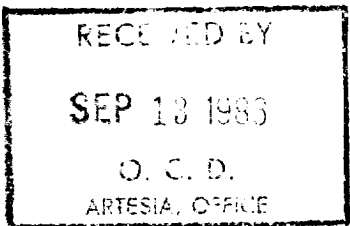


2-11-83 NMCD



"Specializing in Oil and Gas Operations on Federal Land"

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Hobbs, New Mexico 88240

September 6, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bureau of Land Management
P.O. Drawer 1397
Roswell, New Mexico 88201

NM 35607

RECEIVED
SEP 7 11 04 AM '83
BUREAU OF LAND MANAGEMENT
ROSSELL DISTRICT

Gentlemen:

This is to inform you, pursuant to the requirements of Rule 701, Rules and Regulations of the New Mexico Oil Conservation Division, that BBC, Inc. is filing an application with the Division for authority to dispose of produced salt water in the subsurface.

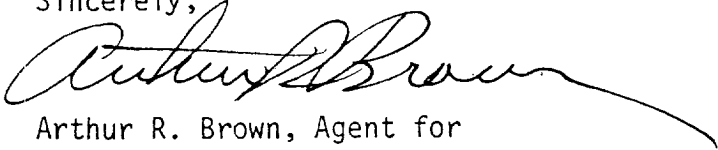
A copy of our application is enclosed for your information.

The proposed disposal well is on Federal land 660 feet from the north line and 1980 feet from the west line of Section 33, T.26 S., R.30 E., Eddy County, New Mexico. This well was drilled originally by Ike Lovelady as well No. 1 Ross Draw Federal to a depth of 14,365 feet to test the Morrow formation. No commercial shows were evident and the well is now in the process of abandonment.

An application is to be filed later with your office for a permit to re-enter this well and complete for salt water disposal into the Delaware formation.

BBC, Inc.'s application to the New Mexico Oil Conservation Division is set for hearing on September 14, 1983, as Case 7947.

Sincerely,


Arthur R. Brown, Agent for
BBC, INC.