

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

400 N. PENN. SUITE 1000

P. O. BOX 1518

ROSWELL, NEW MEXICO 88202

PHONE 505 622-3770

December 2, 1998

BTA Oil Producers
Attn: Land Manager
104 S. Pecos
Midland, Texas 79701

DEC 10

RE: Request for Exemption to OCD Rule 701
Continental State #1
1976.6' FNL & 1970.1' FWL
Section 18 T10S-R34E
Lea County, New Mexico

Ladies & Gentlemen:

New Mexico Salt Water Disposal Company, Inc. has filed the attached application with the New Mexico Oil Conservation Division for a permit to dispose of produced salt water into the subject well. The well had previously been approved for disposal into the Bough "C" formation earlier this year, however, after receiving administrative approval and initiating injection into the Bough "C" formation, the casing collapsed at 7,100'. Without the disposal capacity of this well, New Mexico Salt Water Disposal Company, Inc. is suffering from a substantial decrease in revenue. For this reason we are filing the enclosed application to dispose of produced salt water into the San Andres formation.

If you are in agreement with our proposed application and waive the requirement for fifteen days (15) days of notification time pursuant to Rule 701, please sign below and send the original to the NMOCD in the enclosed postage paid envelope. Please fax one (1) copy to New Mexico Salt Water Disposal Company, Inc. at 505/622-8643. Time is of the essence and we would appreciate your prompt attention to this matter.

Sincerely,

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.


John C. Maxey, Jr.
Agent

JCM/sr/6.1/jcmltrs/waiver/bta

AGREED AND ACCEPTED THIS 7th DAY OF December, 1998.

SIGNED BY: Thomas J. Williams

AS REPRESENTATIVE OF: BTA OIL PRODUCERS