

TAHOE ENERGY, INC.



PHONE (915) 697-4173 • 3909 W. INDUSTRIAL AVE. • MIDLAND, TEXAS 79703
January 28, 1991

U.S. Department of the Interior
Bureau of the Land Management
Carlsbad Resource Area
P. O. Box 1778
Carlsbad, New Mexico

Attention: Ms. Cathy Queen

Re: Application for Approval to Maintain a Water Pit
Tahoe Energy, Inc., Hale Federal Com. #2
NE/4, SW/4, Sec. 22, T-20-S, R-30-E
Eddy County, New Mexico
Com. Agreement No. SW-699
Lease No. LC-063610

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Dear Ms. Queen:

O. C. D.
ARTESIA, OFFICE

In complying with Section IV of NTL-2B, we are submitting the following salt water disposal information on the above captioned lease:

1. The Hale Federal Com. No. 2 is located 1650' FSL & 1800' FWL of Section 22, T-20-S, T-30-E, N.M.P.M. Eddy County, New Mexico. The produced water from this well will be disposed of into an unlined surface pit located on the location. The evaporation rate will be average for the area and the percolation rate is normal. This subject well is located in the potash area in which there are no known sources of useable surface or subsurface water. There are no existing disposal facilities within two miles of this well. The well produces approximately 10-16 barrels of water per day.
2. A complete water analysis is attached.
3. A plat showing the location and size of the pit is attached. The pit will be covered with netting to prevent any bird entering into the pit.

Please advised if further information is required.

Very truly yours,

Kenneth A. Freeman
President

KAF/jt
Encl.