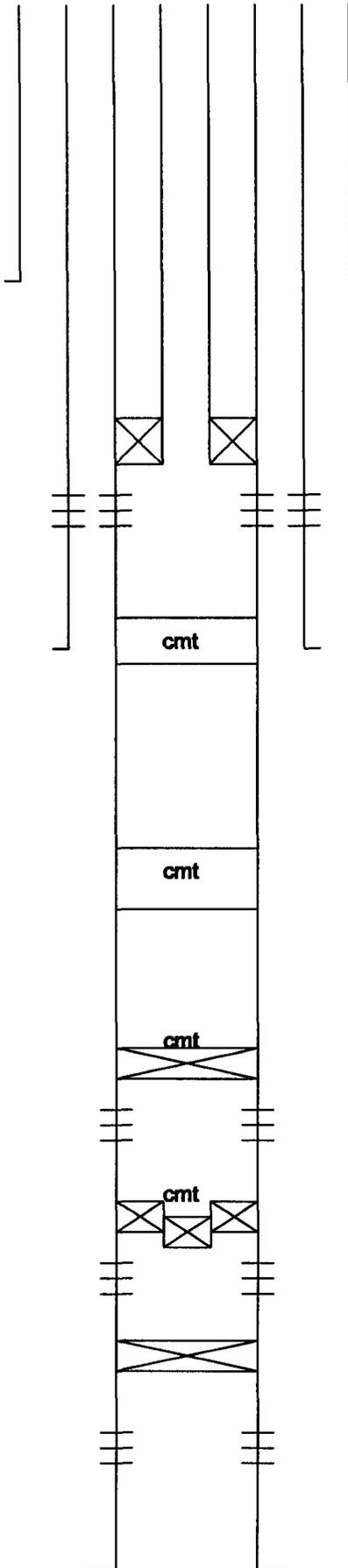
Otis permanent pkr w/ 2 3/8" x 6' tbg sub below and a 1.875" profile nipple on bottom of sub, then 1 jt of 2 3/8" below profile. Pkr set @ 10,848'. Tbg CIBP is set in 2 3/8" tbg below pkr @ 10,886. Dump 5sx cmt on Otis pkr.

Perfs 10,965 — 11,156, 31 holes. Acidize w/ 5,000 gal 15% NEFe.

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Run 5 1/2" 17# csg, top; 23 jts S95, 216 jts L80, 34 jts S95. Set at 11,841', FC 11,797, ECP/DV 8,014, DV 5,442. Cmt w/ 1,450 sx. Circ cmt to surf on first two stages. TOC last stage above 1,000' by CBL.



ITEM VII of NEW MEXICO OCD Form C-108

DATA on PROPOSED OPERATIONS

BANDIT STATE SWD #1

1. The proposed average and maximum daily injection rate is expected to be 1000 BWPD and 1800 BWPD, respectively.
2. The injection system will be operated as a closed system. With tank level monitoring to prevent over flow of tanks.
3. The average injection pressure is expected to be 1200 psi. The maximum injection pressure should not be over 1600 psi.
4. The source for the disposal water will be all wells that Read & Stevens, Inc. operates or owns an interest in:
Section 10 of T23S-R26E, Eddy County, New Mexico. Water analysis for the Delaware water in the Bandit State #4 is attached as Exhibit VII 4a.
5. See Item 4 above. Upper Delaware produced water from the #4 is being disposed of in the lower Delaware.

ITEM VIII of NEW MEXICO OCD Form C-108

Geologic Data of the Injection Zone & Underground Drinking Water

Bandit State SWD #1

The proposed interval for salt water disposal is the Delaware between the depth of 3,140' and 3,590' in the Bandit State SWD #1. The Delaware is a sequence of well consolidated sandstone, siltstone and shale strata of Permian age.

Based on information from the New Mexico State Engineers office in Roswell, the nearest fresh water well is just over a ½ mile from the proposed saltwater disposal well. This water well has a total depth of 290' and is located in the E/2 SW SE/4 of Section 3 T23S-R26E. The fresh water zone in this well is the Alluvium found at a depth of 80' to 250' from surface.

There are no known fresh water strata underlying the Delaware formation.

ITEMS IX through XIII of New Mexico OCD Form C-108

Bandit State SWD #1

- Item IX. The proposed Delaware disposal zones from 3,140' to 3,590' will be acidized with 7 ½% acid solution and if needed stimulated with 30# gel carrying 16/30 sand. Volumes to be determined at later date.
- Item X. There is no test data on this well other than what is out lined in the schematic. Logs were previously filed with the OCD.
- Item XI. One sample is available from the closest well. The analysis of the fresh water well in the E/2 SW SE of Section 3 T23S-R26E is attached as Exhibit XI A.
- Item XII. Read & Stevens, Inc. has examined all applicable geological and engineering data in the surrounding area of the proposed disposal well and finds no evidence of open faults or any other hydraulic connection between the disposal zone and any underground source of drinking water.
- Item XIII. Notice of this application has been furnished by certified mail to the owner of the surface of the land on which the well is located and to each leasehold operator within one-half mile of the well location. The land owner and leasehold operators are listed below. Since this application is subject to administrative approval, proof of publication is also attached to this application and was published in the Carlsbad Current-Argus, Eddy County, New Mexico.

Land Owner

State of New Mexico Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148

Leasehold Operators

Dominion Oklahoma Texas E&P Inc.
Attn: Mr. Joe Hammond, Sr. Landman
14000 Quail Springs Parkway - Suite 6
Oklahoma City, OK 73134-2600

Pogo Producing Company
Attn: Land Department
P. O. Box 10340
Midland, TX 79702-7340

Oxy USA WTP Limited Partnership
Oxy USA Inc.
Attn: Land Department
6 Desta Drive – Suite 6000
Midland, TX 79707

Exhibit VII 4a.

Permian Treating Chemicals WATER ANALYSIS REPORT

RECEIVED MAY 12 2004

SAMPLE

Oil Co. : **Read & Stevens**
 Lease : **Bandit St.**
 Well No.: **# 4**
 Location:
 Attention:

Date Sampled : **19-April-2004**
 Date Analyzed: **06-May-2004**
 Lab ID Number: **May0604.001- 2**
 Salesperson :

File Name : F:\ANALYSES\May0604.001

ANALYSIS

- 1. Ph 8.000
- 2. Specific Gravity 60/60 F. 1.083
- 3. CACO3 Saturation Index 1.796
 @ 80F 2.701
 @140F

Dissolved Gasses

- 4. Hydrogen Sulfide Present
- 5. Carbon Dioxide Not Determined
- 6. Dissolved Oxygen Not Determined

Cations

7.	Calcium	(Ca++)		4,673	/	20.1 =	232.49
8.	Magnesium	(Mg++)		1,230	/	12.2 =	100.82
9.	Sodium	(Na+)	(Calculated)	37,054	/	23.0 =	1,611.04
10.	Barium	(Ba++)		Not Determined			

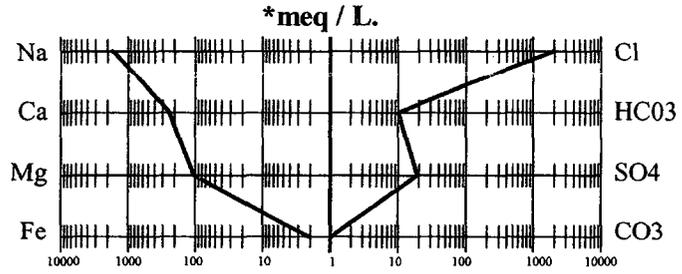
Anions

11.	Hydroxyl	(OH-)		0	/	17.0 =	0.00
12.	Carbonate	(CO3=)		0	/	30.0 =	0.00
13.	Bicarbonate	(HCO3-)		596	/	61.1 =	9.75
14.	Sulfate	(SO4=)		900	/	48.8 =	18.44
15.	Chloride	(Cl-)		67,985	/	35.5 =	1,915.07
16.	Total Dissolved Solids			112,438			
17.	Total Iron	(Fe)		36	/	18.2 =	1.98
18.	Total Hardness as CaCO3			16,735			
19.	Resistivity @ 75 F. (Calculated)			0.076 /cm.			

PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	*meq/L =	mg/L.
Ca(HCO3)2	81.04		9.75	791
CaSO4	68.07		18.44	1,255
CaCl2	55.50		204.29	11,338
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCl2	47.62		100.82	4,801
NaHCO3	84.00		0.00	0
NaSO4	71.03		0.00	0
NaCl	58.46		1,609.96	94,118

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile

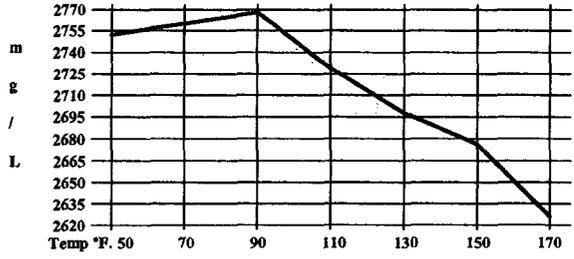


Exhibit ~~II~~ A



Laboratory Services, Inc.
1331 Tasker Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Water Analysis

COMPANY Read & Stevens Inc.

SAMPLE Gillocks Fresh Water Well

SAMPLED BY

DATE TAKEN 5/20/04

REMARKS Taken @ the house

Barium as Ba	0
Carbonate alkalinity PPM	0
Bicarbonate alkalinity PPM	206
pH at Lab	1.05
Specific Gravity @ 60°F	6.76
Magnesium as Mg	175
Total Hardness as CaCO3	302
Chlorides as Cl	40
Sulfate as SO4	125
Iron as Fe	0
Potassium	1
Hydrogen Sulfide	0
Rw	N/A
Total Dissolved Solids	676
Calcium as Ca	127
Nitrate	3.4

Results reported as Parts per Million unless stated

Langelier Saturation Index -0.74

Analysis by: Rolland Perry
Date: 5/21/04

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Dawn Higgins, being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>May 29</u>	<u>2004</u>
_____	<u>2004</u>
_____	<u>2004</u>
_____	<u>2004</u>

That the cost of publication is \$ 32.50 and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

2 day of June, 2004
Stephanie Dobson

My commission expires 12/3/05

Notary Public

May 29, 2004

Read & Stevens, Inc., 400 Penn Plaza, Suite 1000, Roswell, New Mexico 88201, Attn: Mr John Maxey, Operations Manager, Phone #505/622-3770 proposes to convert the Bandit State #1 well from a plugged and abandoned well to a produced water disposal well. The Bandit State #1 well is located 1980' FNL and 2021' FWL, Section 10 T23S-R26E, Eddy County, New Mexico.

The maximum proposed rate of injection is 1,800 barrels of water per day and the maximum proposed injection pressure is 1,600 psi. Water will be disposed of into the Delaware formation at a depth of 3,140' to 3,590'.

Interested parties must file objections or request a hearing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days.

May 26, 2004

**State of New Mexico
Commissioner of Public Lands**

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RE: Application For Permit To Convert To Salt Water Disposal
Bandit State SWD #1
1980' FNL & 2021' FWL
Section 10, T23S-R26E
Eddy County, New Mexico

Dear Land Owner/Offset Lease Operator:

According to the Oil Conservation Division Rule 701, a copy of any injection well permit application must be sent to the offset operators and surface owner. Enclosed is an application for administrative approval to convert the above captioned well to a sale water disposal. Interested parties must file objections or request for hearing with the Oil Conservation Division, Santa Fe, New Mexico within fifteen(15) days from the date this application was mailed.

If you have any questions, please advise.

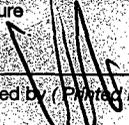
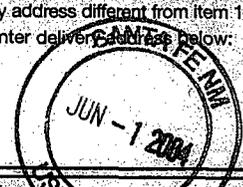
Sincerely,

READ & STEVENS, INC



Robert H. Watson
Land Manager

RHW/jas
Enclosures

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to: State of New Mexico Commissioner of Public Lands 310 Old Santa Fe Trail Santa Fe, NM 87504-1148 ATTN: Mr. Cody Morrow	B. Received By: (Printed Name) 	C. Date of Delivery
2. Article Number <small>(Transfer from service label)</small>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No 	
PS Form 3811, February 2004	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered Mail <input type="checkbox"/> Insured Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes 7000 1530 0003 7692 1383 Domestic Return Receipt	

May 26, 2004

Dominion Oklahoma Texas E&P Inc.

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RE: Application For Permit To Convert To Salt Water Disposal
Bandit State SWD #1
1980' FNL & 2021' FWL
Section 10, T23S-R26E
Eddy County, New Mexico

Dear Land Owner/Offset Lease Operator:

According to the Oil Conservation Division Rule 701, a copy of any injection well permit application must be sent to the offset operators and surface owner. Enclosed is an application for administrative approval to convert the above captioned well to a sale water disposal. Interested parties must file objections or request for hearing with the Oil Conservation Division, Santa Fe, New Mexico within fifteen(15) days from the date this application was mailed.

If you have any questions, please advise.

Sincerely,

READ & STEVENS, INC.



Robert H. Watson
Land Manager

RHW/jas
Enclosures

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.	<p>A. Signature <input checked="" type="checkbox"/> Agent <i>X</i> <i>James W. Pearson</i> <input type="checkbox"/> Address</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery <i>5/28/04</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
1. Article Addressed to: Dominion Oklahoma Texas E&P Inc 14000 Quail Springs Parkway Suite 600 Oklahoma City, OK 73134-2600	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
2. Article Number (Transfer from service label)	7000 1530 0003 7692 1413

May 26, 2004

**OXY USA WTP Limited Partnership
OXY USA Inc.**

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RETURN RECEIPT REQUESTED**

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Sincerely,

READ & STEVENS, INC



Robert H. Watson
Land Manager

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1. Article Addressed to: OXY USA WTP Limited Prtshp OXY USA Inc. P.O. Box 50250 Midland, TX 79707	B. Received by (Printed Name) <i>Ron Watson</i>	C. Date of Delivery <i>5/29/04</i>
2. Article Number: (Transfer from service label)	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
	7000 1530 0003 7692 1420	

May 26, 2004

Pogo Producing Company

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RE: Application For Permit To Convert To Salt Water Disposal
Bandit State SWD #1
1980' FNL & 2021' FWL
Section 10, T23S-R26E
Eddy County, New Mexico

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If you have any questions, please advise.

Sincerely,

READ & STEVENS, INC



Robert H. Watson
Land Manager

RHW/jas
Enclosures

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<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Address	
1. Article Addressed to: Pogo Producing Co. ATTN: Land Dept. P.O. Box 10340 Midland, TX 79702-7340		B. Received by (Printed Name) 	C. Date of Delivery 5-28-04
2. Article Number (Transfer from service label) 7000 1530 0003 7692 1390		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

UNITED BANK PLAZA
400 N. PENN, SUITE 1000

CHARLES B. READ
PRESIDENT

Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88202

PHONE 505 622-3770
FAX 505 622-8643

CERTIFIED MAIL 7000 1530 0003 7692 1437
RETURN RECEIPT REQUESTED

June 7, 2004

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Application For Permit To Convert To Salt Water Disposal
Bandit State SWD #1
1980' FNL & 2021' FWL
Section 10 T23S-R26E
Eddy County, New Mexico

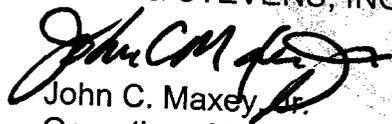
Ladies & Gentlemen:

Enclosed is our application for administrative approval to authorize salt water disposal into the subject well. The land owner and offset operator have received a copy of the application as evidenced by the certified mail receipts enclosed.

If you should have any questions, please advise.

Sincerely,

READ & STEVENS, INC.


John C. Maxey, Jr.
Operations Manager

JCM/sr/word/r&sswdltrs/ocdbanditst#1SWD

Orig: OCD Santa Fe & 1 xc
xc: OCD Artesia
Bob
John
Well File