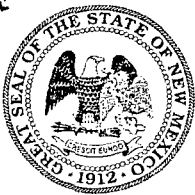


AP - 053

APPROVALS

3/27/2007



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 27, 2007

Mr. Charles B. Read
New Mexico Salt Water Disposal Company
P.O. Box 1518
Roswell, NM 88201

**RE: APPROVAL OF STAGE 1 ABATEMENT PLAN PROPOSAL
NEW MEXICO SALT WATER DISPOSAL COMPANY
STATION 11 TANK BATTERY
UNIT LETTER D, SECTION 21 TOWNSHIP 10 SOUTH, RANGE 34 EAST
LEA COUNTY, NEW MEXICO
AP053**

Dear Mr. Read:

On February 22, 2006, the New Mexico Salt Water Disposal Company (NMSWDCo) submitted a *Revised Stage 1 Abatement Plan Proposal* to design and conduct a site investigation that will adequately define site conditions, and provide the data necessary to select and design an effective abatement option at NMSWDCo's Station 11 tank battery site, located in Unit Letter D, Section 21, Township 10 South, Range 34 East, Lea County, New Mexico. The Oil Conservation Division (OCD) determined that the proposal was administratively complete on July 13, 2006. NMSWDCo published notice that it had submitted a Stage 1 Abatement Plan to OCD on September 20, 2006, in the Hobbs News-Sun and on September 21, 2006, in the Albuquerque Journal, pursuant to OCD Rule 19G (19.15.1.19.G NMAC). and documented its public notice in a letter submitted on January 29, 2007. NMSWDCo notified OCD on January 29, 2007, that it had also provided notice to the New Mexico State Land Office, the Lea County Commissioners, the Office of the Natural Resources Trustee, and Mr. Justin Johnson. Neither NMSWDCo nor OCD has received any comments on the proposed Stage 1 Abatement Plan.

After conducting a technical review, and as required by OCD Rule 19H, OCD approves of the Stage 1 abatement plan with the following conditions:

1. NMSWDCo shall submit its Stage 1 Report to OCD by August 1, 2007.

2. NMSWDCo shall copy OCD's Hobbs district office on all correspondence, work plans, reports, *etc.*

If you have any questions, please contact Glenn von Gonten at 505-476-3488.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Price', with a long horizontal flourish extending to the right.

Wayne Price
Environmental Bureau Chief

LWP:gvg

xc: Larry Johnson, OCD Hobbs District Office
John Maxey, NMSWDCo
Thaddeus Kostrubala, State Land Office