Lori,

A gentleman by the name of Bud Hurley will be calling (or writing) you on this injection permit – SWD-717. His problem is with our policy of including on all injection permits, the stipulation that tubing be plastic-lined. While this is not in the regulations, it has been written into every permit since 1981, and I believe it is a good policy. Only a few objections have been raised in that time, which we have addressed on a case-by-case basis.

We have waived the provision on certain permits when the injected waters are relatively fresh. However, Mr. Hurley stated that this water has chlorides of about 70,000 and TDS exceeding 120,000. He did state that they would run corrosion inhibitors and tried to ensure to me that they have a good pumper who's out there all the time. He said they have 3 producing wells and this SWD "out there", so I have some doubts that a pumper is out there all the time.

David and I both advised Mr. Hurley that he would have to plead his case directly to you to have this condition of the permit waived.

David and I are both opposed to this relief in light of the poor water quality.

Thanks for your attention.

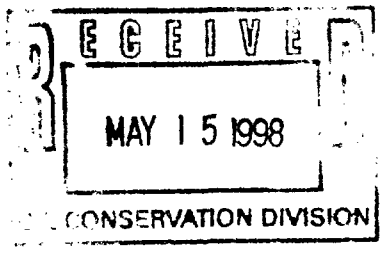
Ben

SWD 717 6/1/98

The PROSPECTIVE INVESTMENT AND TRADING COMPANY, Ltd.

May 12, 1998

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED



New Mexico Oil Conservation Division
2040 Pacheco Street
Santa Fe, New Mexico 87505

Attn: Mr. David Catanach

Re: Form C-108 for the Seay #1, Located 660' FSL & 660' FEL
Section 30-T12S-R34E, Lea Co., New Mexico

Dear Mr. Catanach:

Attached is NMOCD Form C-108, Application for Authorization to Inject for the injection and disposal of brine waters associated with oil production in the area of our Seay No. 1 well in the SE/4 SE/4 Sec. 30-T12S-R34E, Lea County, New Mexico.

Legal Notice has been published in the Hobbs Daily News-Sun, May 1, 1998, and is attached. Copies of this application have been mailed today, by certified mail, to the New Mexico State Land Office (surface owner), Chisos Operating, Inc., and Smith & Marrs, Inc., both leasehold operators within one-half mile of the Seay No. 1 well location. Proof of these certified mailings are attached.

We will appreciate receiving NMOCD's administrative approval of this application as soon as possible following satisfaction of statutory requirements.

Sincerely,

A. H. Hurley, Jr.
Consulting Petroleum Engineer
PE# 5657 Oklahoma

AHH/jes

Attachments

c:\word docs\janet\seay 1 appl to inject lt1-98

PITCO P.O. Box 702320 • Tulsa, Oklahoma 74170-2320 • (918) 747-4999 • Fax (918) 747-4987

STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Oil Conservation Div.
2040 Pacheco St.
Santa Fe, NM 87505

FORM C-108
Revised 7-1-81

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? __Yes ___No

II. OPERATOR: The Prospective Investment and Trading Company, Ltd.

ADDRESS: P. O. Box 702320, Tulsa, Oklahoma 74170-2320

CONTACT PARTY: John Redmond, Vice President of Engineering PHONE: (918) 747-4999, Ext. 17.

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

IV. Is this an expansion of an existing project: ___ Yes X 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. See attachment.

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 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 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: A. H. Hurley, Jr. TITLE: Consulting Petroleum Engineer

SIGNATURE:  DATE: May 12, 1998.

PE# 5657 Oklahoma

* 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 circumstance of the earlier submittal. _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate 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, PO Box 2088, Santa Fe, NM 87504-2088 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.

NMOCD
Form C-108

Seay No. 1 SWD Application

Attachments to Application for Authorization to Inject

I. See Form C-108.

II. See Form C-108.

III. Well Data.

A. See attached Wellbore Schematic and Well Data included in Exhibits I, II and III.

B. (1) Injection formation Bough "B", E. Hightower Upper Penn Field.
(2) Bough "B" 9,920'-9,946', perforated 2 spf.
(3) Drilled for oil production.
(4) Indicated casing leak between 7,203' and 7,234' was squeezed w/100 sx cement 11/28/1980.
(5) 9,870' Bough "A", and 9,955' Bough "C".

IV. See Form C-108.

V. See attached Exhibit IV.

VI. **Seay No. 2**: 1,980' FSL and 1,920' FEL, Sec. 30-T12S-R34E, Lea County, New Mexico. Drilled 8/15/1980, TD 9/19/80, by Harper Oil Company.
Current Operator: The Prospective Investment and Trading Company, Ltd.

Oil Well, Active. TD 10,450'. Perforated Upper Ranger Lake 10,224'-10,229', 2 spf. Acidized w/500 gal 10% MCA. Recovered very little fluid, with slight trace oil. Set CIBP & 2 sx cement @ 10, 175'. Perforated Bough "B" 9,897'-9,947' w/24 holes. Acidized w/2,500 gal 15% HCl & completed. Current Status - pp 5 BOPD & 8 BWPD.

Frier No. 1: 1,980' FSL and 660' FWL, Sec. 29-T12S-R34W, Lea County, New Mexico. Well drilled by Harper Oil Company & completed 2/27/1980.
Current Operator: The Prospective Investment and Trading Company, Ltd.

Oil Well, Active. TD 10,409'. Perforated Bough "B" zone 9,933'-9,958', 1 spf. Acidized w/2,500 gal 15% MCA acid. Current Status - pp 7 BOPD & 60 BWPD.

Warfield State No. 1Y: 660' FNL and 1,880' FEL, Sec. 31-T12S-R34E, Lea County, New Mexico. Well drilled by Harper Oil Company & completed 7/18/1981.
Current Operator: The Prospective Investment and Trading Company, Ltd.

Oil Well, TA. Perforated Ranger Lake 10,232'-10,236', 1 spf. Acidized. Had no fluid entry. Set CIBP w/2 sx cement @ 10,174'. Perforated Bough "B" 9,920'-9,937' & 9,987'-9,991'. Acidized w/2,500 gal HCl & completed. Current Status - Shut-in 9/1/1991.

VII. Proposed Operations

1. Average daily rate of produced salt water to be injected is 120 BWPD. Maximum daily rate requested is 1,000 BWPD.

2. The Salt Water Disposal system is to be a closed system.

3. Average injection pressure is expected to be 50 psi. Maximum injection pressure is requested to be 1,500 psi.

4. Sources of water disposed of will be water produced with oil production from surrounding wells & will be compatible with Bough "B" zone water in the Seay No. 1 well.

5. A Water Analysis Report dated 7/30/86 is attached. See Exhibit V.

VIII. Geological Data.

Injection will be into the Bough "B" zone, a limestone, probably fractured, of Upper Pennsylvanian age. The zone in the disposal well is 27' thick & occurs @ 9,920' to 9,947'. Underground water useable for drinking (less than 10,000 mg/l TDS) is in the Ogalallah formation, the bottom of which is at a depth of approximately 200'. There is no other fresh water above or below the Bough "B" zone.

IX. There is no stimulation planned.

X. It is assumed that well logs & test data were supplied to the Division by Harper Oil Company.

XI. See Exhibit VI.

XII. Available geologic & engineering data have been examined and no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water was found.

XIII. See attached Exhibit VII, material detailing Proof of Notice.

XIV. See Form C-108.

THE PROSPECTIVE INVESTMENT & TRADING Co., INC

WELLBORE SCHEMATIC

Well: SEAY No. 1 SWD

Location: 660' FSL x 660' FEL SEC 30 - T12S - R34E

Co./State: LEA COUNTY, NEW MEXICO

Date: 4-16-98

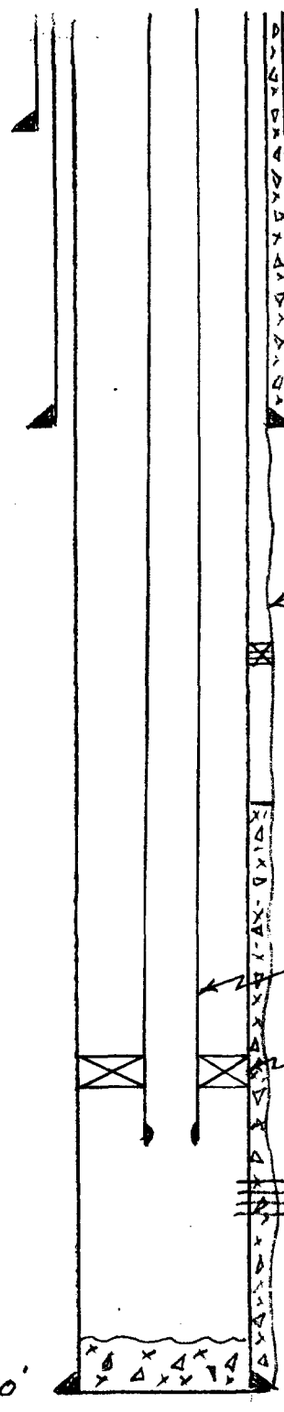
Drawn By: MHH

Original Operator: Harper Oil Company

Spud Date 5-21-80

Comp. Date ± 8-29-80

KBE 4220'
GLE 4201'
(All depths are from KB)



17½" Hole

13⅜" 48# H40 STC cmt'd @ 364' w/400 sx Class C. Cement circulated.

12¼" hole

8⅝" 28# & 24# cmt'd @ 4200' w/ 2000 sx Howco Lite + 200 sx Class C. Cement circulated.

7⅞" hole

11-28-80 Sqzd hole in casing 7203'-7234' w/100 sx cmt. Tested sqz job to 500 psi - OK.

- Cement top 8676' - CBL

2⅞" 6.5# N80 EUE tubing - not lined.

Baker Mod. R type packer @ ± 9832'.

Bough "B" perfs 9920'-9946', 2 spf. Acidized w/6500 gal Howco Mod 202 acid.

- PBTD 10,423'

TD 10470'

5½" 17# N80 & K55 cmt'd @ 10468' w/250 sx pozmix + 150 sx Class H.

EXHIBIT I
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

INJECTION WELL DATA SHEET

OPERATOR THE PROSPECTIVE INVESTMENT & TRADING CO., LTD LEASE SEAY

WELL NO. 1, 660'FSL X 660'FEL 30 12S 34E

FOOTAGE LOCATION SECTION TOWNSHIP RANGE

EXHIBIT II
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

Schematic

Well Construction Data

Surface Casing

Size 13 3/8 " Cemented with 400 sx.

TOC Surface feet determined by —

Hole Size 17 1/2"

Intermediate Casing

Size 8 5/8 " Cemented with 2200 sx.

TOC Surface feet determined by —

Hole Size 12 1/4"

Long String

Size 5 1/2 " Cemented with 400 sx.

TOC 8676 feet determined by Cmt. Bond Log

Hole Size 7 7/8"

Total Depth 10,470'

Injection Interval

Perf'd 9920 feet to 9946' feet

(perforated or open-hole; indicate which)

EXHIBIT II
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

INJECTION WELL DATA SHEET

Tubing Size 2 7/8" lined with unlined (type of internal coating) set in a Mod "L" type retrievable packer at ± 9832 feet

Other type of tubing / casing seal if applicable _____

Other Data

1. Is this a new well drilled for injection? ____ Yes X No

   If no, for what purpose was the well originally drilled? oil production.

2. Name of the injection formation Bough "B"

3. Name of Field or Pool (if applicable) East Hightower Upper Penn.

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. No

5. Give the names and depths of any over or underlying oil of gas zones (pools) in this area.

   Bough "A" 9870', Bough "C" 9955'

EXHIBIT III
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

HARPER OIL CO. July 2, 1980
No. 1 Seay
Section 30, T-12-S, R-34-E
East Hightower (Upper Penn)
Lea County, New Mexico

Elevations: 4219.5 KB
4201 GL

Casing: 8 5/8" at 4200' (driller), 4181 (logger)

Hole Size: 7 7/8"

Total Depth: 10,470 (driller)
10,446 (logger)
Note: Drilling time correlation with log shows a consistent 26 foot discrepancy. The log depths are more consistent with mapping and are used in this report.

Structural Comparison

	Harper No. 1 Seay	Harper No. 1 Frier
Anhydrite	1896 (+2323)	1880 (+2329)
Yates	2750 (+1469)	2758 (+1451)
San Andres	4107 (+ 112)	4112 (+ 97)
Glorietta	5524 (-1305)	5528 (-1319)
Abo	7680 (-3461)	7680 (-3471)
Wolfcamp	9110 (-4891)	9104 (-4895)
XXX Marker	9270 (-5051)	9268 (-5059)
3 Brothers	9660 (-5441)	9660 (-5451)
Bough "A"	9870 (-5651)	9896 (-5687)
Bough "B"	9920 (-5701)	9932 (-5723)
Bough "C"	9955 (-5736)	9966 (-5757)
U. Ranger Lake	10202 (-5983)	10210 (-6001)
L. Ranger Lake	10261 (-6042)	10272 (-6063)

Zones of Interest:

Bough "B": (9920-9948) Samples were limestone, white to light gray, chalky-dense, with good to very good fracture and inter-crystalline porosity, good bright gold fluorescence, fair cut and a trace of stain. The drilling ranged from 2 to 4 minutes per foot. Logs indicate the zone to be fractured and permeable with a

maximum porosity of 8.2% and water saturations of approximately 28%. The zone was included in DST #1, 9921-9947 (interval corrected 26 feet).

No other significant shows were encountered.

Respectfully submitted,

Stuart D. Hanson

Stuart D. Hanson
Consulting Geologist

5267 FILE

WATER ANALYSIS

EXHIBIT V
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

Champion Chemicals, Inc.
BOX 4513
ODESSA, TEXAS 79760

TECH SERVICE LABORATORY: Odessa, Texas Phone (915) 337-0055 & 563-0863
RESEARCH LABORATORY: Houston, Texas Phone (713) 431-2561
PLANT: Odessa, Texas Phone (915) 337-0055

REPORT FOR Brad Goldsmith
CC J. Skidmore
CC
CC
COMPANY Harper Oil Co.(Apachie)
ADDRESS
SERVICE ENGINEER Cecil Brumley

DATE SAMPLED 7/23/86
DATE REPORTED 7/30/86
FIELD, LEASE, OR WELL As Listed
COUNTY STATE
FORMATION Bough "B"
DEPTH
SUBMITTED BY Joe Haile;Cecil Brumley

CHEMICAL ANALYSIS (Parts per Million)

Chemical Component	Field, Lease, or Well: Frier #1	Frier #2	SEAY 1	SEAY 2		
Chloride (Cl)	70000	72000	75000	67000		
Iron (Fe)	2	0	2	0		
Total Hardness ($CaCO_3$)	18000	20400	22600	20200		
Calcium (Ca)	5694	6416	6857	6175		
Magnesium (Mg)	923	1069	1336	1166		
Bicarbonate (HCO_3)	122	183	73	73		
Carbonate (CO_3)	0	0	0	0		
Sulfate (SO_4)	1691	1435	1287	1287		
Hydrogen Sulfide (H_2S)			2			
Specific Gravity	1.083	1.085	1.088	1.078		
Density, lb./gal.	9.025	9.042	9.067	8.984		
pH - Beckman [ ] Strip [ ]	6.500	6.800	6.800	6.600		
Carbon dioxide						
Sodium (calc.)	38031	38132	38966	34872		
TDS	116462	119236	123520	110574		
CaSO4 Sol @ 82F	3054	2773	2642	2801		
CaSO4 Present	2396	2034	1824	1824		

OTHER DESCRIPTION, REMARKS AND RECOMMENDATIONS

CaCO3 SI @ 86 F	-0.24	+0.31	-0.04	-0.34
104 F	-0.01	+0.54	+0.19	-0.11
122 F	+0.25	+0.80	+0.45	+0.15
140 F	+0.54	+1.09	+0.74	+0.44
158 F	+0.86	+1.41	+1.06	+0.76

AUG 7 1986

REPORTED BY A. Scott TITLE Chemist

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

EXHIBIT VI
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 WEST ILLINOIS
HOBBS, NM 88240
FAX TO:

Receiving Date: 04/17/98
Reporting Date: 04/21/98
Project Number: PETCO SWD APPLICTION
Project Name: BACKGROUND WATER
Project Location: WATER SAMPLE NW 1/4 SECT 31 T12 R34

Sampling Date: 04/17/98
Sample Type: GROUND WATER
Sample Condition: COOL AND INTACT
Sample Received By: AH
Analyzed By: AH

LAB NUMBER	SAMPLE ID	P-Alkalinity (mg/L)	T-Alkalinity (mg/L)	Hardness (mg/L)	Chloride (mg/L)	Sulfates (mg/L)	pH (s.u.)
ANALYSIS DATE		04/20/98	04/20/98	04/20/98	04/20/98	04/20/98	04/20/98
H3583-1	WM #1	0	144	240	44	81	6.949
Quality Control		NR	NR	NR	476	91	7.01
True Value QC		NR	NR	NR	500	100	7.00
% Accuracy		NR	NR	NR	95	91	100
Relative Percent Difference		NR	NR	NR	0.8	9.9	0.02
METHODS:	EPA 600/4-79-020,	-	-	130.2	325.3	375.4	150.1
	Standard Method	2320 B	2320 B	-	-	-	-

LAB NUMBER	SAMPLE ID	Hydroxides (mg/L)	Carbonates (mg/L)	Bicarbonate (mg/L)	Conductivity (umhos/cm)	TDS (mg/L)
ANALYSIS DATE		04/20/98	04/20/98	04/20/98	04/20/98	04/16/98
H3583-1	WM #1	0	0	176	571	338
Quality Control		NR	NR	NR	1445	NR
True Value QC		NR	NR	NR	1413	NR
% Accuracy		NR	NR	NR	102	NR
Relative Percent Difference		NR	NR	NR	0.03	NR
METHODS:	EPA 600/4-79-020,	-	-	-	120.1	160.1
	Standard Method	2320 B	2320 B	2320 B	-	-

Gayle Potter, Chemist

04/21/98
Date

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ___ of ___

Company Name: Eddie Seay Consulting	BILL TO — PO #:
Project Manager: Eddie Seay	Company:
Address: 601 West Illinois	Attn:
City: Hobbs State: NM Zip: 88240	Address: Same
Phone #: 392-2236	City:
Fax #:	State: Zip:
Project #: PETCO SWD application	Phone #:
Project Name: Background water	Fax #:
Project Location: Water Sample NW¼ Sec 31 T12 R34	

LAB I.D. #	Sample I.D.	COMP(C) OR GRAB(G)	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	PRESERVATIVE: ACID:	ICE / COOL	OTHER:	SAMPLING: DATE	TIME	ANALYSIS REQUEST: General Chemistry
13583-1	Wtr Sample - WM#1 NW¼ Sec 31	✓	1	✓							✓		4/7/1	11:15	✓

EXHIBIT VI
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

Sampler Relinquished: Eddie W Seay	Date: 4/17/98 Time: 2:30 pm	Received By:	Phone Result: ☐ Yes ☐ No Additional Fax #:
Relinquished By:	Date: Time:	Received By: (Lab Staff) Amy Hill	Fax Results: ☐ Yes ☐ No REMARKS:
Delivered By: (Circle One) UPS - Fed Ex - Bus - Other:		Sample Condition: Cool ☒ Yes ☐ No; Intact ☒ Yes ☐ No	CHECKED BY: (Initials)

RECEIVED MAY 1 1 1998

Advertising Receipt

EXHIBIT VII
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

Hobbs Daily News-Sun
201 N Thorp
P O Box 860
Hobbs, NM 88241
Phone: (505) 393-2123
Fax: (505) 393-5724

Eddie/Rena Seay
601 W. Illinois
Hobbs, NM 88240

Cust#: 02100660-000
Ad#: 01520568
Phone: (505)392-2236
Date: 04/30/98

Ad taker: TC **Salesperson:** **Classification:** 671

Description	Start	Stop	Ins.	Cost/Day	Surcharges	Total
01 Daily News-Sun	05/01/98	05/01/98	1	17.16		17.16

Payment Reference:

Total:	17.16
Tax:	1.03
Net:	18.19
Prepaid:	18.19
Total Due	0.00

LEGAL NOTICE
May 1, 1998
Pursuant to the rules and regulations of the State of New Mexico Oil Conservation Division, Santa Fe, NM, notice is hereby given that Prospective Investment and Trading Company, Ltd., is filing an application to convert the Seay #1 located in Unit P, 660'FSL and 660'FEL, Section 30, Tws. 12 S., R. 34 E., Lea County, New Mexico, from a producer to a salt water disposal well. Disposing of approximately 1000 bls. per day at 1500# pressure, into the Bough "B" formation at a depth of 9920' to 9946'.
Any further information can be obtained by contacting Bud Hurley or John Redmond at (918) 747-4999 or write, PITCO, Box 702320, Tulsa, Oklahoma, 74170. Any objections or requests must be filed with the Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505, or call (505) 827-7131 within 15 days.
#15912

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

May 1 1998

and ending with the issue dated

May 1 1998

Kathi Bearden

Publisher

Sworn and subscribed to before me this 1st day of May 1998

Jodi Henson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

LEGAL NOTICE
May 1, 1998

Pursuant to the rules and regulations of the State of New Mexico Oil Conservation Division, Santa Fe, NM, notice is hereby given that Prospective Investment and Trading Company, Ltd., is filing an application to convert the Seay #1 located in Unit P, 660'/FSL and 660'/FEL, Section 30, Tws. 12 S., R. 34 E., Lea County, New Mexico, from a producer to a salt water disposal well. Disposing of approximately 1000 bls. per day at 1500# pressure, into the Bough "B" formation at a depth of 9920' to 9946'.

Any further information can be obtained by contacting Bud Hurley or John Redmond at (918) 747-4999 or write, PIT-CO, Box 702320, Tulsa, Oklahoma, 74170. Any objections or requests must be filed with the Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505, or call (505) 827-7131 within 15 days.

#15912

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

02100660000 01520568

Seay Eddie/Rena
601 W. Illinois
Hobbs, NM 88240

EXHIBIT VII
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM

P 847 038 450

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to New Mexico State Land office	
Street and No. 310 Old Santa Fe Trail, P.O. Box 1148	
P.O., State and ZIP Code Santa Fe, NM 87504-1148	
Postage X	$
Certified Fee X	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered X	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	$
Postmark or Date May 12, 1998	

PS Form 3800, JUNE 1991

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 847 038 450

MAIL

P 847 038 451

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Chisos Operating, Inc.	
Street and No. 310 W. Wall, Suite 804; P.O. Box 10865	
P.O., State and ZIP Code Midland, TX 79702	
Postage X	$
Certified Fee X	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered X	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	$
Postmark or Date May 12, 1998	

PS Form 3800, JUNE 1991

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P 847 038 451

MAIL

P 847 038 452

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Smith & Marrs, Inc.	
Street and No. P.O. Box 863	
P.O., State and ZIP Code Kermit, TX. 79745	
Postage X	$
Certified Fee X	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered X	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	$
Postmark or Date May 12, 1998	

PS Form 3800, JUNE 1991

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CERTIFIED

P 847 038 452

MAIL

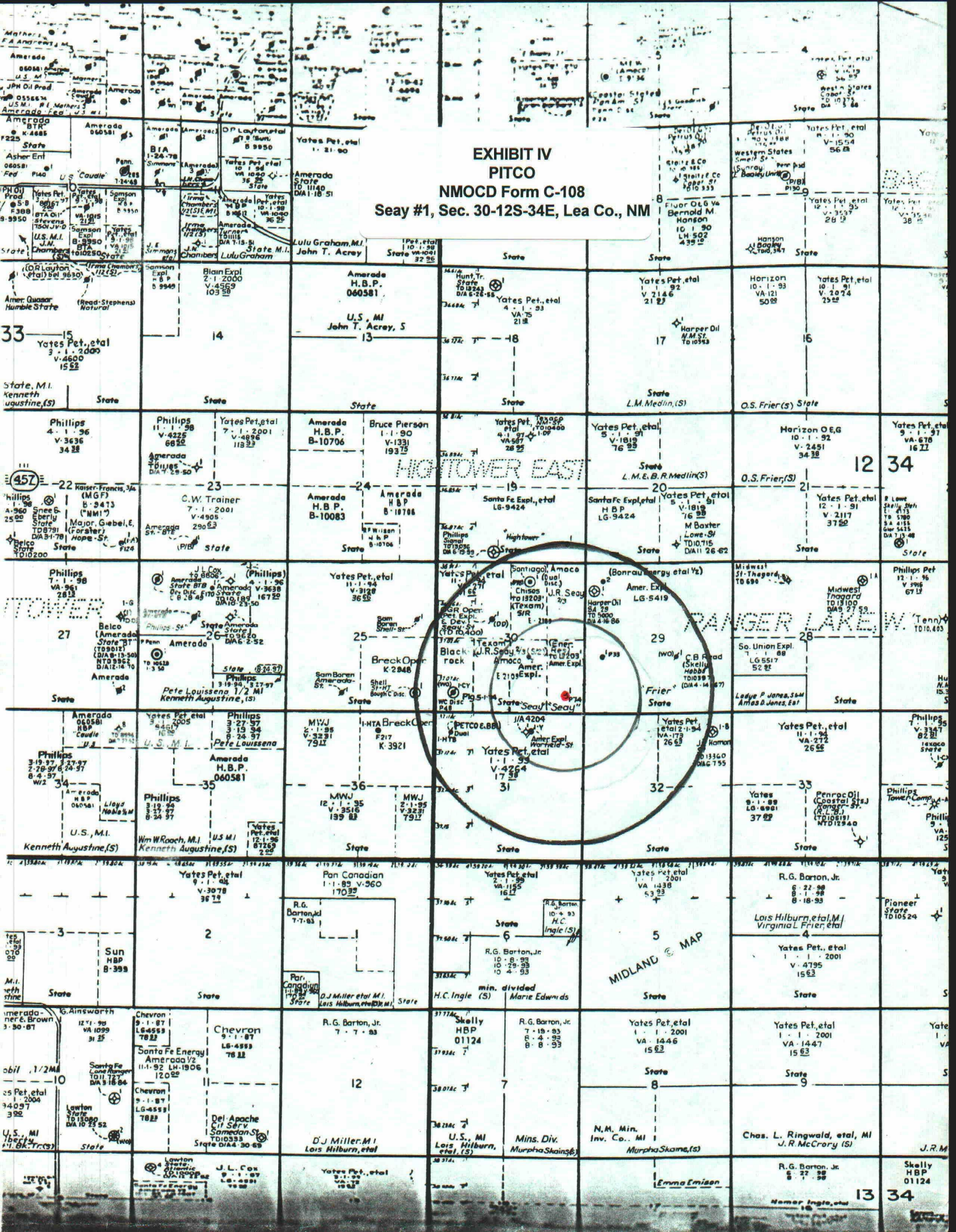
EXHIBIT IV
PITCO
NMOCD Form C-108
Seay #1, Sec. 30-12S-34E, Lea Co., NM
HIGHTOWER EAST
RANGER LAKE, W.
MIDLAND MAP

SWD 717

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

5/19/98

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

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

Gentlemen:

I have examined the application for the:

Prospective Investment & Trading Co Ltd Seay #1-P-30-12s-34e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Yours very truly,

Chris Williams
Supervisor, District 1

/ed