

SOUTHWEST ROYALTIES, INC
Southwest Royalties Building
407 N. Big Spring, Midland, TX. 79701-4326
P.O. Box 11390, Midland, TX. 79702-8390
(915) 686-9927, 1-800-433-7945



SOUTHWEST ROYALTIES

RECEIVED

APR 19 1999

OPERATIONS DEPARTMENT

April 14, 1999

Attn: Chuck Morgan
SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704

APR 16 1999

Re: Cities Federal SWD
Jalmat Tansill Yates 7 Rivers Field
Section 20, T22S, R36E
Lea County, New Mexico

Dear Mr. Morgan:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc. pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

Please sign in the space provided below and return to the undersigned in the postage paid envelope provided. Thank your assistance with this project.

Sincerely,

C.M. Bloodworth, P.E.
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

SDX Resources, Inc.

Chuck Morgan
Name

Prod. Engr.
Title

4/16/99
Date

SOUTHWEST ROYALTIES, INC.
Southwest Royalties Building
407 N. Big Spring, Midland, TX. 79701-4326
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(915) 686-9927, 1-800-433-7945



SOUTHWEST ROYALTIES

April 14, 1999

Attn: Chris Huff
Jack Huff
4000 N. Big Spring, Ste 101
Midland, Texas 79702

RECEIVED

APR 20 1999

OPERATIONS DEPARTMENT

Re: Cities Federal SWD
Jalmat Tansill Yates 7 Rivers Field
Section 20, T22S, R36E
Lea County, New Mexico

Dear Mr. Huff:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc. pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

Please sign in the space provided below and return to the undersigned in the postage paid envelope provided. Thank your assistance with this project.

Sincerely,

C.M. Bloodworth, P.E.
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

Jack Huff

Name CHRIS HUFF
Title OPERATIONS MANAGER

Date

4-16-99

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RECEIVED

APR 27 1999

OPERATIONS DEPARTMENT

Friday, April 23, 1999

Attn: Richard Lauderdale
Anadarko Petroleum Corporation
P.O. Box 2497
Midland, Texas 79702

Re: Cities Federal SWD
Jalmat Tansill Yates 7 Rivers Field
Section 20, T22S, R36E
Lea County, New Mexico

Dear Mr. Lauderdale:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc, pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

Please sign in the space provided below and return to the undersigned in the postage paid envelope provided. Thank your assistance with this project.

Sincerely,

C.M. Bloodworth, P.E.
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

Anadarko Petroleum Corporation

Richard E. Lauderdale

Name

PRODUCTION ENGINEER

Title

4/26/99

Date

SOUTHWEST ROYALTIES, INC.
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Monday, April 19, 1999

Attn: Mr. John Seay
Seay Exploration, Inc.
407 N. Big Spring, Suite 200
Midland, Texas 79701

Re: Cities Federal SWD
Jalmat Tansill Yates 7 Rivers Field
Section 20, T22S, R36E
Lea County, New Mexico

Dear Mr. Seay:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc, pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

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Sincerely,

C.M. Bloodworth, P.E.
Area Supervisor

The undersigned has no objection to conversion of the Cities Federal #2 to disposal.

Seay Exploration, Inc.

Name

Title

Date

Received for Record
May 5th, 1999
John Seay
Agent for
Quantum
Energy, Inc.

SOUTHWEST ROYALTIES, INC.
Southwest Royalties Building
407 N. Big Spring, Midland, TX. 79701-4326
P.O. Box 11390, Midland, TX. 79702-8390
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Tuesday, April 20, 1999

Attn: Ms. Bobbie Young
Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88220

Re: Cities Federal SWD
Jalmat Tansill Yates 7 Rivers Field
Section 20, T22S, R36E
Lea County, New Mexico

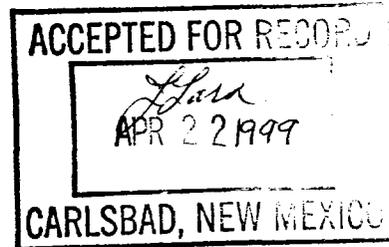
Dear Ms. Young:

As discussed, Southwest Royalties, Inc. has been disposing of water in its Cities Federal #1 well (Unit L), under Permit R7504. The well has experienced downhole mechanical problems and has been shut in pending approval to plug and abandon. Southwest Royalties, Inc, pending regulatory approval, plans to convert Cities Federal #2 (Unit M), to a disposal well. Southwest plans to dispose of water in the Seven Rivers and Queen formations. The Cities Federal is a commercial disposal handling water from several leases in the area. Therefore your assistance in providing a waiver of objection to this proposal will be appreciated. A copy of the permit application will be provided as soon as possible.

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Sincerely,

C.M. Bloodworth, P.E.
Area Supervisor



The undersigned surface owner has no objection to conversion of the Cities Federal #2 to disposal.

Bureau of Land Management

Name

Title

Date