

H & M Disposal
P.O. Box 1544
Lovington, New Mexico 88260
April 9, 2008

Mr. William V. Jones
Oil Conservation Division
Engineering and Geological Services Bureau
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Info copy to: Pecos Operating Company, 400 W. Illinois Ave. Midland, TX 79701

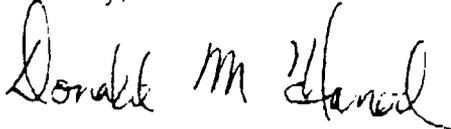
Dear Mr. Jones:

H & M Disposal recently received a copy of Pecos Operating Company's application to convert the former Shell Oil Company State "GA" No. 7 Sec. 16-T15S-R36E into a salt water disposal well.

We object to the granting of this permit for the following reasons:

1. The proposed disposal well is only 1320' away from our ongoing commercial installation that has been a gravity system for years.
2. The proposed well is unlikely to take the proposed volume of 4000 to 8000 bwpd without pumping at pressures that are likely to adversely affect our operation.
3. Pecos operating has declined to voluntarily limit the water to be disposed of to their on-lease production thus placing a competing commercial operation on our door step.

Sincerely,



Donald M. Harrod
Operator

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14122 Exhibit No. 11
Submitted by:
PECOS OPERATING COMPANY
Hearing Date: May 15, 2008