J. W. MULLOY ASSOCIATES, INC.
Engineering & Consulting
1110 North Big Spring
Midland, Texas 79701
(915) 687-0323

JOHNNY MULLOY
President

HUDSON ROUTH
Vice President

January 17, 1990

Mr. David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Salt Water Disposal
Smith & Marrs, Inc.
Pogo Napa No 1, Unit L
Section 14, T-16-S, R-33-E
Lea County, N. M.

Dear Mr. Catanach:

Attached is a New Mexico Oil Conservation Commission Form C-108 and all related data, requesting administrative approval to inject produced water into the captioned well. The proposed injection zone is the perforations 3,931' to 3,946' in the Queens Formation.

The formation is productive of oil and gas in the section to the west where Smith & Marrs, Inc. operate two wells that produce from the Queen Interval. These wells currently produce an average of 6 barrels oil and 2 barrels water per day and have an accumulative production of approximately 90,000 barrels. It is anticipated that some response in oil production will result because of the water injection.

Included are schematics, logs, water analysis, maps, advertisement, notices, etc., as required for approval.

It is respectifully requested that approval be granted administratively because there are no other operators that have production in the West Hume Queen Field, nor are there any offset operators with production from any other field or formation.

Yours very truly,

J. W. Mulloy

cc:Jerry Sexton

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501

FORM C-108
Revised 7-1-81

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☐ no

II. Operator: Smith & Marrs, Inc.

Address: 1110 N. Big Spring Midland, Texas 79701

Contact party: Johnny W. Mulloy Phone: 915-687-0323

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 geological data on the injection zone including appropriate lithologic detail, geological 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 source 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 source 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: J. W. Mulloy Title Agent

Signature: J. W. Mulloy Date: 1-17-90

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

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division district office.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

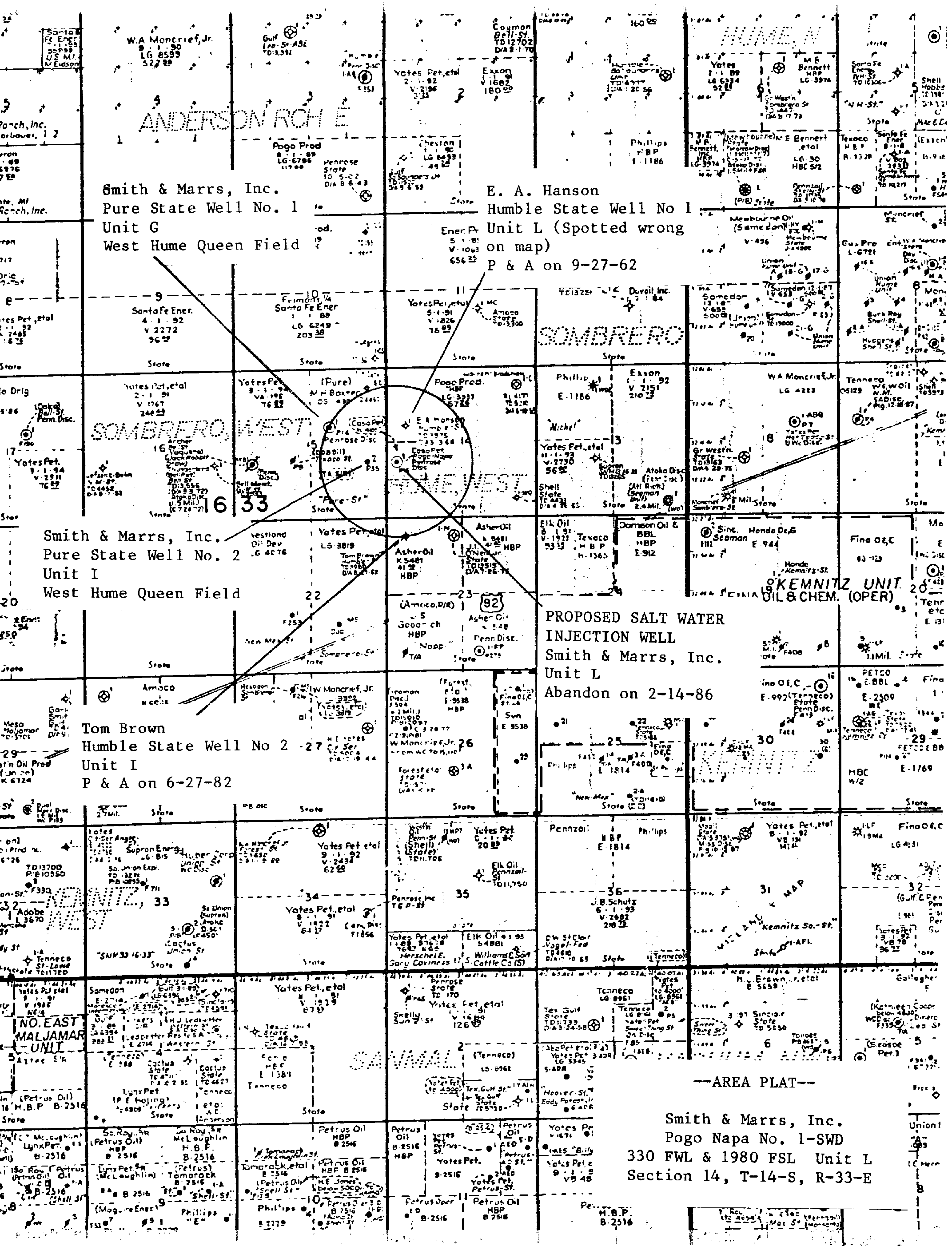
(2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;

(3) the formation name and depth with expected maximum injection rates and pressures; and

(4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.



ANDERSON RCH E
HUME N
Smith & Marrs, Inc.
Pure State Well No. 1
Unit G
West Hume Queen Field
E. A. Hanson
Humble State Well No 1
Unit L (Spotted wrong
on map)
P & A on 9-27-62
SOMBRERO
SOMBRERO WEST
HUME WEST
Smith & Marrs, Inc.
Pure State Well No. 2
Unit I
West Hume Queen Field
PROPOSED SALT WATER
INJECTION WELL
Smith & Marrs, Inc.
Unit L
Abandon on 2-14-86
KEMNITZ UNIT
FINA OIL & CHEM. (OPER)
Tom Brown
Humble State Well No 2
Unit I
P & A on 6-27-82
KEMNITZ
KEMNITZ WEST
NO. EAST MALJAMAR UNIT
SANMAL
--AREA PLAT--
Smith & Marrs, Inc.
Pogo Napa No. 1-SWD
330 FWL & 1980 FSL Unit L
Section 14, T-14-S, R-33-E

WELL SUMMARY

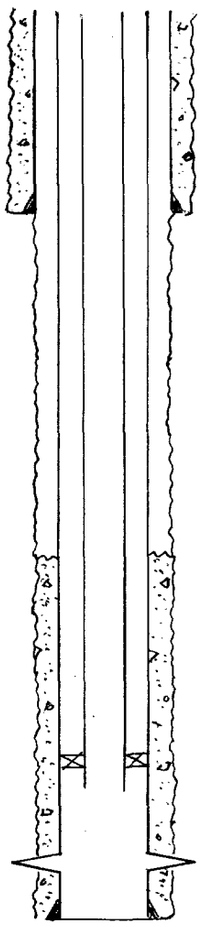
OPERATOR	LEASE & WELL	TYPE	DATE DRILLED	LOCATION	DEPTH	COMPLETION RECORD
Smith & Marrs, Inc.	Pure State Well #1	Oil	5-7-62	Unit G 15-16-33	3972	3927-3945
Smith & Marrs, Inc.	Pure-State Well #2	Oil	9-13-62	Unit I 15-16-33	4519	3924-3931
E. A. Hanson	Humble-State Well No 1	Oil (P&A)	9-3-64	Unit L 14-16-36	3975	P & A
Tom Brown	Humble-State Well No 1	Oil (P&A)	6-27-62	Unit D 23-16-36	3980	P & A

INJECTION WELL DATA SHEET

Smith & Marrs, Inc. (OPERATOR) Pogo Napa (LEASE)

1- SWD (WELL NO.) 330' FWL & 1980'FSL (FOOTAGE LOCATION) 14 (SECTION) 16-S (TOWNSHIP) 33-E (RANGE)

Schematic



Tabular Data

Surface Casing

Size 8 5/8 " Cemented with 200 sx.

TOC surface feet determined by circulate

Hole size 12 1/4

Intermediate Casing

Size none " Cemented with _____ sx.

TOC _____ feet determined by _____

Hole size _____

Long string

Size 4 1/2 " Cemented with 200 sx.

TOC 3370 feet determined by calculated

Hole size 7 7/8

Total depth 4,002

Injection interval

3931 feet to 3946 feet
(perforated or open-hole, indicate which)

Tubing size 2 7/8" lined with plastic (material) set in a

Baker AD-1 Tension packer (or equiv) (brand and model) packer at ± 3900' feet

(or describe any other casing-tubing seal).

Other Data

1. Name of the injection formation Queens

2. Name of Field or Pool (if applicable) West Hume

3. Is this a new well drilled for injection? /7 Yes XX No

If no, for what purpose was the well originally drilled? Drilled as a producer and abandoned

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) perforated 3931-46. Well abandon but not plugged.

5. Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. There are currently no zone of production either above or below the proposed injection zone.

DATA SHEET

I. Proposed Daily Injection:
   A. Maximum - 3000 barrels produced water
   B. Average - 2000 barrels produced water

II. System will be open.

III. Produced Injection Pressure:
   A. Maximum - 1000 psia
   B. Average - 500 psia

IV. Source of injection water:

The initial source of water will be the produced water from the West Hume Queen Field from wells owned by Smith & Marrs, Inc. and located one half mile west in Section 15. Other injection water will be from commerical trucks hauling produced water from various wells located in the Kemnitz Wolfcamp and Sombrero Wolfcamp Fields. Random analysis of water from these formations is attached.

V. Geological data on injection zone:

Injection will be into the Queens Formation thru perforation from 3,931' to 3,946'. The Queen Formation is a sandstone section of Middle Permian Age which is overlain by the Seven Rivers Formation and overlays the Greyburg Formation. Neither of these formations is considered productive in the area. The maximum thickness is approximately 20' thick and has an average porosity of 17 percent. Fresh water occurs in the area from shallow Tertiary Sands that do not occur below a depth of 300'. Blackish and highly mineralized water could occur at a depth of approximately 2,000' from the Santa Rosa Formation of Triassic Age, but would not be suitable for domestic use. There are no fresh water zones underlying the proposed injection interval.

VI. Stimulation Program:

Additional stimulation will not be required because the perforated interval from 3,931' to 3,946' has been treated with 800 gallons of 15% acid, followed by 40,000 gallons of gelled water carrying 120,000# of 10/20 and 20/40 mesh sand.

VII. Well log is attached.

VIII. Fresh Water Wells:

Chemical analysis of fresh water from a windmill located 2 miles east, and one located 3/4 of mile southwest of the proposed injection well is attached. Samples were taken on January 4, 1990.

IX. All geologic and engineering data available has been examined and there is no evidence that open faults or any other hydrologic connection exists between the disposal zone and any underground source of drinking water.

HALLIBURTON DIVISION LABORATORY
HALLIBURTON COMPANY
MIDLAND DIVISION

LABORATORY WATER ANALYSIS No. W90-009

To J.W. Mulloy + Assoc. Date 1-4-90

1110 N. Big Spring
Midland TX 79701
Johnny Mulloy

Submitted by Dennis Page - Hbtn - Midland Tx Date Rec. 1-4-90

Well No. Listed Depth _____ Formation Listed

County Lea N.M. Field Listed Source _____

	Sample #1 Kemnitz field Wolfcamp formation	Sample #2 Sombrero field Wolfcamp formation	Sample #3 Hume field Queen formation
Resistivity	0.166 ohms/m²/m @ 60°	0.329 ohms/m²/m @ 60°	0.062 ohms/m²/m @ 60°
Specific Gravity	1.040 @ 60° °F	1.020 @ 60 °F	1.120 @ 60 °F
PH	5.9	7.2	6.4
Calcium (Ca)	6670 mpl	2730 mpl	5990 mpl
Magnesium (mg)	2960 mpl	825 mpl	4770 mpl
Chlorides (Cl)	29,800 mpl	14,900 mpl	107,000 mpl
Sulfates (SO_4)	35 mpl	30 mpl	500 mpl
Bicarbonates (HCO_3)	870 mpl	340 mpl	90 mpl
Soluble Iron (Fe)	moderate mpl	nil mpl	nil mpl

Remarks:

Respectfully submitted,

Analyst: DT

cc:

HALLIBURTON SERVICES

By Richard Dunnam
DIVISION CHEMIST

HALLIBURTON DIVISION LABORATORY
HALLIBURTON COMPANY
MIDLAND DIVISION

LABORATORY WATER ANALYSIS No. W90-010

To J. W. Mulloy + Assoc.
1110 N. Big Spring
Midland Tx 79701
Johnny Mulloy

Date 1-4-90

Submitted by Dennis Page - Hlbtn- Midland Tx Date Rec. 1-4-90

Legal ~~Well No.~~ Sec 14, T-16-S, R-33-E Depth _____ Formation _____

County Lea N.M. Field _____ Source _____

	Windmill sampies 2mi. E of legal	3/4 mi. sw. legal	
Resistivity	17.09 ohms/m²/m 60	20.49 ohms/m²/m 60	_____ ohms/m²/m
Specific Gravity	1.003 @ 60 °F	1.002 @ 60 °F	_____ @ _____ °F
PH	7.0	7.0	
Calcium (Ca)	60 mpl	70 mpl	_____ mpl
Magnesium (mg)	70 mpl	20 mpl	_____ mpl
Chlorides (Cl)	70 mpl	55 mpl	_____ mpl
Sulfates (SO_4)	35 mpl	30 mpl	_____ mpl
Bicarbonates (HCO_3)	190 mpl	175 mpl	_____ mpl
Soluble Iron (Fe)	nil mpl	nil mpl	_____ mpl

Remarks:

Respectfully submitted,

Analyst: DT

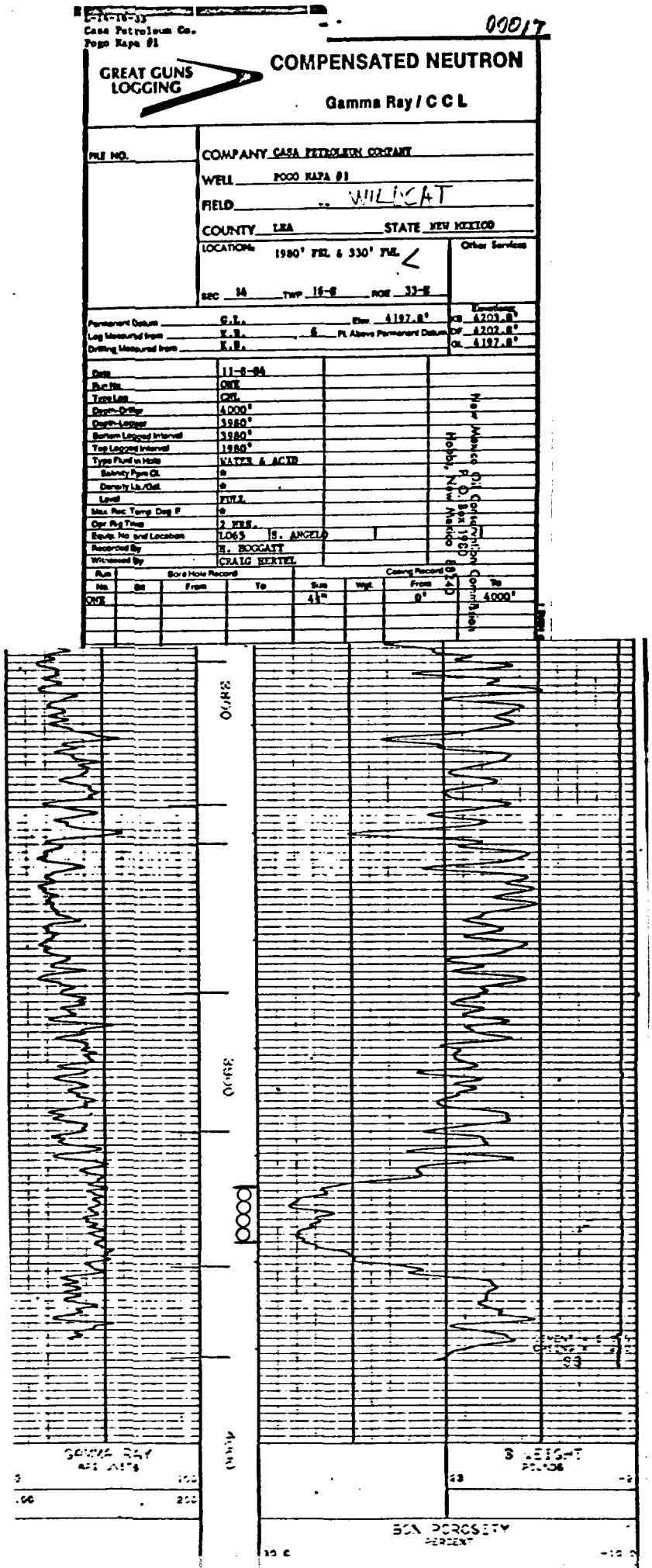
cc:

HALLIBURTON SERVICES

By Richard Dunnam
DIVISION CHEMIST

TUBULAR SUMMARY

OPERATOR	LEASE & WELL	SURFACE CASING	SURFACE CEMENT	SURFACE TOC	INTER. CASING	INTER. CEMENT	INTER. TOC	PROD. CASING	PROD. CEMENT	PROD. TOC	TOTAL DEPTH	PRODUCING INTERVAL
Smith & Marrs, Inc.	Pure-State Well No 1	8 5/8" @ 290'	275	Circulated	-- --	-- --	-- --	4 1/2" @ 3,972'	195	3172' (calc)	3,972'	3,927'-3,945'
Smith & Marrs, Inc.	Pure -State Well No 2	8 5/8" @ 298'	200	Circulated	--	--	--	5 1/2" @ 4,519'	225	3369' (calc)	4,519'	3,924'-3,931'
E. A. Hanson	Humble-State Well No 1	8 5/8" @ 336'	200	Circulated	--	--	--	None	None	None	3,975'	P & A
Tom Brown	Humble-State Well No 1	8 5/8" @ 330'	200	Circulated	--	--	-	None	None	None	3,980'	P & A

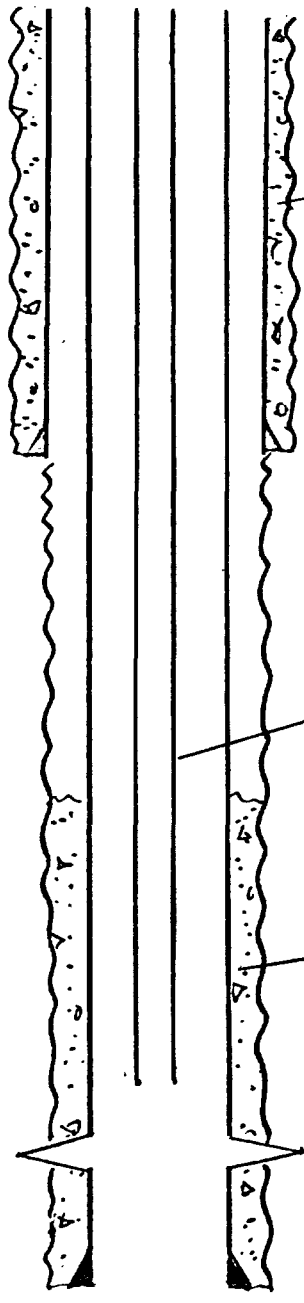


Proposed Injection
Zone: 3,931'-3,946'

Stimulated with 800 gals
15% Acid, 40,000 gals gelled
water w/120,000 # sand

Initial Potential Test:
1-2-85
15 oil, 5 water, TSTM gas

--WELL LOG--
Smith & Marrs, Inc.
Pogo Napa Well No 1
(Casa Petroleum Company)



Cement Circulated

8 5/8" Casing

Cemented w/200 sx

12 1/4" hole @ 300'

2 3/8" tubing

Calculated Cement
top @ 3,369'

Cemented w/200 sx

4 1/2", 9.5 #/ft casing

Treatment: 800 gals 15% acid,
40,000 gals gelled water w/
120,000# 10/20 & 20/40 sand

3,931'-3,946'

7 7/8" hole @ 4,002'

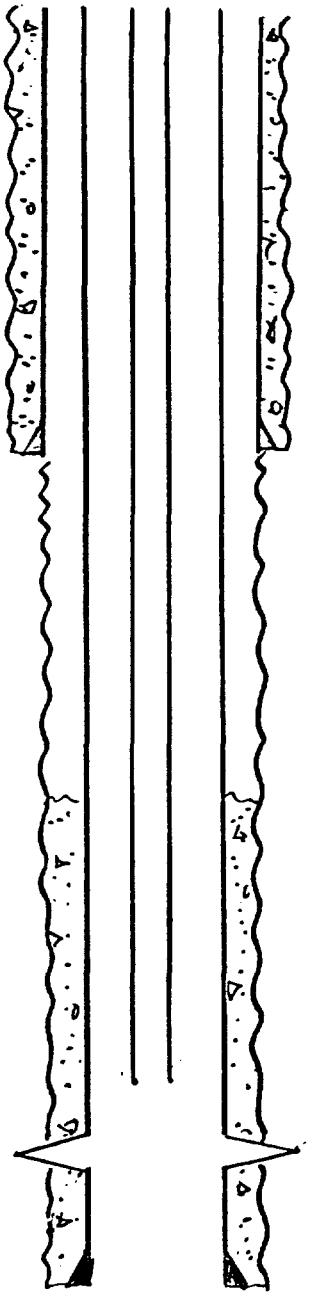
Marrs & Smith, Inc.
Existing
Pogo Napa Well No. 1-SWD
330 FWL & 1980 FSL Unit L
Section 14, T-16-S, R-33-E
Lea County, New Mexico

Cement Circulated

Cemented w/275 sx.

Calculated cement top @ 3,172'

Cemented w/ 195 sx.



8 5/8", 24#/ft, J-55 Casing

12 1/4" hole @ 290'

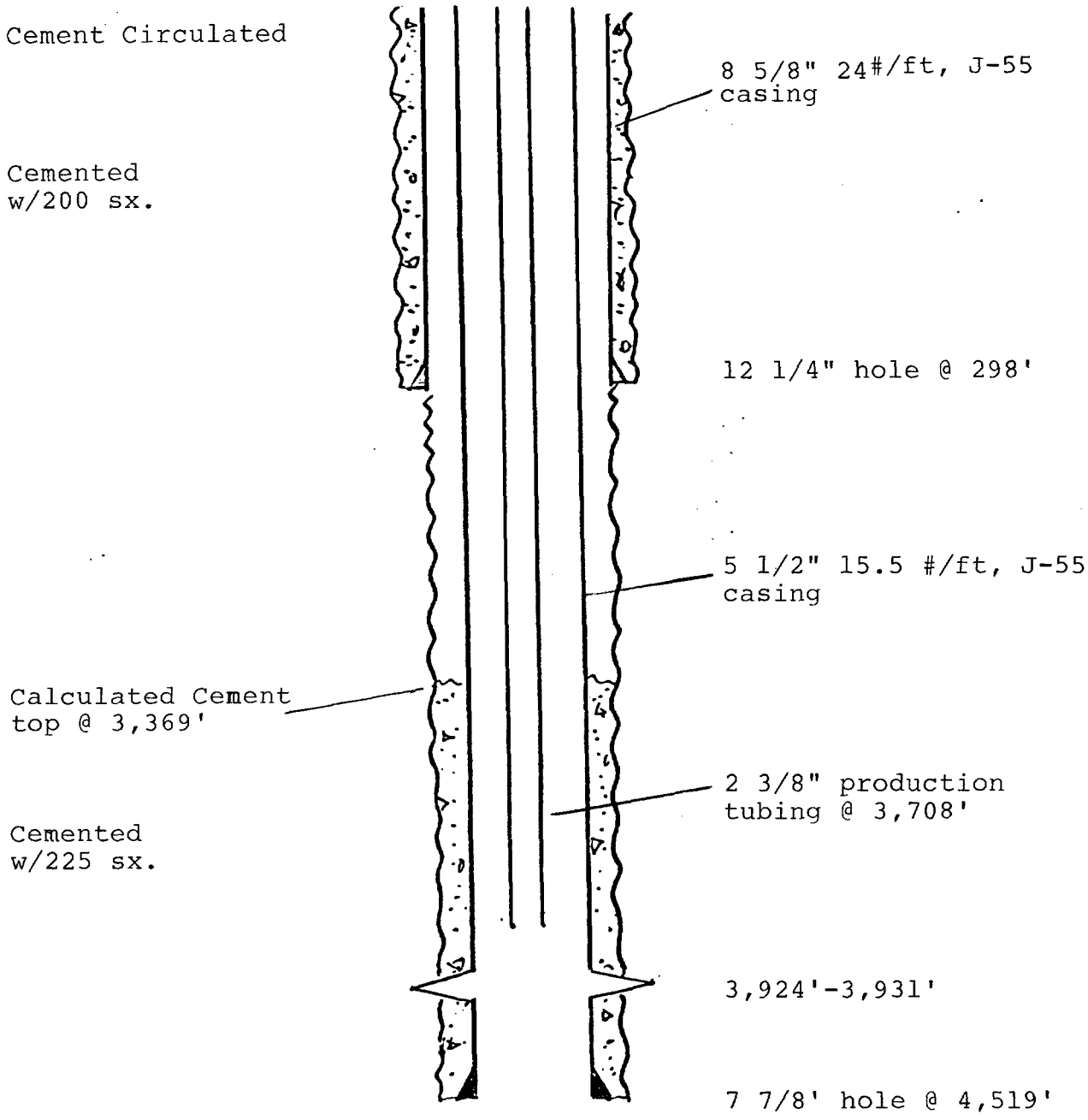
4 1/2" 11.6#/ft, J-55 casing

2 3/8" production tubing @ 3,859'

3,927-3,945'

7 7/8" hole @ 3,972'

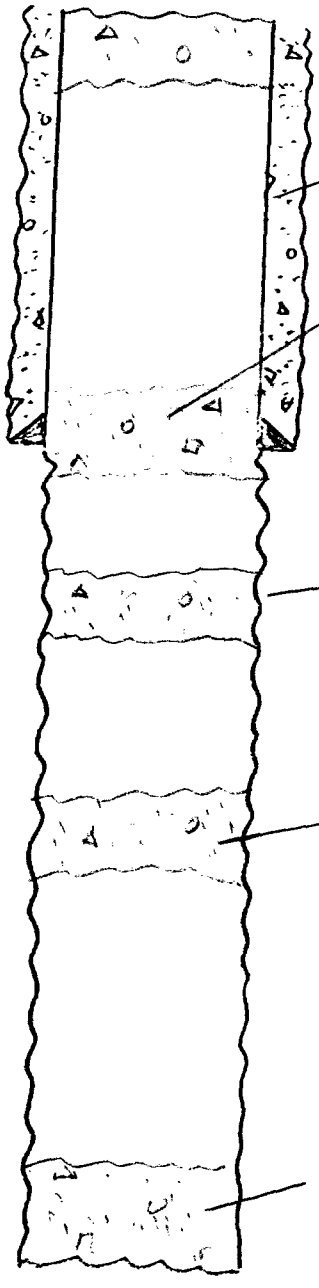
Smith & Marrs, Inc.
Pure State Well No 1
West Hume-Queen Field
1980' FEL & 1980' FNL Unit G
Section 15, T-16-S,R-33-E
Lea County, N. M.



Smith & Marrs, Inc.
Pure State Well No 2
West Hume Queen Field
660 FEL & 1980 FSL Unit I
Section 15, T-16-S,R-33-E
Lea County, N. M.

Cement Circulated

Cemented w/200 sx.



10 sx. plug,0-38'

8 5/8" casing

25 sx plug, 291-385'

12 1/4" hole @336'

25 sx plug, 1512-1610'

25 sx plug, 2525-2623'

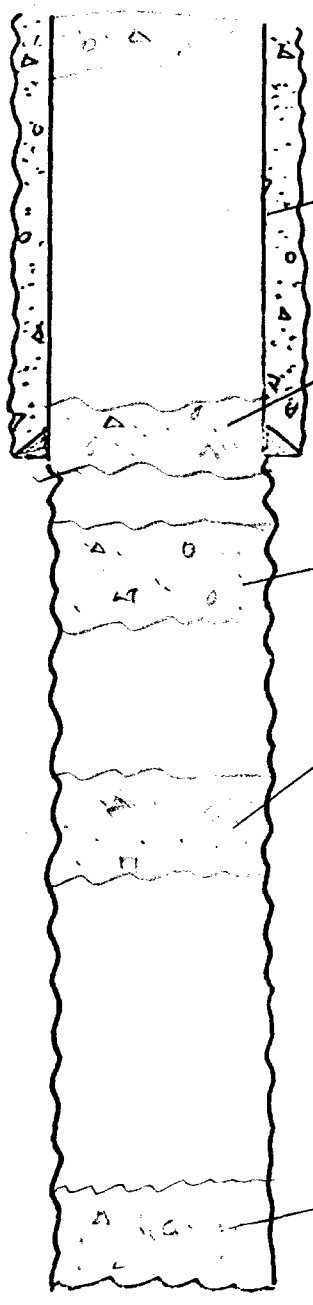
25 sx plug, 3877-3975'

7 7/8" hole @3,975'

E. A. Hanson
Humble-State Well No 1
1980' FSL & 660' FWL - Unit L
Section 14, T-16-S,R-32-E
Lea County, N. M.

Cement circulated

Cemented
W/200 sx.



10 sx surface plug

8 5/8: 20#.ft/
casing

25 sx across 8 5/8"
shoe @ 330'

11" hole @330'

25 sx plug, 1600'-1700'

25sx plug, 2700'-2800'

25 sx plug, 3,880'-3980'

7 7/8" hole @ 3,980'

Tom Brown
Humble-State Well No 1
660' FWL & 660' FNL - Unit D
Section23, T-16-S,R-33-E
Lea County, N. M.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that he is Adv. Director of THE LOVINGTON DAILY LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

and numbered ..... in the

..... Court of Lea County, New Mexico, was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, once each week on the same day of the week, for one (1) consecutive weeks, beginning with the issue of

January 5, 19 90

and ending with the issue of

January 5, 19 90

And that the cost of publishing said notice is the sum of $ 5.98

which sum has been (Paid) (~~Assessed~~) as Court Costs

Joyce Clemens

Subscribed and sworn to before me this 10th day of January, 19 90

Mrs Jean Hemler

Notary Public, Lea County, New Mexico

My Commission Expires Sept. 28, 19 90.

LEGAL NOTICE
NOTICE

It is the intent of Smith & Marrs, Inc., 1110 N. BIg Spring, Midland, Texas, 79701-687-0323, to re-enter and convert to saltwater disposal a well located in NW/4 of SW/4, Section 14, T-16-S, R-33-S, Lea County, New Mexico. It is anticipated that water will be injected into the Queens Formation from approximately 3931' to 3946'. Injection volume will be approximately 80 bbls. per hour at a pressure not to exceed 2000 psia.

Any interested parties must file objections or request for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

Published in the Lovington Daily Leader January 5, 1990.

02-13-1990

SECTION 15 TOWNSHIP 16 South RANGE 33 East

D YATES PET CORP 03 94 VA-196	C YATES PET CORP 03 94 VA-196	B UNOCAL 10 67 OG1430	A UNOCAL 10 67 OG1430
E YATES PET CORP 03 94 VA-196	F YATES PET CORP 03 94 VA-196	G UNOCAL 10 67 OG1430	H UNOCAL 10 67 OG1430
L YATES PET CORP 03 94 VA-196	K YATES PET CORP 03 94 VA-196	J UNOCAL 10 67 OG1430	I UNOCAL 10 67 OG1430
M YATES PET CORP 03 94 VA-196	N YATES PET CORP 03 94 VA-196	O UNOCAL 10 67 OG1430	P UNOCAL 10 67 OG1430
D WESTLAND OIL 03 87 LG4076	C WESTLAND OIL 03 87 LG4076	B YATES 10 86 LG3819	A YATES 10 86 LG3819
E WESTLAND OIL 03 87 LG4076	F WESTLAND OIL 03 87 LG4076	G YATES 10 86 LG3819	H YATES 10 86 LG3819
L WESTLAND OIL 03 87 LG4076	K WESTLAND OIL 03 87 LG4076	J YATES 10 86 LG3819	I YATES 10 86 LG3819
M WESTLAND OIL 03 87 LG4076	N WESTLAND OIL 03 87 LG4076	O YATES 10 86 LG3819	P YATES 10 86 LG3819

02-13-1990

SECTION 14 TOWNSHIP 16 South RANGE 33 East

D OPEN	C OPEN	B OPEN	A OPEN
E OPEN	F OPEN	G OPEN	H OPEN
L OPEN	K OPEN	J OPEN	I OPEN
M OPEN	N OPEN	O OPEN	P OPEN
D ASHER 11 75 K5481-2	C ASHER 11 75 K5481-2	B ASHER 11 75 K5481-2	A ASHER 11 75 K5481-2
E ASHER 11 75 K5481-2	F ASHER 11 75 K5481-2	G ASHER 11 75 K5481-2	H ASHER 11 75 K5481-2
L ASHER 11 75 K5481-2	K ASHER 11 75 K5481-2	J ASHER 11 75 K5481-2	I ASHER 11 75 K5481-2
M ASHER 11 75 K5481-2	N ASHER 11 75 K5481-2	O ASHER 11 75 K5481-2	P ASHER 11 75 K5481-2

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

90 MAR 15 AM 9 04

1-22-90

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

SWD-386

RE: Proposed:
MC
DHC
NSL
NSP
SWD X
WFX
PMX

Gentlemen:

I have examined the application for the:

Smith & Marrs Inc. Casa Pet. Inc Pogo Mapa #1-L 14-16-33
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed

J. W. MULLOY ASSOCIATES, INC.
Engineering & Consulting
1110 North Big Spring
Midland, Texas 79701
(915) 687-0323

JOHNNY MULLOY
President

HUDSON ROUTH
Vice President

February 14, 1990

Mr. David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Salt Water Disposal
Smith & Marrs, Inc.
Pogo Napa No 1, SWD, Unit L
Section 14, T-16-S, R-33-E
Lea County, N. M.

Dear Mr. Catanach:

Attached are copies of letters that were sent by Certified Mail to the offset lease holders to the preposed salt water disposal well. We have checked this information with Mr. Leo Maes of the State Land office and there are no other operaters in the area of interest. All other lands contained in the area are either unleased and held by the appliciant.

Thank you for your attention to this matter.

Yours very tryly,

J. W. Mulloy

J. W. MULLOY ASSOCIATES, INC.
Engineering & Consulting
1110 North Big Spring
Midland, Texas 79701
(915) 687-0323

JOHNNY MULLOY
President

HUDSON ROUTH
Vice President

February 14, 1990

Yates Petroleum Corporation
105 S. Fourth
Artesia, N. M. 82210

Re: Salt Water Disposal
Smith & Marrs, Inc.
Pogo Napa No 1, SWD Unit L
Section 14, T-16-S, R-33-E
Lea County, N. M.

Dear Sir:

Attached is a waiver and a New Mexico Oil Conservation Form C-108, with attachments, which makes application to dispose of produced water into a porouis formation, productive of oil or gas. If you have no obligations to the approval of this application, please indicate so by signing the attached waiver and forwarding it to the New Mexico Oil Conservation Commission in the enclosed envelope.

Should you have any questions or require additional information or data, please let us know at the earliest possible time.

Yours very truly,

J. W. MULLOY ASSOCIATES, INC.

J. W. Mulloy - Agent
Smith & Marrs

February 14, 1990

Mr. David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Salt Water Disposal
Smith & Marrs, Inc.
Pogo Napa No 1, SWD, Unit L
Section 14, T-16-S, R-33-E
Lea County, N. M.

Dear Mr. Catanach:

We have been duly notified of the intent of Smith & Marrs, Inc. to dispose of produced water into the Queens Formation on the captioned well. We have no objection to the completion and operations of this well as set out on the New Nexico Oil Conservation Commission Form C-108, dated January 17, 1990.

Yours very truly,

Yates Petroleum Corporation

J. W. MULLOY ASSOCIATES, INC.
Engineering & Consulting
1110 North Big Spring
Midland, Texas 79701
(915) 687-0323

JOHNNY MULLOY
President

HUDSON ROUTH
Vice President

February 14, 1990

Asher Oil Company
box 1423
Artesia, N. M. 82210

Re: Salt Water Disposal
Smith & Marrs, Inc.
Pogo Napa No 1, SWD Unit L
Section 14, T-16-S, R-33-E
Lea County, N. M.

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J. W. Mulloy - Agent
Smith & Marrs

February 14, 1990

Mr. David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Salt Water Disposal
Smith & Marrs, Inc.
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Lea County, N. M.

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Yours very truly,

Asher Oil Company

P 555 997 708

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Yates Petroleum Corp.	
Street and No. 105 S. Fourth	
P.O. State and ZIP Code Artesia N. Mex 88210	
Postage	$ 85
Certified Fee	85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	$ 260
Postmark or Date	DOWNTOWN STA. FEB 15 1990 USPO

PS Form 3800, June 1985 U.S.G.P.O. 1989-234-555

P 555 997 707

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Asher Oil Co.	
Street and No. Box 1493	
P.O. State and ZIP Code Artesia N. Mex 88210	
Postage	$ 85
Certified Fee	85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	$ 260
Postmark or Date	DOWNTOWN STA. FEB 15 1990 USPO

PS Form 3800, June 1985 U.S.G.P.O. 1989-234-555

February 14, 1990

Mr. David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Salt Water Disposal
Smith & Marrs, Inc.
Pogo Napa No 1, SWD, Unit L
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Yates Petroleum Corporation MB