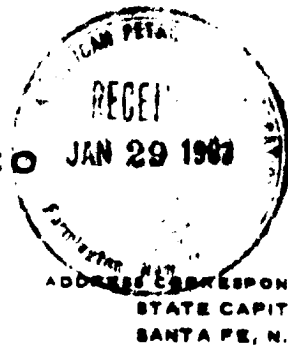




STATE OF NEW MEXICO
STATE ENGINEER OFFICE
SANTA FE

S. E. REYNOLDS
STATE ENGINEER

January 28, 1963



Pan-American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico

Attn. Mr. T. M. Curtis
District Superintendent

Dear Mr. Curtis:

Reference is made to my letter of January 11, 1963, and your reply dated January 16, 1963, concerning the disposal of salt water in the Entrada-Chinlee zone by using the USG Section 19 No. 17 Well.

This office has reviewed the analysis of Entrada water from the Navajo Tribal No. 1 well in Section 12, Township 29 North, Range 17 West and is inclined to agree with your statement that the Entrada water may have a total solids content in excess of 10,000 ppm in the subject field. Therefore, this office offers no objection to your proposal to inject salt water into the Entrada-Chinlee zone between the 2157 foot and 3100 foot interval by using Well No. 17.

Very truly yours,

S. E. Reynolds
State Engineer

By: *D. E. Gray*
D. E. Gray
Engineer
Water Rights Division

DEG/ma
cc-Mr. A. L. Porter, Jr.