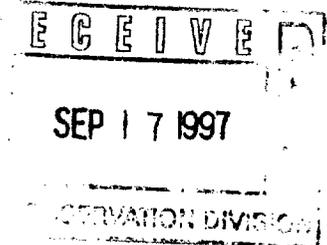


SHACKELFORD OIL COMPANY

P.O. Box 10665 Midland Texas 79702

Phone(915) 682-9784
Fax (915) 684-5026

September 15, 1997



Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87501

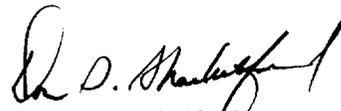
Attn: David R. Catanach

Re: Application for Saltwater Disposal
Plains Unit Federal Well No. 7
Delaware Mountain Group, Seven Rivers

Dear Sir:

Please include the enclosed geological and engineering review for the Lusk (Delaware) Field area with Shackelford Oil Company's Application For Authorization To Inject (Form C-108) for salt water disposal in the referenced well bore. I trust this will fulfill the data needed for the administrative approval of Shackelford Oil Company's application, but should you need additional data or have any questions, please contact me.

Very truly yours,


Don G. Shackelford

DGS:ns

SHACKELFORD OIL COMPANY
APPLICATION FOR SALT WATER DISPOSAL
WELL DATA SHEET

September 10, 1997

APPLICATION FOR SALT WATER DISPOSAL (FORM C-108)
SHACKELFORD OIL COMPANY: PLAINS FEDERAL UNIT NO. 7
LUSK (DELAWARE) FIELD, LEA COUNTY, NEW MEXICO

Gentlemen,

I have reviewed all available geological and engineering data in the Lusk (Delaware) Field area and have found no evidence of faulting or hydrologic connection between the proposed salt water disposal zones and any underground source of fresh water.

Very truly yours,

A handwritten signature in black ink that reads "Bob Shackelford". The signature is written in a cursive style with a large, prominent initial "B".

Bob Shackelford
Consulting Geologist