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PHILLIPS 66

PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79792 4001 penbrook

EXPLORATION AND PRODUCTION GROUP

September 25, 1987

Disposal of Produced Water James-A Lease Eddy County, New Mexico

OF LA ASTR

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Drawer DD Artesia, New Mexico 88210

Attn: L. A. Clements, Supervisor and Oil and Gas Inspector

Gentlemen:

Phillips Petroleum Company will begin construction of an unlined pit to be used for disposal of water produced from our James-A Lease wells. Authorization for this type disposal operation is granted by Order No. R-3221-B dated July 25, 1968. Our lease location is in Section 2, T-22-S, R-30-E, Eddy County, New Mexico, which is in the authorized area described in Order No. R-3221-B.

The pit will be in Unit J of Section 2 at a location just north of Well No. 2. Pit size is to be 200 feet by 200 feet and will have a depth of six feet below ground surface. A four foot retaining dike will be constructed around the entire pit and the location will be fenced. It is unknown at this time the total amount of produced water to be disposed of as it will depend on the final completion of Well Nos. 3 and 4.

If you desire any additional information, please call me at (915) 367-1488 or write to the letterhead address.

Sincerely,

faris M. Sanders

Larry M. Sanders, Supervisor Regulation and Proration

LMS/sdb REG/PRO6/james-a SEP 28 '87

Q. C. D. Artesia, Office